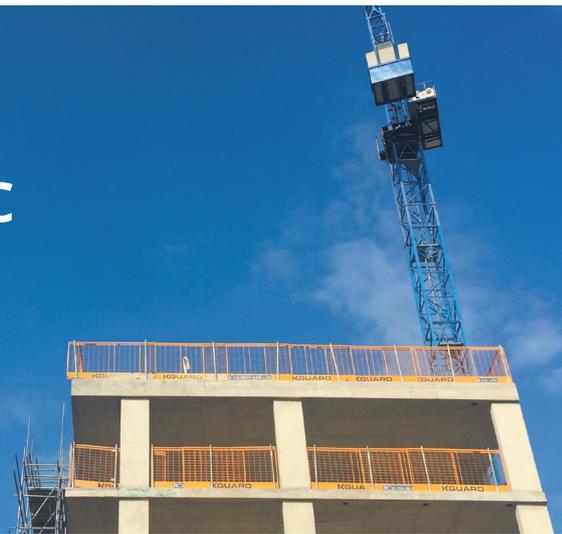


Walls & Futures REIT plc

Offer for Subscription and
Admission to the ISDX Growth Market



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are resident in the UK and in any doubt about the contents of this document or as to the action you should take, you should consult an authorised person who specialises in advising on the acquisition of shares and other securities and who is authorised under the Financial Services and Markets Act 2000.

The ISDX Growth Market, which is operated by ICAP Securities & Derivatives Exchange Limited (ISDX), a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a Regulated Market under EU financial services law and ISDX Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and includes a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in ISDX Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Walls & Futures REIT plc is required by ICAP Securities & Derivatives Exchange Limited to appoint an ISDX Corporate Adviser to apply on its behalf for admission to the ISDX Growth Market and must retain an ISDX Corporate Adviser at all times. The requirements for an ISDX Corporate Adviser are set out in the Corporate Adviser Handbook and the ISDX Corporate Adviser is required to make a declaration to ISDX in the form prescribed by Appendix D.

This admission document has not been examined or approved by ISDX or the Financial Conduct Authority.

This document has been prepared to the standards of an ISDX admission document in accordance with the ISDX Growth Market Rules for Issuers. It is not an approved prospectus for the purpose of section 85(1) of Financial Services and Markets Act 2000 and it has not been and will not be approved by and filed with the Financial Conduct Authority under the Prospectus Rules. Application has been made for the whole of the ordinary share capital of the Company, in issue and to be issued, to be admitted to trading on the ISDX Growth Market. It is expected that Admission will become effective, and unconditional dealings in the shares will commence on the ISDX Growth Market, on 17th October 2016.

The Company and the Directors, whose names and functions are set out on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this admission document is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" when considering an investment in the Company.

**Offer for Subscription and
Admission to Trading on the ISDX Growth Market
of shares in
Walls & Futures REIT plc**

WALLS & FUTURES

ISDX Corporate Adviser



CITY & MERCHANT

Offer for Subscription of up to 2,000,000 Ordinary Shares of 5p each at £1.00 per share

This document is a financial promotion under the Financial Services and Markets Act 2000 and has been approved for that purpose by City & Merchant Limited which is authorised and regulated by the Financial Conduct Authority.

City & Merchant Limited is acting exclusively for the Company in connection with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to customers of City & Merchant Limited or for advising any such person in connection with the Offer.

The minimum investment per investor under the Offer is £10,000 although the Directors, at their sole discretion, may accept subscriptions for a lesser amount. The Ordinary Shares will be subscribed for by each investor under the terms and conditions of this document, including the Terms, Conditions and Procedure for Application and the guidance notes accompanying the Application Form set out in Part 8 of this document and the Articles. The Offer is only available in the United Kingdom.

Certain statements contained in this document are forward-looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and the industry and markets in which the Company will operate, as well as on the Board's beliefs and assumptions made by the Board. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline", "target", "targeting" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements are not guarantees of future performance or of the ability to identify and consummate investments, which involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, certify or quantify. Therefore, actual outcomes and results may differ materially from those expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, conditions in the property market, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms, changes in the legal or regulatory environment, changes in taxation regimes and the Company's ability to manage its real estate assets by identifying and retaining appropriate tenants on satisfactory terms. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements apply only as at the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority and the ISDX Growth Market Rules.

Prospective investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or City & Merchant Limited. Without prejudice to the Company's obligations under the ISDX Growth Market Rules, neither the delivery of this document nor any subscription or purchase of shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Each prospective investor and existing investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, Japan, or South Africa or their respective territories or possessions, and documents should not be distributed, forwarded or transmitted in or into such territories. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or South Africa.

Copies of this document will be available to the public free of charge at the offices of City & Merchant Limited at 55 Old Broad Street, London EC2M 1RX during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website at www.wallsandfutures.com. The contents of the Company's website do not form part of this document.

All references in this document to "£", "sterling" and "pounds sterling" are to the lawful currency of the UK.

CONTENTS

DEFINITIONS	4
KEY INFORMATION	7
PART 1 INFORMATION RELATING TO THE COMPANY	9
PART 2 RISK FACTORS	18
PART 3 INFORMATION RELATING TO THE ORDINARY SHARES AND THE OFFER	24
PART 4 INFORMATION RELATING TO REITS	26
PART 5 FINANCIAL INFORMATION	36
PART 6 PROPERTY VALUATION REPORT	42
PART 7 STATUTORY AND GENERAL INFORMATION	50
PART 8 TERMS, CONDITIONS AND PROCEDURE FOR THE APPLICATION	78
APPLICATION FORM	83

DEFINITIONS

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

“Act”	the Companies Act 2006;
“Admission”	the admission of the entire issued and to be issued ordinary share capital of the Company to trading on ISDX and such admission becoming effective in accordance with the ISDX Growth Market Rules;
“Admission Document”	this document;
“AIF”	an alternative investment fund within the meaning of AIFMD;
“AIFM”	an alternative investment fund manager within the meaning of AIFMD;
“AIFMD”	Directive 2011/61/EU of the European Parliament and of the Council of 8th June 2011 on Alternative Investment Fund Managers;
“AIFM Regulations”	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773);
“Application Form”	the application form attached to this document for use in connection with the Offer;
“Articles”	the Articles of Association of the Company;
“Assured Shorthold Tenancy” or “AST”	an assured shorthold tenancy under Part 1 of Chapter II of the Housing Act 1988;
“Board”	the board of Directors of the Company;
“City & Merchant”	City & Merchant Limited, a company incorporated in England and Wales with company number 2723832, the Company’s Corporate Adviser for the purposes of the ISDX Growth Market Rules;
“City & Merchant Warrant”	the warrant, constituted within the Warrant Instrument, to subscribe for such number of Ordinary Shares as is equal to 1 per cent. of the issued share capital on Admission at the issue price granted to City & Merchant further details of which are set out in paragraph 11.5 of Part 7;
“Corporate Code”	the UK Corporate Governance Code published by the Financial Reporting Council dated September 2014;
“CREST”	the computer based system operated by Euroclear for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time;
“CTA 2009”	the UK Corporation Tax Act 2009;
“CTA 2010”	the UK Corporation Tax Act 2010;
“the Company”	Walls & Futures REIT plc, a company incorporated in England and Wales with company number 10071765;

“Directors”	the directors of the Company, as at the date of this document, as set out on page 7;
“Director Lock-In Agreements”	the lock-in agreements dated 28th July 2016 by each of the executive Directors as set out on page 7;
“DTR”	the Disclosure Rules and Transparency Rules made by the FCA under Part VI of FSMA;
“Euroclear”	Euroclear UK & Ireland Limited, the central securities depository for the UK market and Irish securities, and the operator of CREST, incorporated in England and Wales with company number 2878738;
“FCA”	the UK Financial Conduct Authority;
“FRS 102”	The Financial Reporting Standard applicable in the UK and Republic of Ireland;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Generation Rent”	those persons typically aged between 20 and 45 who feel ‘locked out’ of the UK property market and who consider that they will probably only ever rent a residential property rather than own it;
“the Group”	the Company and its Subsidiaries;
“HMRC”	Her Majesty’s Revenue & Customs;
“ISDX” or “ISDX Growth Market”	the ISDX Growth Market, a recognised stock exchange operated by ICAP Securities and Derivatives Exchange Limited;
“ISDX Growth Market Rules”	the ISDX Growth Market Rules for Issuers governing the admission and disclosure requirements of companies admitted to trading on ISDX;
“London Growth Fund”	Walls & Futures London Growth Fund Limited Partnership, a limited partnership registered in Scotland on 14th July 2009 with registered number SL007211;
“Management Incentive Plan”	the management equity incentive arrangements described in paragraph 7 of Part 7 of this document;
“the Offer”	the offer for subscription of 2,000,000 Ordinary Shares at the Offer Price on the terms and subject to the conditions contained in this document and the Application Form;
“the Offer Price”	£1.00 per Ordinary Share;
“Offer Shares”	the Ordinary Shares to be issued by the Company pursuant to the Offer;
“Official List”	the official list of the UK Listing Authority;
“Ordinary Shares”	the ordinary shares of 5p each in the capital of the Company with the rights as set out in the Articles;
“the Properties”	the properties at 54 Elsenham Street, London, SW18 5NT and 234 Durnsford Road, London, SW19 8DT, as more particularly described in the valuation report in Part 6 of this document;

“Property Rental Business”	a business within the meaning of section 205 of the CTA 2009 or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business (as per section 519(3) of the CTA 2010);
“Prospectus Rules”	the Prospectus Rules made by the FCA pursuant to section 73A of FSMA;
“Qualifying Property Rental Business”	a Property Rental Business fulfilling the conditions in section 529 of the CTA 2010;
“REIT”	a group or company which has elected for real estate investment trust status under Part 12 of the CTA 2010;
“REIT Group”	the Company and Walls & Futures Limited
“REIT Regime”	Part 12 of the CTA 2010;
“Restructuring”	the process by which the Company is to acquire the assets of Walls & Futures as described in the section headed Restructuring of the Walls & Futures London Growth Fund in Part 1 of this document;
“RIS”	a Regulated Information Service which is a primary information provider that is approved by the FCA to disseminate regulatory information to the market and is on the list of Regulated Information Services maintained by the FCA;
“Securities Act”	the United States Securities Act of 1933 (as amended);
“Shareholders”	holders of the Ordinary Shares;
“Subsidiary” and “Subsidiary Undertaking”	have the meanings respectively ascribed to them by section 1159 of the Act;
“Tax Exempt Business”	the Qualifying Property Rental Business of the Company;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	a division of the FCA acting as competent authority for the purposes of Part VI of FSMA;
“Walls & Futures Limited”	Walls & Futures Limited, a company incorporated in England and Wales with company number 06671463;
“Walls & Futures General Partner”	Walls & Futures (GP) Limited, a company incorporated in Scotland with company number SC362221;
“Walls & Futures Limited Partner”	Walls & Futures (LP) Limited, a company incorporated in England and Wales with company number 06953901;
“Walls & Futures Unit Trust”	Walls & Futures London Growth Fund Exempt Property Unit Trust, an exempt unauthorised unit trust;
“Warrant Instrument”	the warrant instrument executed by the Company and constituting the City & Merchant Warrant and the marketing commission warrants described in paragraph 11.7 of Part 7 of this document;
“Wigmore Jones”	Wigmore Jones Limited, a company incorporated in England and Wales with company number 7787866.

KEY INFORMATION

Walls & Futures REIT plc

(a public company incorporated with limited liability in England and Wales, Company Number 10071765)

DIRECTORS, SECRETARY AND ADVISERS

Directors	Joseph Kariuki McTaggart (<i>Chief Executive</i>) David Peter White (<i>Chief Operating Officer</i>) Peter Andrew Wylie (<i>Independent Non-Executive Director</i>)
Company Secretary	David Keith Papworth
Registered Office and Principal Trading Address	3rd Floor 111 Buckingham Palace Road London SW1W 0SR
Telephone	020 7340 8677
Website	www.wallsandfutures.com
Corporate Adviser	City & Merchant Limited 55 Old Broad Street London EC2M 1RX
Solicitors to the Company	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA
Property Valuers	John D Wood 4th Floor 1 Harewood Place Mayfair London W1S 1BU
Auditors and Reporting Accountants	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Registrar and Receiving Agent	SLC Registrars Ashley Park House 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Principal Bankers	Barclays Bank 114 Fenchurch Street London EC3M 5LY

SUMMARY OF THE OFFER

The following table shows the issued share capital of the Company immediately following the Offer, and assuming full subscription under the Offer.

The Offer Shares will rank *pari passu* with the existing Ordinary Shares in all respects.

Offer Price	£1.00
Number of Ordinary Shares issued and agreed to be issued as at the date of this document	2,265,225
Expected capitalisation pre Admission – Ordinary Shares in issue and agreed to be issued prior to the Admission, multiplied by the Offer Price	£2,265,225
Ordinary Shares in issue immediately following Admission (assuming full subscription)	4,265,225
Capitalisation post Offer (assuming full subscription) – Ordinary Shares in issue after the Offer multiplied by the Offer Price	£4,265,225
Number of Offer Shares as a percentage of the post Offer enlarged issued share capital	46.89%
Maximum number of Offer Shares	2,000,000
Expected gross total proceeds of the Offer receivable by the Company	£2,000,000
Expected net proceeds of the Offer receivable by the Company	£1,920,000
ISDX Growth/market ticker	WAFR
ISIN Number	GB00BD04QG09

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates below is subject to change without further notice.

References to a time of day are to London time.

Offer open	22nd August 2016
Closing date for the Offer (i.e. latest time and date for receipt of Application Forms)	5.00 p.m. on 30th September 2016
Admission and dealings in the Ordinary Shares to commence on ISDX	17th October 2016
Despatch of definitive share certificates (if applicable) in respect of Ordinary Shares	17th October 2016
CREST accounts expected to be credited with Ordinary Shares (if applicable)	17th October 2016

PART 1

INFORMATION RELATING TO THE COMPANY

INTRODUCTION

The Company was incorporated on 18th March 2016 to acquire the assets of the London Growth Fund by way of the Restructuring. As set out in the section headed Restructuring of The Walls & Futures London Growth Fund in Part 1 of this document, completion of the Restructuring is conditional on Admission. Launched in April 2011 the London Growth Fund has successfully implemented its investment strategy to acquire, redevelop and let residential property in South West London. At its last annual valuation as at 31st March 2016, the London Growth Fund had generated an un-gearred return of 41.7 per cent. being a gross annualised compound return of 7.7 per cent. and a net 7 per cent. compound return to investors after all costs.



Chart 1 Growth in value of one unit of the London Growth Fund from commencement to 31st March 2016

Further details of the London Growth Fund's financial performance are shown in Part 5 of this document.

The Company's objective is to acquire, develop and manage a portfolio of residential properties across the UK, with a particular focus on London and the South East for the private rental sector and countrywide for the Supported Housing sector. The Company is targeting a long term annual net return of between 7-9 per cent. with an estimated annual 3-4 per cent. distribution yield.

As a REIT the Company will not pay UK corporation tax on its profits and gains from its Qualifying Property Rental Businesses and will be required to distribute to Shareholders at least 90 per cent. of the profits arising from the Tax Exempt Business, as calculated for tax purposes, by the filing date of the Company's corporation tax return, which is 12 months after each year end. The tax characteristics of UK REITs are summarised in Part 4 of this document.

MARKET OPPORTUNITY

Structural demand/supply deficit

The growth in the UK population has put immense pressure on the housing market. The Office for National Statistics (ONS) estimated the UK population to be 64.6 million in 2014. The annual rate of growth has more than doubled from 145,900 per annum in 1992 to a peak of 525,700 per annum in 2011 and is projected to increase by 9.7 million over the next 25 years.

annual population change (thousands)

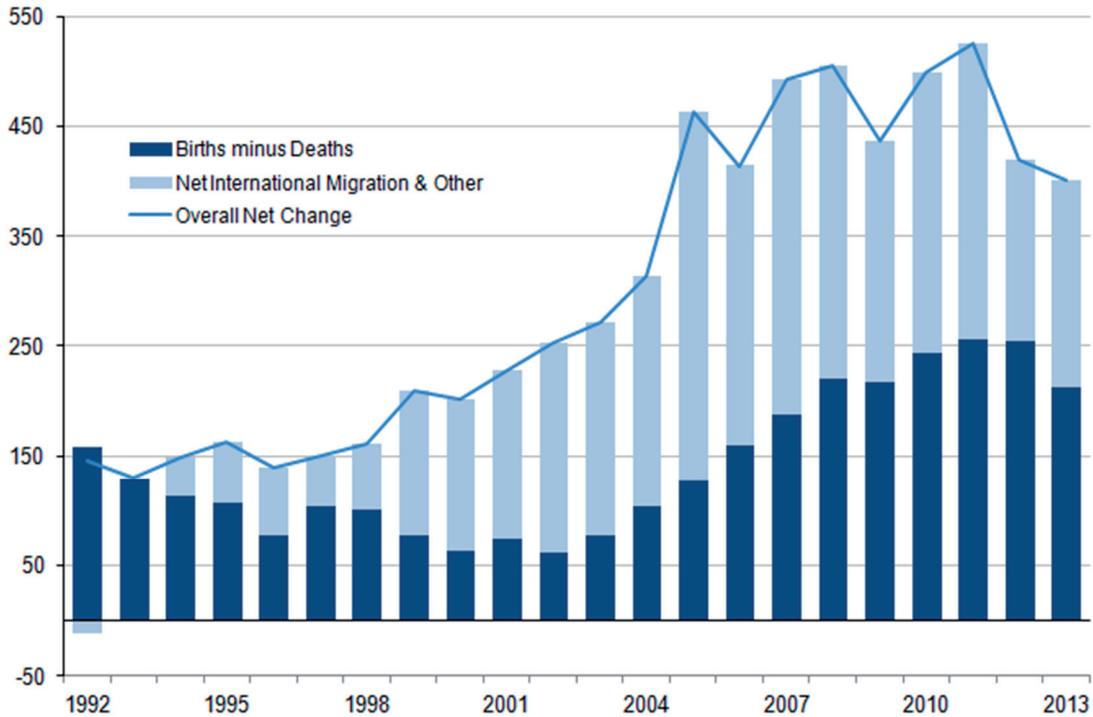


Figure 1 Main drivers of population change mid-1992 onwards (Source: ONS, NRS, NISRA)

The National Housing Federation estimate in its 2015 Spending Review that 245,000 new homes are needed per year to keep up with demand or risk generations of younger people being locked out of the housing market and being forced into long term renting.

With reference to the chart below, with limited exceptions in 2005 and 2007 housing starts have not materially exceeded 180,000 per annum in any of the last 15 years, it is therefore difficult to see how the housing shortage will be addressed in the short to medium term.

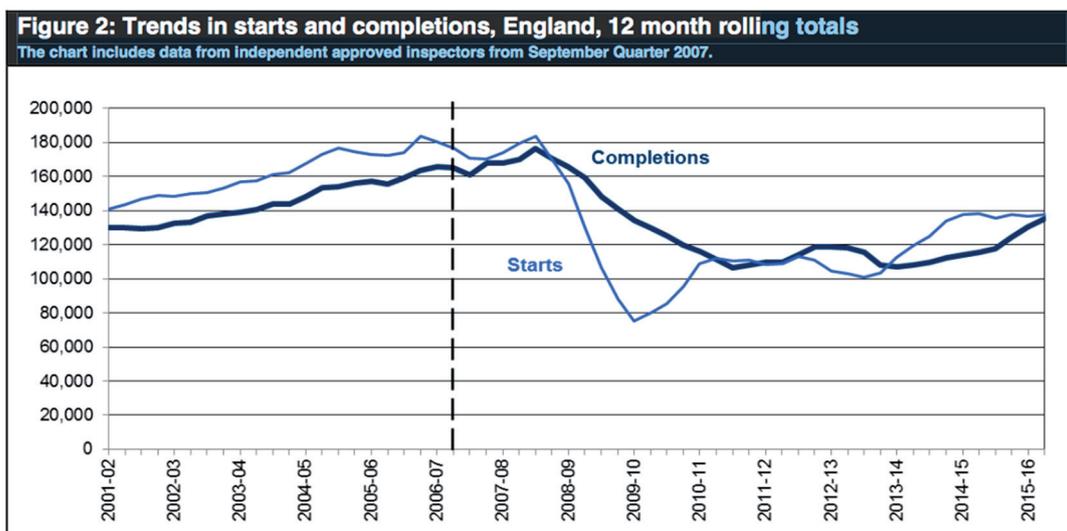


Figure 2 Source: Department for Communities and Local Government, Housing Statistical Release November 2015

London and the South East are particularly prone to a demand/supply imbalance, with the population of Greater London now projected to be at its highest level since 1939 and expected to surpass 9 million by 2020. As demand for housing has increased, strong price growth has occurred in recent years, particularly in Inner London. This has stretched affordability and increased the number of buyers choosing or being forced to look further afield for a home.

To address the housing shortage in Greater London, official policy aims to increase the number of new homes delivered. For example, the previous Mayor of London's stated policy was to double housebuilding to at least 42,000 homes a year for the next 20 years. Based on historical data an average of 20,000 to 25,000 homes per annum have been delivered over the past 30 years. To achieve this target policy measures adopted in the previous Mayor of London's housing strategy include actively encouraging local councils to release more land for small and medium sized developers to enter the market to create new homes and help regenerate London and its suburbs.

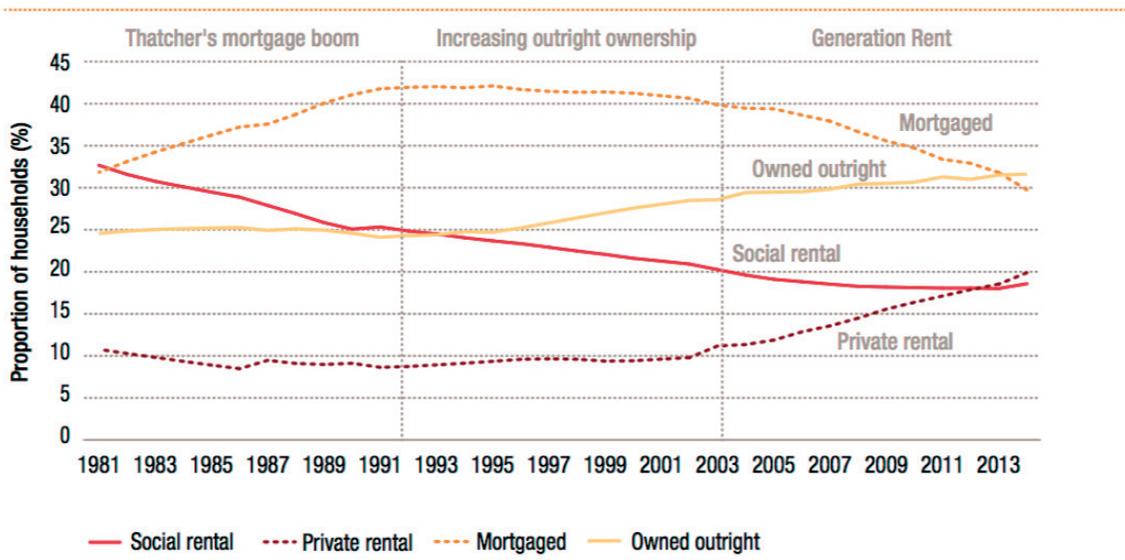
Trend towards renting

A recent English Housing Survey Headline Report 2014-15 highlighted a gradual decline in owner occupation from a peak of 71 per cent. in 2003 to 64 per cent. in 2014-15.

Those in private rented accommodation increased from 10 per cent. in 2002 to 19 per cent. in 2014-2015, equating to 4.3 million households. In contrast, the social rented sector has nearly halved, from 31 per cent. of all households in 1980, to 17 per cent. in 2014-15 as council homes continued to be sold and fewer replacements were built. There has also been a significant rise in the number of people aged 25-34 renting, since 2004 those renting privately has almost doubled from 24 per cent. to 46 per cent. in 2014.

PricewaterhouseCoopers Economic Outlook July 2015, identified a continuing rise of Generation Rent and that for younger generations, renting privately is now seen as the norm with many becoming home owners quite late in their adult lives. They went on to predict that by 2025 an additional 1.8 million households would become private renters.

Figure 3.3. UK share of households by tenure type, %



Source: PwC analysis of English Housing Survey, DCLG

A 2010 government consultation on 'investment in the UK private rented sector' looked at how to address housing demand and supply and identify if there were any substantive barriers to investment in the sector. A key focus of the policy context was to support housing supply by taking action in a number of areas including land availability, planning and regulatory requirements, industry capacity and provision of supporting infrastructure. Responses to the consultation included the observation that the Private Rented Sector could be attractive to institutional investment due to housing's low correlation with other assets, enabling greater diversification.

Fragmented and immature market with opportunity to consolidate

The UK residential market is estimated to be worth £6.17 trillion with the value of private rented homes representing £1.29 trillion (Savills Residential Property Focus Issue 1 1st February 2016).

The 2010 Private Landlord Survey on behalf of the Department for Communities and Local Government found that 89 per cent. of landlords were private individuals, 5 per cent. were company landlords and 6 per cent. were 'other organisation' landlords. Private individuals were responsible for 71 per cent. of all dwellings in the sector with 78 per cent. owning only a single dwelling for rent, comprising 40 per cent. of the private rented housing stock. Of those landlords 69 per cent. had let their properties for less than 10 years and only 8 per cent. were full-time, with the remainder being part-time.

Move to institutionalise the Private Rented Sector

The Finance Act 2012 made several changes to the REIT Regime by addressing barriers to entry and investment. The objective of the policy change was to support the property sector, encourage further investment and stimulate the construction industry. Significant support at both national and local planning authority level was given to encourage institutional investment in the private rented sector.

In 2015 and 2016, the Government introduced a number of changes which increased the cost of buying and holding residential investment property. Key changes included increasing upfront costs by imposing an additional 3 per cent. stamp duty land tax (SDLT), retaining the 28 per cent. rate of capital gains tax on residential property for resident and non-resident investors, and restricting finance cost relief for individual landlords. The Bank of England's and the Prudential Regulation Authority's (PRA) consultation paper dated March 2016 on Underwriting standards for buy-to-let mortgage contracts seeks reviews on a supervisory statement which sets out the PRA's proposals regarding its expectations of minimum standards that firms should meet when underwriting buy-to-let mortgage contracts. In particular, the PRA proposes that the firm should consider the likely future interest rates over a minimum period of 5 years from the expected start of the buy-to-let mortgage contract. Even if the interest rate determined indicates that the borrower's interest rate will be less than 5.5 per cent. during the first 5 years of the buy-to-let mortgage contracts, the firm should assume a minimum borrower interest rate of 5.5 per cent. The Directors are of the opinion that the implementation of these proposals could lead to the amount borrowers can borrow being reduced.

Supported Housing Sector

Within the Social Housing Sector, supported housing is an area that provides housing based solutions for vulnerable people who require support and care services, either to remain in the community or to address particular problems such as physical or learning disabilities or challenging behaviours. It enables users to live as independently as practicable and participate in the community. Depending on individual needs, users may have support workers visiting regularly or living in their own self-contained accommodation on site.

Supported housing is distinct from general needs social housing as higher staffing levels are needed to provide care and support in addition to general housing management. There is a requirement for quality purpose built accommodation, adapted to the needs of its users, within areas close to amenities, public transport links and relatively quiet neighbourhoods. As a result these types of accommodation command higher rents to be paid to providers.

In December 2015, a report produced for the National Housing Federation highlighted the shortfall in available supported housing places. It found that the need for supported housing of working age was 125,196 lettings during 2015/16, against an estimated 109,556 available places, amounting to a shortfall of 15,640 (over 14 per cent. of existing supply). The shortfall is expected to grow to 29,053 by 2019/20 and 46,771 by 2024/25 if current trends continue.

Rental Growth Forecasts

Forecasts from 3 of the leading agents in London suggest that rental growth for the next 5 years will be on average 3.7 per cent. per annum for London and 3 per cent. per annum for the UK.

<i>London</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>5 year</i>
JLL	5%	4.5%	4%	3.5%	3%	21.7%
Knight Frank	2%	2.5%	3%	3.5%	3.5%	15.4%
Savills	4%	4%	4%	4.5%	4.5%	22.8%
<i>UK</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>5 year</i>
JLL	4.5%	4%	3.5%	3.5%	3%	19.9%
Knight Frank	1.9%	2.1%	2.3%	2.5%	2.6%	11.9%
Savills	3%	3%	3%	3%	3.5%	16.5%

Source: Knight Frank: Forecast November 2015 (Prime Outer London), Savills market update February 2016, JLL Building Foundations November 2015 (Greater London)

Capital Growth Forecasts

Forecasts from 3 of the leading agents in London suggest that capital growth for the next 5 years will be on average 4.2 per cent. for the South East, 3.6 per cent. per annum for London and 3.7 per cent. per annum for the UK.

<i>South East</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>5 year</i>
JLL	5.5%	5%	5%	4.5%	4%	26.4%
Knight Frank	4%	4%	4%	3%	4.5%	21.2%
Savills	7%	4%	4%	3%	2%	21.6%
<i>London</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>5 year</i>
JLL	5.5%	5%	4.5%	4%	3%	24%
Knight Frank	5%	4.5%	3%	3%	2.5%	19.3%
Savills	5.5%	2%	2%	2.5%	2.5%	15.3%
<i>UK</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>5 year</i>
JLL	5%	4.5%	4.5%	4%	3%	22.8%
Knight Frank	4.1%	4.1%	3.5%	3.1%	4%	20.3%
Savills	5%	3%	3%	2.5%	2.5%	17%

Source: Knight Frank: Forecast November 2015, Savills market update February 2016, JLL Building Foundations November 2015 (Greater London)

INVESTMENT STRATEGY AND FUTURE PROSPECTS

The future prospects of the Company are dependent on the skill and abilities of the management team to identify and complete investments as described below. The Company's strategy is to invest surplus resources in the following sectors.

Private Rental Sector

The Company will target the acquisition of residential properties across the UK, with a particular focus on London and the South East. The Company's policy is to target properties situated with close proximity to transport links in areas that should benefit from medium term gentrification. Once refurbished or developed the Company aims to rent out the properties with rents normally reviewed annually to maximise returns and minimise voids.

Supported Housing Sector

The Company's strategy for supported housing assets is to target properties outside London and the South East initially. The Company's strategy is to refurbish such properties to meet a housing need as set out by

the end tenant, a Local Authority or Housing Association who will typically take long term self-insuring and self-repairing leases. The Directors expect that rents will increase in line with inflation.

Target opportunities

The Company's strategy is to target the following:

- Development sites with planning, where possible, to build housing;
- Development sites without planning where the Company believes there is a strong likelihood of obtaining suitable planning consent to develop the site for residential use;
- Commercial properties with potential to be converted to residential use;
- Houses that can be converted into apartments;
- Houses and apartments that require refurbishment;
- Joint ventures with other developers, local authorities and housing associations.

CURRENT PORTFOLIO OF THE LONDON GROWTH FUND

The London Growth Fund's current properties are as follows:

- Ground Floor Flat, 54 Elsenham Street, London SW18 5NT 2 bedroom, 1 bathroom, garden flat
Currently let at £1,950 pcm on an Assured Shorthold Tenancy
- Upper Floor Flat, 54 Elsenham Street, London SW18 5NT 3 bedroom, 2 bathroom, top floor flat
Currently let at £2,000 pcm on an Assured Shorthold Tenancy
- 234 Durnsford Road, London SW19 8DT 2 bedroom, 1 bathroom, Freehold, 2 storey mid-terraced House
Planning permission has previously been granted for a loft and rear extension. The Directors expect this redevelopment to commence shortly after Admission

In addition to the acquisition of the London Growth Fund portfolio, the Directors have identified a number of potential opportunities that fit the investment strategy set out above following Admission.

While the above represents the Company's current strategy in light of current market conditions, it is possible that the Board may change the Company's property investment strategy and activities from time to time to reflect changes in market conditions.

DIRECTORS

Chief Executive

Joe McTaggart (*aged 41*)

Joe has over 15 years' property experience having begun his career in property in 2003 with Foxtons, one of London's largest estate agents. Based in the company's Fulham office, it provided a dynamic training ground where he developed a thorough understanding of the Central and South West London residential property market.

In 2005 he was approached by TIC Invest, a Mayfair based property investment company, and invited to join them in order to grow their sales division. During his tenure, he became Sales & Marketing Director with responsibility for the core business functions and developed TIC Invest into one of the UK's largest property investment companies sourcing, financing and providing asset management for over £350 million worth of UK real estate.

Joe founded Walls & Futures in 2008 as a property investment consultancy providing advice and sourcing high yielding property investments for private clients. He saw an opportunity for an investment vehicle that

would take advantage of the downturn in the London residential market for clients using their pensions and successfully launched the Walls & Futures London Growth Fund in 2011.

Chief Operating Officer

David White (aged 35)

David began his career in property in 2005 on a graduate programme for the Chancellors Group of Estate Agents. In 2006, he joined TIC Invest, a Mayfair based property investment company where he assisted clients in building UK residential property portfolios under the directorship of Joe McTaggart. In 2008, he relocated to the United Arab Emirates to work as a Consultant for a property fund, managing client relationships and identifying acquisition opportunities in the region.

In 2011 David joined Walls & Futures and co-founded the Walls & Futures London Growth Fund. With the Walls & Futures London Growth Fund fully invested, David took a position with Berkeley Group PLC, a major UK house builder, where he specialised in bringing new development sites to market and maximising sales values on existing projects.

David returned to Walls & Futures full time in 2016 with a wealth of property experience to assist with the growth of the Company.

Non-Executive Director

Peter Wylie (aged 69)

Peter has spent over 30 years working in the financial services sector during which time he has built a successful actuarial practice. In addition to setting up and administering pension schemes he brings with him a wealth of experience in assessing and minimising risk to businesses.

Peter has been extensively involved with property investment both for his clients' pension schemes and for his own business. He has acquired a number of properties requiring redevelopment in both the residential and commercial sectors.

In 2006, as a result of Peter's involvement in other property transactions, principally the acquisition of the premises of the Royal Scottish Automobile Club in Glasgow, Peter founded Dunadd Asset Management Ltd to operate property funds. Peter has acted as Chief Executive of Dunadd since it was incorporated and he is approved by the FCA to perform controlled functions in an authorised firm.

Director's Lock-In Arrangements

Joe McTaggart and David White have signed Director Lock-In Agreements which are conditional upon Admission, as described in Part 7 paragraph 11.3 of this document. These provide that, subject to certain exceptions, all of the Ordinary Shares held by them will be locked in for the period of 12 months following Admission.

RESTRUCTURING OF THE WALLS & FUTURES LONDON GROWTH FUND

The Company was incorporated on 18th March 2016 and acquired the whole of the issued share capital of Walls & Futures Limited on 14th June 2016. The Company has approved a steps plan to implement the Restructuring by which, conditional on Admission, it will acquire the assets of the London Growth Fund. In general terms the Restructuring involves the acquisition of the Properties through a restructuring process in which ordinary shares in the Company of a corresponding value are issued to the London Growth Fund investors. Completion of the acquisition of the Properties is conditional upon Admission.

The objective of the Restructuring is to establish a tax efficient structure for continuing to raise capital and offering investors a tradable security. The company (incorporated as City & Merchant Shelf 6 Limited) re-registered as a public company limited by shares and changed its name to Walls & Futures REIT plc on 26th July 2016.

As part of the Restructuring, the Company will make an application for admission to trading on the ISDX Growth Market and for REIT status. Following the Restructuring the Directors intend that the London Growth Fund will be dissolved.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the acquisition, development and holding, for the purposes of letting, of residential and commercial property within the UK.

COMPETITION

The property market in the UK is complex and has many investors from very large listed companies to individual landlords holding a single property. The Company is focused on “build to let” as much as “buy to let” where it considers the competition to be less severe.

FINANCIAL CONDITION

Current Trading

The Company has obtained an independent formal valuation of the Properties as of 31st March 2016 and has had the opening balance audited for the purposes of its admission to ISDX. Further financial information is given in Part 5 of this document. The Company has no debt and is able to meet its liabilities from its current income.

Historic Performance

Part 5 of this document includes an accountant’s report on the financial performance of the London Growth Fund (which was itself audited) as adjusted to reflect the financial performance as if the London Growth Fund had been a company at that time. The accounting policies applied are those of FRS 102 which will be applied to the Company going forward.

Bank Borrowing and Further Issues of Equity

The Company has no constitutional borrowing limits. The REIT Regime imposes an interest cover test whereby income profits of the tax exempt business of a REIT must be at least 1.25 times the costs of financing that business. If this condition is not met, the Company will be required to pay corporation tax on an amount of income equivalent to the excess financing costs or 20 per cent. of the tax exempt business profits if that is less.

The Company does not have any current borrowings and thus will meet the interest cover test on Admission. The Directors intend to continue to do so thereafter. While the Company may require to borrow on a short term basis, its current policy is to avoid long term leverage. As the Company expands, it is expected to wish to raise further equity capital in due course.

CORPORATE GOVERNANCE

The Corporate Governance Code does not apply to companies admitted to trading on the ISDX Growth Market, therefore the Company is not required to comply with the Corporate Governance Code. However, the Directors intend to follow the Corporate Governance Code principles of corporate governance appropriate for a company of the Company’s size and nature.

The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees of the Company with the provisions of the ISDX Growth Market Rules relating to dealings in securities of the Company.

The Company has adopted a share dealing code for this purpose. The form of this code is substantially the same as the dealing code and policy developed by the ICSA: The Governance Institute, GC 100 and the Quoted Companies Alliance, published in June 2016. The Company intends to update this code appropriately with regard to any guidance subsequently issued by the FCA.

DISSEMINATION OF REGULATORY NEWS

The Company will apply for the Ordinary Shares to be admitted to trading on ISDX and has entered into appropriate arrangements with a RIS in order to comply with the ISDX Growth Market Rules.

TAXATION

As part of the Restructuring, the Company intends to elect for group REIT status for itself (as principal company) and Walls & Futures Limited.

DIVIDEND POLICY

The REIT Regime requires that the Company distributes, on or before the filing date for the Company's tax return, an amount equal to (a) at least 90 per cent. of the profits from the Group REIT's Property Rental Business in the UK, and (b) in the event that a member of the Group were to receive a distribution from another UK REIT (qualifying as "REIT development profits" within the meaning of section 549A of the CTA 2010), an amount equal to that distribution; if the Company were not to distribute such amounts, it would suffer a charge to corporation tax. The Company is not expected to generate a material net profit from the tax exempt business until its third financial year after Admission (the year to 31st March 2019 and consequently does not expect to commence the payment of material dividends until after the approval of the accounts for that year. This outcome cannot be guaranteed and is subject to the Company's performance, to available cash and to the Directors being satisfied that the Company will have sufficient distributable reserves, in accordance with the provisions of the Act, at the relevant time.

FOREIGN SECURITIES REGULATIONS

Potential investors should note that the Ordinary Shares have not been and will not be registered under the Securities Act or the applicable securities laws and regulations of any state of the United States and may not be offered or sold within the United States, Canada, Australia, Japan, South Africa except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. An investor who is in the US or otherwise a US person (as defined in Regulation "S" under the Securities Act), must confirm that he falls within a relevant exemption and that he will not offer or sell Offer Shares within the United States except in accordance with applicable exemptions.

REGULATORY POSITION OF THE COMPANY

In accordance with the European Union directive on the regulation of Alternative Investment Funds, as implemented in the UK, AIFMD, the Board has assessed the requirements of AIFMD in relation to the Company and expects that the FCA will consider the Company to be a small registered UK AIFM. The Board intends for the Company to be a small internally managed AIF. Accordingly, the Company, whilst it holds this registration, would not be subject in the UK to, *inter alia*, the marketing restrictions placed on AIFs and AIFMs under the AIFM Regulations. The Company has submitted the appropriate application to the FCA. It is anticipated that the FCA will take some time to process the application. Further information is provided in Part 2 of this document.

PART 2

RISK FACTORS

An investment in the Ordinary Shares is subject to a number of risks. Accordingly, prospective investors should consider carefully all the information available publicly as well as set out in this document and the risks attaching to the Company prior to making any investment decision. In addition to the other relevant information available to investors, the Directors consider the following risk factors to be of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors may apply. Any one or more of these risks could have a material adverse effect on the value of the Company and should be taken into account in assessing the Company.

Prospective investors should consider carefully all the information in this document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Company and which are currently known to the Directors. These risks and uncertainties are not the only ones facing the Company and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Company's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Company and its shareholders.

General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Prospective investors should therefore consult an independent financial adviser authorised under FSMA or other appropriately authorised professional adviser before investing.

A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. The Company does not have a fixed winding up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market.

Investment in the Company should not be regarded as short-term in nature and investors must be prepared to take a medium to long-term view of their investment. There can be no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the trading objectives of the Company will be achieved. The results of the Company's operations will depend on many factors, including, but not limited to, the availability of opportunities for the acquisition of assets, the performance of any property manager, the level and volatility of interest rates, relevant future government policy changes, readily accessible funding sources, conditions in the financial and property markets and general economic conditions.

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

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends (including the outcome of negotiations by the UK government following the 23rd June 2016 referendum on EU membership), tax laws, regulation and other factors can substantially and adversely affect the Company's prospects.

A. RISKS RELATING TO THE COMPANY AND ITS BUSINESS

Restructuring

As set out in the section headed the Restructuring of the Walls & Futures London Growth Fund in Part 1 of this document, in general terms the Restructuring involves the acquisition of the Properties through a restructuring process in which ordinary shares in the Company of a corresponding value are issued to the London Growth Fund investors. At the date of this document completion of the Restructuring and the acquisition of the Properties is conditional upon the implementation of the restructuring steps and upon Admission. Admission is subject to the approval of ISDX and there can be no guarantee that Admission will proceed or that REIT status will be achieved.

Short Operating History

The Company is a newly incorporated company. An evaluation of the Company and its prospects has therefore been based on the achieved 5 year financial performance of the London Growth Fund adjusted to reflect the financial performance as if the London Growth Fund had been a company throughout that period. The past performance of the Properties is not indicative of the future.

Attraction and Retention of Key Personnel, including Directors

Although experienced the Company has a small management team, and the loss of a key individual or inability to attract suitably qualified staff could materially and adversely impact upon the business and financial condition of the Company. The success of the Company depends on the ability of the Directors and staff to market the Company's skills and services effectively, deliver complex projects to time and specification and to interpret and respond appropriately to technological, economic, market and other conditions.

No assurance can be given that individuals with the required skills will continue their association or employment with the Company or that replacement personnel with comparable skills can be found. The Board has sought to, and will continue to, ensure that the Directors and any key employees are appropriately incentivised. However, their services cannot be guaranteed.

Competitors

The Company's activities take place in a highly competitive market place. There can be no guarantee that the Company is able to find and invest in properties which provide a better return than that available generally in the market place. Many competitors have greater financial resources than the Company and a greater ability to borrow funds to acquire assets. Competition for attractive investment opportunities may lead to higher asset prices which may affect the Company's ability to invest on terms which the Directors consider attractive. Such conditions may have a material adverse impact on the Company's ability to secure attractive investment opportunities and consequently may have an adverse effect on the financial performance of the Company and the market price of the Ordinary Shares.

Realisation of the Business Plan

The Company's projections and its ability to realise its business plan are reliant on a number of factors outside the Company's control. These include:

- Government action and changes to regulation: the Company's status as a REIT and the benefits to be obtained are dependent on the UK Government not changing the legislative provisions relating to REITs or tax legislation more generally.
- Planning: The Company's ability to develop its properties may be dependent in part on receiving planning permission and consents. There can be no guarantee that such permissions will be forthcoming.
- Stamp Duty rates and the costs of dealing in property generally may change.
- The market in property maybe adversely affected by other events, particularly changes in interest rates, the general economic environment and other factors that may affect the availability of suitable tenants for the Group's properties, including the Properties.

Dependence on Amount Raised

Investors should note that if the Offer is not fully subscribed the Company will be unable to carry out its business plan in full. In particular the Company's development plans will be scaled back appropriately. Accordingly the Company's revenue growth and profitability may be adversely affected and it may be forced to seek further funding which may not be on commercially advantageous terms or may result in the issue of Ordinary Shares by the Company at a price lower than the Offer Price.

Valuation of the Ordinary Shares

The Company valuation inherent in the Offer Price has been based on the projected net assets of the Company following completion of the Restructuring. The Company believes that, with the experience of the

management team and the positioning of the Company's assets, this represents a fair valuation of the business. There can be no guarantee that the business will be able to maintain this valuation.

Investments in real estate and real estate related securities and businesses are inherently difficult to value as there is no liquid market in the underlying assets or pricing mechanism. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price achieved even where such sales occur shortly after the date of valuation. Although the Directors will review the valuations prepared for any potential acquisitions, the Company may not be able to confirm independently the accuracy of valuations commissioned.

Force Majeure

The Company may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Dilution of Shareholders Interests as a result of Additional Equity Fundraising or Acquisition

The Company may in future require additional equity financing. While the Act contains pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied by special resolution of the Shareholders and do not apply where there is non-cash consideration. Therefore, any additional equity financing may be dilutive to the Company's existing Shareholders at that time.

The Directors are currently authorised to allot equity securities for cash on a non pre-emptive basis: (i) pursuant to the Offer; (ii) in connection with an offer of such securities by way of a rights issue; and (iii) such further Ordinary Shares up to an aggregate nominal amount of £500,000. Further details of the authorities granted to Directors are set out in Part 7 of this document.

B. RISKS RELATING TO TAXATION

This section should be read in conjunction with Part 4: information relating to REITS.

There is no guarantee that UK REIT status will be obtained for the Company and Walls & Futures Limited or that they will maintain UK REIT status, if and when obtained.

If you are in any doubt as to your tax position you should consult your own professional advisers.

Risks relating to the Restructuring

HMRC may seek to use tax anti avoidance legislation to counteract the tax treatment of the Restructuring. Counteraction under a relevant measure, such as the general anti abuse rule or section 75A of Finance Act 2003, could result in additional tax being payable by the Company in respect of the Restructuring, which would affect the profitability of the Company in the short term.

Risks relating to the REIT Status of the Company

The Company has elected for REIT status effective following Admission for itself and Walls & Futures Limited as a group REIT in which the Company will be the principal company. It is the expectation of the Directors that the Company will satisfy the relevant conditions applicable to the principal company of a group REIT and the Company and Walls & Futures Limited will fulfil the relevant qualifying conditions for UK group REIT status.

However, the requirements for obtaining and maintaining REIT status are complex. Further detail on these conditions is included in Part 4 of this document. The basis of taxation of any Shareholder's holding in the Company will change fundamentally if the Company fails to achieve or ceases to maintain its UK REIT status. If the Company fails to obtain UK REIT status or remain qualified as a UK REIT, its rental income and gains will become subject to UK taxation, with effect from the date that UK REIT status is treated as lost.

The Company cannot guarantee continued compliance with all of the UK REIT conditions and as such there is a risk that the UK REIT Regime may cease to apply in some circumstances. Whether the REIT Group is required to exit the REIT Regime as a result of a breach of condition will depend on which condition is breached, how extensive the breach is and whether that condition and/or other conditions have already been breached.

A breach of certain conditions of the regime will result in an automatic loss of REIT status. These are the conditions relating to the share capital of the Company, the prohibition on entering into loans with abnormal returns, and the requirement that the Company is UK tax resident, and is not dual tax resident or an open ended investment company. All of these conditions are within the control of the Company to manage.

HMRC may require the REIT Group to exit the UK REIT Regime if:

- it regards a breach of conditions or failure to satisfy the conditions relating to the UK REIT Regime as sufficiently serious. These are the conditions requiring the REIT Group to have at least 3 rental properties, for no one property to exceed 40 per cent. of the value of the portfolio, to distribute 90 per cent. of rental profits, and for 75 per cent. of assets and income to derive from investment property;
- the Company has made such a serious attempt to avoid tax that HMRC consider that the benefits of the regime should be withdrawn;
- the Company has committed at least 4 minor breaches of various conditions in a 10 year period which, under the rules of the regime, did not require immediate loss of status;
- HMRC has given the Company at least 2 notices in relation to the avoidance of tax within a 10 year period; or
- some of the shares of the Company are not traded by the end of the third accounting period after Admission, which is expected to be October 2016.

The REIT Group could lose status as a UK REIT as a result of actions by third parties, for example, in the event of a successful takeover of the Company by a company that is not a UK REIT or due to a breach of the close company condition (see below: "Risks relating to Close Company Status of the Company") if it is unable to remedy the breach within a specified timeframe, or if it is unable to meet the close company test within 3 years of Admission. It is also a requirement of the REIT Regime that at least 2 shares in the Company are traded by the end of the third accounting period after UK REIT status is achieved, which is expected to be 31st March 2019. If this condition is not met, then HMRC may direct that REIT status is lost with effect from the end of the second accounting period, which is expected to be 31st March 2018.

In many circumstances, a breach of a condition that results in a loss of UK REIT status will result in a loss of status with effect from the end of the accounting period prior to the breach. For this reason, it is possible that the REIT Group may lose UK REIT status from the first day of joining the UK REIT Regime.

The impact of loss of UK REIT status is that profits of the property rental business will be subject to corporation tax with effect from the date of exit from the regime. It should be noted that the Company would still be required to pay distributions arising from profits that were afforded tax exemption under the UK REIT Regime (and under deduction of withholding tax) even following exit from the regime.

If the Company/REIT Group were to be required to leave the UK REIT Regime within 10 years of joining, HMRC has wide powers under the early exit provisions to direct how they are to be taxed (both before and after leaving the UK REIT Regime), including in relation to the date on which they would be treated as exiting the UK REIT Regime which, could have a material impact on the financial condition of the REIT Group and, as a result, shareholder returns.

Risks relating to Close Company Status of the Company

Following the Restructuring, the Company will not be a close company. The principal company of a group REIT must not be a close company by the end of its first 3 years of REIT status. If the close company condition is breached after the initial 3 year period following Admission, the REIT Group may lose its UK REIT status and under certain circumstances HMRC may apply the early exit provisions referred to above to remove tax exemptions previously obtained under the UK REIT Regime.

Risks relating to the Distribution Condition

To obtain full exemption from UK tax on the tax exempt business under the UK REIT Regime, the Company (as principal company of the REIT Group) is required, amongst other things, to distribute annually, within 12 months of the end of each accounting period, an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distribution, or PID. The Company would be required to pay corporation tax at regular corporate rates on any shortfall to the extent that it distributes as a PID less than the amount required to meet the 90 per cent. distribution test each year.

Differences in timing between the receipt of cash and the recognition of income for the purposes of the UK REIT rules could require the Company to finance the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a UK REIT, even if the then prevailing market conditions are not favourable for raising further capital, or to suffer the tax penalty.

Risks Relating to the Financing Condition

The UK REIT Regime imposes an interest cover test whereby profits of the tax exempt business of the REIT Group must be at least 1.25 times the costs of financing that business. If this condition is not met then the Company is required to pay corporation tax at regular corporate rates on an amount of income equivalent to the excess financing costs or 20 per cent. of the tax exempt business profits if that is less.

The Company will not be able to pursue growth solely from cash provided from its operational activities due to its minimum 90 per cent. distribution obligation under the UK REIT rules. Consequently, the Company may be forced to rely on the availability of debt or equity capital to fund future growth. However, there is no certainty that such funding will be available to the Company either on acceptable terms or at all.

As a result of these factors, the constraints of maintaining UK REIT status could limit the Company's future growth prospects and as a consequence (or in the event that the tax penalty is payable), could reduce returns to Shareholders.

Risks relating to Property Disposals

The members of the REIT Group are not trading entities and do not intend to carry on a trading activity that would make them fall within such definition for REIT purposes. If a member of the REIT Group were to dispose of a property in a manner indicative of a company that is trading in property rather than investing, the property may be treated as having been disposed of in the course of a trade, and any gain would not form part of the Company's tax exempt profits but would be subject to UK corporation tax.

Further, where a property is acquired and then developed, and the cost of development exceeds 30 per cent. of the fair value of the property at the later of either: (i) the date the property was acquired; or (ii) the date the Group REIT qualified as a REIT, then if that property is disposed of within 3 years of the development completing then the proceeds of that disposal will be taxable.

Similar risks would apply in cases where the REIT Group carried out a development in a joint venture vehicle.

Risks relating to Dividends Paid to Holders of Excessive Rights

The Company may become subject to an additional tax charge if it pays a dividend to, or in respect of, a holder of excessive rights. A holder of excessive rights is defined as a body corporate that, directly or indirectly, holds a shareholding of 10 per cent. or more of the Company. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying dividends to a holder of excessive rights. The Articles of the Company contain provisions designed to avoid the situation where dividends may become payable to a holder of excessive rights.

Risks relating to a Change in Law

Any future change in the Company's tax status or in taxation legislation may affect the REIT Group's UK REIT status and, as a result, Shareholder returns. An increase in the rates of Stamp Duty Land Tax could have a material impact on the price at which UK land may be acquired or disposed of (and the same may apply to assets in other jurisdictions) and therefore on asset values.

Statements in this document are based on current UK tax law and practice that is subject to change, possibly with retrospective effect. The taxation of an investment in the Company depends on the individual circumstances of investors. Any change (including a change in interpretation) in the legislative provisions relating to UK REITS or in tax legislation more generally, either in the UK or in any other country in which the Company operates, could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

FLUCTUATIONS IN THE RESIDENTIAL HOUSING MARKET IN THE UK

The value and rental yields of property in the UK may fall as well as rise.

C. OTHER RISK FACTORS

Risks relating to the AIFMD

The AIFMD imposes a regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been implemented in the UK by, *inter alia*, the AIFM Regulations and the Handbook of Rules and Guidance published by the FCA. The Board has concluded that the Company will be a small internally managed AIF and the Company has submitted its application to the FCA for entry on the Register of small registered UK AIFMs pursuant to regulation 10(2) of the AIFM Regulations. The Company, whilst it holds this registration, would not be subject to the majority of the requirements placed upon full-scope AIFMs under the AIFM Regulations and the other rules and regulations implementing the AIFMD. One of the qualifying criteria for registration as a small registered UK AIFM for an AIF with leveraged assets is that the assets under management do not exceed 100 million euros. While the Company is not currently leveraged, it may require to borrow in the future, therefore it has opted for this threshold in its application.

If the Company does not or cannot obtain registration as a small registered UK AIFM the operation of the Company or the marketing of the Ordinary Shares in the EU may be prohibited or restricted. This may adversely impact the Company's ability to raise further capital and manage the Properties.

Risks relating to the Nature of ISDX

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

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

The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.

PART 3

INFORMATION RELATING TO THE ORDINARY SHARES AND THE OFFER

REASONS FOR THE OFFER AND USE OF PROCEEDS

The Offer is being undertaken to raise up to £2,000,000 (before expenses) to enable the Company to invest in further development and investment properties.

The proceeds of the Offer will be applied to the acquisition of further investment properties.

The Board believes that Admission will provide the Company with better access to capital. Furthermore, in order for the Company to qualify as a REIT, thereby offering investors the tax benefits conferred by the REIT Regime, the Ordinary Shares must be traded on a recognised stock exchange (such as ISDX).

THE OFFER

The Company is raising up to £2,000,000 (before expenses) through the Offer at the Offer Price. The Ordinary Shares in the Offer will represent 46.89 per cent. of the enlarged issued share capital immediately following the Offer assuming full subscription. The Ordinary Shares in the Offer will, when issued, rank *pari passu* in all respects with the Ordinary Shares, including the right to vote and the right to receive all dividends and distributions declared, paid or made on the Company's share capital. The Ordinary Shares are freely transferable under the Articles.

The Offer is not being underwritten and the Directors may, at their discretion, accept over subscription.

The procedure for, and the terms and conditions of, application under the Offer are set out at Part 8 of this document and an Application Form for use under the Offer is attached. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in any doubt.

MINIMUM SUBSCRIPTION

There is no minimum subscription which in the opinion of the Directors must be raised under the Offer.

MINIMUM APPLICATION

Investors may apply for a minimum application of 10,000 Ordinary Shares and thereafter in multiples of 2,500 Ordinary Shares. Applications must be made on the Application Form and details for the procedure for application are set out in Part 8 this document. The Directors reserve the right to reject in whole or in part or to scale down any application at their discretion.

The Offer will open at 10.00 a.m. on 22nd August 2016 and may be closed at any time thereafter but in any event no later than 5.00 p.m. on 30th September 2016, unless extended by the Directors.

PLAN OF DISTRIBUTION AND ALLOTMENT

Investors are required to remit a duly completed Application Form and subscription monies to the Receiving Agent to arrive no later than 5.00 p.m. on 30th September 2016. Definitive share certificates in respect of the Offer Shares are expected to be despatched to subscribers by 17th October 2016. An investor applying for Ordinary Shares under the Offer may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

ADMISSION TO TRADING AND DEALING ARRANGEMENTS

The Company will apply for Admission of the whole of the ordinary share capital of the Company, in issue and to be issued, to trading on the ISDX Growth Market. Admission is subject to the approval of ISDX. City & Merchant, an ISDX Corporate Adviser, has agreed to act as the Company's adviser for this purpose.

Admission is expected to be effected following the closing of the Offer, and is scheduled for 17th October 2016.

No application is being made for the Ordinary Shares to be admitted to the Official List or to be dealt in on any other exchange.

DIRECTORS' LOCK-IN ARRANGEMENTS

Joe McTaggart and David White have each entered into a Director Lock-In Agreement pursuant to which he undertakes that, subject to certain exceptions, from the date of signing the Director Lock-In Agreement until 12 months following the date of Admission in respect of his entire holding of Ordinary Shares not to dispose of any of the shares or interests in the shares held by him. The Director Lock-In Agreements contain an undertaking to procure that any family member or connected person (as such terms are defined in the ISDX Growth Market Rules) who acquires any shares in the Company shall enter into a deed of adherence under which he agrees to be bound by the terms of the Lock-In Agreement as if he were a party to it.

MANAGEMENT INCENTIVE PLAN

As soon as reasonably practicable following Admission the Directors will establish a management incentive plan to grant equity-based awards under it. This is intended to align management and key staff to the Company's strategic objectives and growth ambitions. Details of the proposed equity incentive plan are set out in Part 7 of this document.

For initial awards granted after Admission, it is intended that management will be incentivised to participate in 20 per cent. of any growth in net asset value per Ordinary Share in excess of property inflation as measured by reference to IPD UK Annual Residential Property Index.

The total number of Ordinary Shares comprised in awards that may be granted under the plan will not exceed 10 per cent. of the issued ordinary share capital of the Company at the time of grant.

If awards made under the plan are granted up to the plan limit described above, and vest in full, the interests of public shareholders pursuant to the current Offer, if fully subscribed, would be diluted down to 86.6 per cent. from 96.6 per cent.

WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry and taking into account the minimum subscription, that the working capital available to the Group will be sufficient for the period of at least 12 months from the date of Admission.

DIVIDEND POLICY

It is the Directors intention to pay dividends in accordance with the UK REIT Regime which requires that the Company distributes at least 90 per cent. of the Group REIT's qualifying net income from its tax exempt property business within 12 months of each financial year end. The Company is not expected to generate a material net profit from the tax exempt business until its third financial year after Admission (the year to 31st March 2019) and consequently does not expect to commence the payment of material dividends until after the approval of the accounts for that year. This outcome cannot be guaranteed and is subject to the Company's performance, to available cash and to the Directors being satisfied that the Company will have sufficient distributable reserves, in accordance with the provisions of the Act, at the relevant time.

PART 4

INFORMATION RELATING TO REITS

The REIT Regime and UK Taxation

The paragraphs in Section A and B of this Part 4 are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

Section A: Overview of the REIT Regime

THE UK REIT REGIME

The summary of the UK REIT Regime below is intended to be a general guide only and constitutes a high level summary of the Company's understanding of certain aspects of current UK law and HMRC practice relating to the UK REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the REIT Regime. The UK REIT Regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of CTA 2010.

Investing in property through a UK taxable corporate investment vehicle has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder may effectively bear tax twice on the same income: first, indirectly, when the corporate investment vehicle pays direct tax on its profits, and secondly, directly (subject to any available exemption or with the benefit of a tax credit) when the shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, bear tax indirectly when investing through a taxable closed ended corporate vehicle that is not a REIT which they would not suffer if they were to invest directly in the property assets.

As part of a group UK REIT, UK resident REIT Group members will not pay UK direct taxes on income and capital gains from their Qualifying Property Rental Businesses in the UK and elsewhere (and non-UK resident REIT Group members with a UK Qualifying Property Rental Business will not pay UK direct taxes on income from their UK Qualifying Property Rental Businesses), provided that certain conditions are satisfied. Instead, distributions in respect of the tax-exempt Qualifying Property Rental Businesses of the REIT Group members are treated for UK tax purposes as UK property income in the hands of shareholders. Section B of this Part 4 contains further detail on the UK tax treatment of shareholders in a REIT.

Gains arising in UK resident REIT Group members on the disposal of shares in property owning companies may, however, be subject to UK corporation tax. In addition, REIT Group members will remain subject to overseas direct taxes in respect of any property rental business carried on outside the UK, and UK and overseas direct taxes are still payable in respect of any income and gains from the REIT Group's businesses (generally including any property trading business) not included in the Qualifying Property Rental Business (the "Residual Business").

While within the REIT Regime, the Qualifying Property Rental Business is treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Qualifying Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

A dividend paid by the Company relating to profits or gains of the Qualifying Property Rental Business of the REIT Group is referred to as a PID. Other normal dividends paid by the Company (including dividends relating to the Residual Business) are referred to as Non-PID Dividends. Both PIDs and Non-PID Dividends may be satisfied by stock dividends. Section B of this Part 4 contains further detail on the UK tax treatment of shareholders in a REIT.

In this document, references to a company's accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company's accounting period for other purposes.

QUALIFICATION AS A REIT

A group becomes a group UK REIT by the principal company serving notice on HMRC before the beginning of the first accounting period for which it wishes certain group members to become a group REIT. In order

to qualify as a REIT, the principal company and the group members must satisfy certain conditions set out in the CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company must satisfy the conditions set out in the paragraphs headed Company Conditions, Share Capital Restrictions, Borrowing Restrictions, Financial Statements and Distribution Condition and the REIT group as a whole must satisfy the conditions set out in the paragraph headed Conditions for Qualifying Property Rental Business (including the Balance of Business Conditions).

Company Conditions

The principal company must be solely UK resident for tax purposes, admitted to trading on a recognised stock exchange and it must not be an open ended investment company. The principal company's shares must either be listed on a recognised stock exchange throughout each accounting period or admitted to trading on a recognised stock exchange in each accounting period. There is an additional condition where shares are "admitted to trading" on a recognised stock exchange rather than listed (which would be the case, for example, with an ISDX admission) that some shares are traded in each accounting period. This condition is relaxed in the REIT's initial periods but trading must occur before the end of the third accounting period. The principal company must also not (apart from in circumstances where it is only a close company because it has as a participator an institutional investor as defined in section 528(4A) of CTA 2010) be a "close company" (as defined in section 439 of CTA 2010 as adapted by section 528(5) of the CTA 2010) (the "close company condition"). In summary, the close company condition amounts to a requirement that the company cannot be under the control of 5 or fewer participators, or of participators who are directors (and participators for these purposes is defined in section 454 of the CTA 2010), subject to certain exceptions. The close company condition is relaxed for the REIT group's first 3 years.

Share Capital Restrictions

The principal company must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the company.

Borrowing Restrictions

The principal company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets (subject to exceptions). In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

Financial Statements

The principal company must prepare financial statements in accordance with statutory requirements set out in sections 532 and 533 of CTA 2010 and submit these to HMRC. In particular, the financial statements must contain the information about the Qualifying Property Rental Business and the Residual Business separately.

Conditions for the Qualifying Property Rental Business (including the Balance of Business Conditions)

The REIT Group must satisfy, amongst other things, the following conditions in respect of each accounting period during which the REIT Group is to be treated as a REIT:

- the Qualifying Property Rental Business must throughout the accounting period involve at least 3 properties;
- throughout the accounting period no one property may represent more than 40 per cent. of the total value of the properties involved in the Qualifying Property Rental Business. Assets must be valued in accordance with international accounting standards and at fair value when international accounting standards offers a choice between a cost basis and a fair value basis;

- the income profits arising from the Qualifying Property Rental Business must represent at least 75 per cent. of the REIT Group's total income profits for the accounting period (the "75 per cent. profits condition"). Profits for this purpose means profits calculated in accordance with International Accounting Standards, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items; and
- at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the "75 per cent. assets condition"). Cash held on deposit and gilts are included in the value of the assets relating to the Qualifying Property Rental Business for the purpose of meeting this condition.

In addition, the Qualifying Property Rental Business does not include any property which is classified as owner occupied in accordance with generally accepted accounting practice (subject to certain exceptions).

Distribution Condition

The principal company of the REIT (which, for the purposes of this Part 4, will be the Company) will be required (to the extent permitted by law) to distribute to shareholders (by way of cash or stock dividend), on or before the filing date for the principal company's tax return for the accounting period in question, at least 90 per cent. of the income profits (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Qualifying Property Rental Business and of the non-UK resident members of the REIT Group insofar as they are derived from their UK Qualifying Property Rental Business arising in each accounting period (the "90 per cent. distribution condition"). Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the profits of the period are increased from the amount originally shown in the financial statements delivered to HMRC, this charge can be mitigated if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level. For the purpose of satisfying the distribution condition, any dividend withheld in order to comply with the 10 per cent. rule (as described below) will be treated as having been paid.

INVESTMENT IN OTHER REITS

Finance Act 2013 enacted changes to Part 12 of CTA 2010 in order to facilitate investments by REITs in other REITs. The legislation exempts a distribution of profits or gains of the Qualifying Property Rental Business of one REIT to another REIT. The investing REIT is required to distribute 100 per cent. of the distributions to its shareholders. The investment by one REIT in another REIT will effectively be treated as a Qualifying Property Rental Business asset for the purposes of the 75 per cent. assets condition.

EFFECT OF BECOMING A REIT

Tax Exemption

As a REIT, the REIT Group will not pay UK corporation tax on profits and gains from the Qualifying Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business.

Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to property involved in the Qualifying Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance contributions in the normal way.

Dividends

When the principal company of a REIT pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend to the extent there are any profits of the current or previous years which derive from activities of a kind in respect of which corporation tax is chargeable in relation to income (for example profits of the Residual Business) and reserves representing accounting profits in excess of taxable profits, for example, where capital allowances exceed depreciation in an accounting period. Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, firstly in respect of the income profits of the Qualifying Property Rental

Business for the current year or previous years and secondly, in respect of capital gains which are exempt from tax by virtue of the REIT Regime (in either case distributed as a PID). Any remaining balance will be attributed to other Non-PID distributions.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of certain categories of shareholder while the Group is in the REIT Regime are contained in Section B of this Part 4.

If the REIT Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business whilst the REIT Group was within the REIT Regime.

Interest Cover Ratio

A tax charge will arise if, in respect of any accounting period, the REIT Group's ratio of income profits (before capital allowances) to financing costs (in both cases in respect of its Qualifying Property Rental Business) is less than 1.25:1. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 (subject to a cap of 20 per cent. of the income profits) is chargeable to corporation tax.

The "10 per cent. rule"

The principal company of a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.

This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The Articles (which are summarised in Part 7) are consistent with the provisions described in the HMRC guidance.

Property Development and Property Trading by a REIT

A property development undertaken by a member of the REIT Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (i) the date on which the relevant company becomes a member of a REIT and (ii) the date of the acquisition of the development property, and the REIT sells the development property within 3 years of completion of the development, the property will be treated as never having been part of the Qualifying Property Rental Business for the purposes of calculating any gain arising on disposal of the property. Any gain will be chargeable to corporation tax.

If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business for the purposes of calculating any profit arising on disposal of the property. Any profit will be chargeable to corporation tax.

Movement of Assets in and out of the Qualifying Property Rental Business

In general, where an asset owned by a UK resident member of the REIT Group and used for the Qualifying Property Rental Business begins to be used for the Residual Business, there will be a tax exempt market value disposal of the asset. Where an asset owned by a UK resident member of the REIT Group and used for the Residual Business begins to be used for the Qualifying Property Rental Business, this will generally

constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for capital allowances purposes.

Joint Ventures

The REIT Regime also makes certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the “JV company”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Qualifying Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (on a proportionate basis).

The REIT Group’s share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Qualifying Property Rental Business, including offshore unit trusts or partnerships, should automatically fall within the REIT tax exemption, and will count towards the 75 per cent. profits and assets conditions, provided the REIT Group is entitled to at least 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT Group’s share of the Property Rental Business profits arising will also count towards the 90 per cent. distribution condition.

Acquisitions and Takeovers

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Qualifying Property Rental Business and capital gains on disposal of properties in the Qualifying Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT (unless the acquirer qualifies as an institutional investor under Section 528(4A) CTA 2010 and the REIT’s shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from tax exemptions on the profits of its Qualifying Property Rental Business and capital gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be re-characterised retrospectively as normal dividends.

Certain Tax Avoidance Arrangements

If HMRC believes that a member of the REIT Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Qualifying Property Rental Business. In addition, if HMRC considers that the circumstances are sufficiently serious or if 2 or more notices in relation to obtaining a tax advantage are issued by HMRC in a 10 year period, they may require the REIT Group to exit the REIT Regime.

EXIT FROM THE REIT REGIME

The principal company of the REIT Group can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the REIT Group should exit the REIT Regime at any time in the future without Shareholder consent if it considers this to be in the best interests of the REIT Group.

If the REIT Group (or a member of the REIT Group) voluntarily leaves the REIT Regime within 10 years of joining and disposes of any property that was involved in its Qualifying Property Rental Business within 2 years of leaving, any uplift in the base cost of the property as a result of the deemed disposals on entry into and exit from the REIT Regime (or as a movement from the Qualifying Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.

It is important to note that it cannot be guaranteed that the Company or the REIT Group will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the REIT Group to exit the REIT Regime if:

- it regards a breach of the conditions relating to the REIT Regime (including in relation to the Qualifying Property Rental Business), or an attempt to obtain a tax advantage, as sufficiently serious; or
- the REIT Group or the Company has committed a certain number of breaches of the conditions in a specified period; or
- HMRC has given members of the REIT Group 2 or more notices in relation to the obtaining of a tax advantage within a 10 year period of the first notice having been given.

In addition, if the conditions for REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or the principal company ceases to be UK resident, becomes dual resident or an open ended company, or (in certain circumstances) ceases to satisfy the close company condition (as described above) or ceases to be listed or traded, it will automatically lose REIT status. Where the REIT Group automatically loses REIT status or is required by HMRC to leave the REIT Regime within 10 years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT Regime.

Shareholders should note that it is possible that the REIT Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT) or other circumstances outside the REIT Group's control.

Section B: UK Taxation of Shareholders after Entry into the REIT Regime

INTRODUCTION

Under the REIT Regime, members of group REIT with a UK Qualifying Property Rental Business do not pay UK direct taxes on income and capital gains from their Property Rental Businesses in the UK and elsewhere (the "Tax Exempt Business") provided that certain conditions are satisfied. Instead, distributions relating to the Tax Exempt Business (as determined by the legislation), and in particular distributions required to meet the minimum distributions requirement under the REIT rules, are treated for UK tax purposes as UK property income in the hands of shareholders. However, corporation tax is still payable in the normal way in respect of income and gains from the Company's business (generally including any property trading business) not included in the Tax Exempt Business. Dividends relating to this business (as determined by the legislation) are treated for UK tax purposes as normal dividends. A dividend paid by the Company relating to profits or gains of the Tax Exempt Business of the members of the Group is referred to in this section as a Property Income Distribution ("PID"). Any normal dividend paid by the Company out of the profits of the Non Tax Exempt Business is referred to as a "Non-PID Dividend".

The Company and members of the REIT Group do not expect to pay UK direct taxes on income and chargeable gains from their Qualifying Property Rental Businesses in the UK and elsewhere.

The following paragraphs relate only to certain limited aspects of the UK tax treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Ordinary Shares in the Company, in each case after the Company becomes principal company of a group REIT. They apply only to Shareholders who are the absolute beneficial owners of both the Ordinary Shares in and dividends from the Company and hold their Ordinary Shares as investments and, except where otherwise indicated, they apply only to Shareholders

who are resident for tax purposes solely in the UK. They do not apply to Excessive Shareholders, nor do they apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Ordinary Shares by reason of their or another's employment, persons who hold their Ordinary Shares by virtue of an interest in any partnership, collective investment schemes, insurance companies, life assurance companies, mutual companies, or Lloyds members.

Prospective investors who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the UK, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

UK TAXATION OF PIDS

UK Taxation of Shareholders who are Individuals

Subject to certain exceptions, a PID will generally be treated in the hands of shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any PID from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant shareholder. This means that any surplus expenses from a shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the shareholder's UK property business. The new dividend £5,000 nil rate band is not available in respect of PIDs. However, a tax credit will be available in respect of the basic rate tax withheld by the Company (where required) on the PID.

Please see also the paragraph headed Withholding Tax.

UK Taxation of Corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of CTA 2009 ("Part 4 property business"). A PID is, together with any PID from any other company to which Part 12 of CTA 2010 applies, treated as a separate Part 4 property business from any other Part 4 property business (a "different Part 4 property business") carried on by the relevant shareholder. This means that any surplus expenses from a shareholder's different Part 4 property business cannot be offset against a PID as part of a single calculation of the shareholder's Part 4 property business profits.

Please see also the paragraph headed Withholding Tax.

UK Taxation of Shareholders who are not Resident for Tax Purposes in the UK

Where a shareholder who is resident for tax purposes outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding under SI 2006/2867. Under section 548(7) of CTA 2010, this income is expressly not non-resident landlord income per the purposes of regulations under section 971 of the Income Tax Act 2007.

However, other international tax purposes, such as double taxation treaties, PIDs are treated as dividend income.

Please see also the paragraph headed Withholding Tax.

Withholding Tax

General

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

Shareholders Solely Resident in the UK

Where tax has been withheld at source, shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates will generally be liable to pay corporation tax on their PID (see the paragraph above headed UK Taxation of Corporate Shareholders) and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax or income tax which they are required to withhold in the accounting period in which the PID is received.

Shareholders who are not resident for tax purposes in the UK

It is not possible for a shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a reduced rate. The right of a shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double tax treaty between the UK and the country in which the shareholder is resident.

Exceptions to Requirement to Withhold Income Tax

Prospective investors should note that in certain circumstances the Company is not required to withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a charity or a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an Individual Savings Account (ISA), the plan manager of a Personal Equity Plan (PEP), or the account provider for a Child Trust Fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme, account or plan.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Company's Registrars or the registered office of the Company). Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

UK TAXATION OF NON-PID DIVIDENDS

Non-PID Dividends paid by the Company will be taxed in the same way as dividends paid by a Company which has not elected for REIT status, whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK. The Company will not be required to withhold tax at source when paying a Non-PID Dividend.

UK Resident Shareholders

An individual Shareholder who is resident in the UK (for tax purposes) and who receives a Non-PID Dividend from the Company will generally be entitled to a tax credit which such Shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the Non-PID Dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received. A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the Non-PID Dividend.

A UK resident individual Shareholder who is liable to income tax at the higher rate will be liable to tax on the gross dividend at the rate of 32.5 per cent. The gross dividend will be regarded as the top slice of the Shareholder's income. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the net cash dividend received). Any shareholder subject to tax at the additional rate will be liable

to tax on the gross dividend at the rate of 37.5 per cent. (which is equal to approximately 30.56 per cent. of the net cash dividend received).

It will not be possible for UK resident Shareholders to claim repayment of the tax credit in respect of Non-PID Dividends.

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by the Company, unless the Non-PID Dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the Non-PID Dividends paid by the Company would normally be exempt. Such Shareholders will not be able to claim repayment of tax credits attaching to Non-PID Dividends.

Non-UK Resident Shareholders

Non-UK resident Shareholders holding their shares directly will not be liable to UK income tax on Non-PID Dividends received from the Company. The right of a Shareholder, who is not resident for tax purposes in the UK, to a tax credit in respect of a Non-PID Dividend received from the Company and to claim payment of any part of that tax credit will depend on the existing terms of any double taxation convention between the UK and the country in which the holder is resident. Shareholders who are not solely resident in the UK should consult their own tax adviser concerning their tax liabilities on dividends received, whether they are entitled to claim any part of that tax credit and, if so, the procedure for doing so.

UK TAXATION OF CHARGEABLE GAINS, STAMP DUTY AND STAMP DUTY RESERVE TAX IN RESPECT OF ORDINARY SHARES IN THE COMPANY

UK taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the amount paid by a shareholder for ordinary shares will constitute the base cost of his holding. If a shareholder disposes of all or some of his ordinary shares, a liability to tax on chargeable gains may arise. This will depend on the base cost which can be allocated against the proceeds, the shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate shareholders, indexation allowance will apply to the amount paid for the shares. The current rate of tax is up to 28 per cent. for individuals, trustees and personal representatives and up to 21 per cent. for corporate shareholders. Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their ordinary shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their ordinary shares are connected). Individual shareholders who are temporarily not, or are through a permanent establishment, UK resident may be liable to UK capital gains tax on chargeable gains realised on their return to the UK. Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

UK Stamp Duty and UK Stamp Duty Reserve Tax ("SDRT")

The statements in this section are intended as a general guide to the current UK stamp duty and SDRT position for shares traded on ISDX and not traded or listed on any other market.

There is no UK stamp duty or SDRT on the issue or transfer of shares admitted to trading on a recognised growth market, providing they are not listed on any other market. HMRC has confirmed that ISDX is a recognised growth market for the purposes of this exemption. Therefore as long as ISDX remains a recognised growth market and the shares in the Company are not listed on any other market, there should be no UK stamp duty or stamp duty reserve tax ('SDRT') on the issue or transfer of shares in the Company.

TAX REPORTING REGULATIONS

In response to a perceived threat of tax evasion from US taxpayers who fail to disclose offshore investments and assets to the US taxing authorities, the United States enacted legislation, known as the 'Foreign Account Tax Compliance Act' (FATCA) which requires non-US financial institutions to identify, monitor and report in respect of, US persons who are so called "account holders" in the financial institutions.

Over 40 jurisdictions (including the UK) have now entered into Inter-governmental Agreements (IGAs) with the US. IGAs introduce FATCA type regulations and reporting requirements in respect of US persons into the domestic law of those jurisdictions.

In addition, the UK has entered into International Tax Compliance Agreements (ITCAs) with 10 Crown Dependencies and Overseas Territories, which require financial institutions to identify, monitor and report in respect of UK tax residents.

The FATCA, IGA and ITCA regulations are effective from 30th June 2014.

The Company is expected to be a “reporting financial institution”, as defined in the applicable IGA and ITCAs and as a result it will be required to comply with the client identification and reporting requirements which arise under these agreements. As a reporting financial institution the Company would be required to obtain information from its account holders (in effect, although not necessarily limited to, its shareholders) regarding their potential status as either US account holders or tax residents in the Isle of Man, Jersey, Guernsey or Gibraltar and to comply with the due diligence, verification and reporting procedures.

The UK IGA and the ITCAs provide that equity interests which meet the conditions for interests regularly traded on an established securities market, which includes ISDX, are not reportable interests for the purpose of the IGA or ITCAs. The Directors intend to take appropriate advice regarding the status of the underlying subsidiaries of the Company and any obligations of the subsidiaries of the Company under the FATCA, IGA and ITCA regulations.

A draft Common Reporting Standard (the CRS) has been issued for consultation by the OECD. The purpose of the CRS is to establish multi-lateral information reporting, or in effect, automatic exchange of information, on a global basis. Any CRS framework will not be implemented before 2016 and the Company may be required to report in respect of all investors under the terms of the CRS. The Board will continue to monitor progress of the standards in order to ensure compliance as appropriate.

PART 5
FINANCIAL INFORMATION

Accountants Report on the Company



28th July 2016

The Directors
Walls & Futures REIT plc
3rd Floor
111 Buckingham Palace Road
London
SW1W 0SR

The Directors
City & Merchant Limited
55 Old Broad Street
London
EC2M 1RX

Dear Sirs

Walls & Futures REIT plc (“the Company”)

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the Admission Document of the Company (“the Admission Document”) on the basis of the accounting policies set out in Notes 1 and 2 to the financial information. This report is required by the ISDX Growth Market – Rules for Issuers (“the Rules”) and is given for the purpose of complying with Appendix 1, paragraph 31 of the Rules and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Notes 1 and 2 to the financial information and in accordance with International Financial Reporting Standards.

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

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 judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 and in accordance with International Financial Reporting Standards.

Declaration

For the purposes of Paragraph 31 of Appendix 1 of the Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Appendix 1 of the Rules.

Yours faithfully

Kingston Smith LLP

Chartered Accountants & Statutory Auditors
Devonshire House
60 Goswell Road
London
EC1M 7AD

Financial information on the Company

Walls & Futures REIT plc

Statement of Financial Position at 31st May 2016

	£
Current Assets	
Debtors	—
	<u>—</u>
Total Assets	<u>—</u>
Capital and Reserves	
Ordinary Shares	—
	<u>—</u>
Total Capital and Reserves	<u>—</u>

Statement of cash flows from 18th March 2016 to 31st May 2016

	£
Proceeds from issue of share capital	—
Cash and cash equivalents brought forward	—
	<u>—</u>
Cash and cash equivalents carried forward	<u>—</u>

Statement of changes in equity from 18th March 2016 to 31st May 2016

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
Balance at 18th March 2016	—	—	—
Issue of share capital	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Balance at 31st May 2016	<u>—</u>	<u>—</u>	<u>—</u>

There was no income and expenditure during the financial period.

Notes to the Financial Statements for the period from 18th March 2016 to 31st May 2016

1. Accounting policies

Company information

Walls & Futures REIT plc (“the Company”) was incorporated in England and Wales as City & Merchant Shelf 6 Limited under the Companies Act 2006 on 18th March 2016. The Company resolved to re-register as a public limited company on 25th July 2016 and changed its name on 26th July 2016. The Company is in the development stage and has not yet commenced principal operations. The Company’s principal business activities are that of an investing company focussing on opportunities in the property sector.

Walls & Futures REIT plc is a public limited company incorporated in England and Wales (Registration Number 10071765). The address of the registered office is 3rd Floor, 111 Buckingham Palace Road, London SW1W 0SR.

1.1 *Accounting convention*

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain tangible fixed assets, investment properties, and financial assets and liabilities measured at fair value.

1.2 *Going Concern*

These financial statements are prepared on the going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company has no current source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to identify and complete successful investments. There can be no assurance that the Company will be able to find suitable opportunities, in which case the Company may be unable to meet its obligations. Should the Company be unable to realise on its assets and discharge its liabilities in the normal course of business, the net realisable value of its assets may be materially less than the amounts recorded on the statement of financial position.

2. Segmental reporting

For the period covered by the financial information, there were no separate reportable operating segments used by management for internal reporting purposes.

3. Share capital

pence

Allotted and called up:

2 ordinary shares of 1p each

2

On incorporation, the issued share capital of the company was 2p, represented by 2 ordinary shares of 1p.

4. Commitments

The Company is committed to pay certain fees in connection with the fundraising and admission. The minimum cost is approximately £12,000. The maximum expected cost on successful completion of the fundraising and admission is approximately £80,000.

5. Post balance sheet events

On 14th June 2016 1 ordinary shares of £0.01 was transferred from David Papworth to Timothy Lyle, 3 ordinary shares of £0.01 each were allotted to Timothy Lyle. 5 ordinary shares of £0.01 each were consolidated to become 1 ordinary share of £0.05 on 14th June 2016.

On 14th June 2016, City & Merchant Shelf 6 Limited acquired Walls & Futures Limited by consideration in the form of a share exchange. The share exchange agreement was structured as follows:

155 A ordinary shares in Walls & Futures Limited held by Joe McTaggart were exchanged for 58,163 ordinary shares in City & Merchant Shelf 6 Limited.

1 ordinary share in City & Merchant Shelf 6 Limited was transferred from Timothy Lyle to Joe McTaggart.

45 B ordinary shares in Walls & Futures Limited held by David White were exchanged for 16,886 ordinary shares in City & Merchant Shelf 6 Limited.

On 25th July 2016, 2,190,175 ordinary shares were allotted at £1.00 each pursuant to the Restructuring.

On 26th July 2016 the Company was re-registered as a public company and changed its name from City & Merchant Shelf 6 Limited to Walls & Futures REIT plc.

28 July 2016

The Directors
Walls & Futures REIT plc
3rd Floor
111 Buckingham Palace Road
London
SW1W 0SR

The Directors
City & Merchant Limited
55 Old Broad Street
London
EC2M 1RX

Dear Sirs

Report on Extracted Historic Financial Information

Set out in appendix 1 is a pro forma profit and loss account prepared by the directors of Walls & Futures REIT plc. It has been extracted from the audited financial statements of Walls & Futures London Growth Fund LP for the financial years ending 5th April 2014, 2015 and 2016. This has been adjusted for the distribution provision, which is the profit that would be distributed on the winding up of the Fund to the Special Limited Partner based on the performance of the fund as detailed within the Walls and Futures London Growth LP Agreement 2009. This financial information is for illustrative purposes only and, because of its nature, may not give a true picture of the trading results of the Group.

We have reviewed the calculations and basis of preparation and in our opinion the information has been properly compiled on the basis stated. Such basis is consistent with the accounting policies of City & Merchant Shelf 6 Limited and the adjustments are appropriate for the purposes of the pro forma historical financial information as disclosed pursuant to the ISDX Growth Market – Rules for Issuers.

Yours faithfully

Kingston Smith LLP
Chartered Accountants & Statutory Auditors
Devonshire House
60 Goswell Road
London
EC1M 7AD

Appendix 1 – Walls & Futures London Growth Fund LP Extracted Historic Financial Information

	<i>Audited accounts 5.4.2014 £</i>	<i>Audited accounts 5.4.2015 £</i>	<i>Audited accounts 5.4.2016 £</i>
Income			
Rent received	23,287	39,500	42,762
Cost of sales			
Commissions	(19,680)	(6,000)	(750)
Property management fees	(2,083)	(30,745)	(8,599)
Asset management fees	(49,632)	(43,463)	(39,725)
Valuation fees	(1,670)	(1,500)	(750)
Property maintenance	–	(1,558)	(7,324)
Utilities	(968)	(1,728)	(2,373)
	<u>(74,033)</u>	<u>(84,994)</u>	<u>(59,521)</u>
Other income			
Increase in valuation of investment properties	439,997	208,673	53,980
Sundry receipts	107	–	–
Deposit account interest	313	55	44
	<u>440,417</u>	<u>208,728</u>	<u>54,024</u>
Expenditure			
Business insurance	(668)	(1,667)	(1,334)
Sundry expenses	(306)	–	(318)
Audit/accountancy fee	(6,240)	(5,330)	(5,950)
Bookkeeping	–	–	–
Legal and professional fees	(567)	(564)	(564)
Profit/(loss) on disposal	–	–	–
	<u>(7,781)</u>	<u>(7,561)</u>	<u>(8,166)</u>
Finance Costs			
Bank charges	(53)	(70)	(67)
Provisions			
Distribution provision	(52,048)	(26,289)	19,924
Adjusted Net Profit	<u><u>329,789</u></u>	<u><u>129,315</u></u>	<u><u>48,956</u></u>

Appendix 2 – Basis of Preparation

The financial statements of Walls & Futures London Growth Fund LP have been compiled on a basis which enables profits to be calculated in accordance with United Kingdom generally accepted accounting practice amended for revaluation gains of properties included within other income as opposed to the statement of recognised gains and losses as would be the case under UK GAAP.

An adjustment has been included for a distribution provision. This is the profits that would be distributed on the winding up of the Fund to the Special Limited Partner based on the performance of the fund as detailed within the Walls and Futures London Growth LP Agreement 2009.

PART 6
PROPERTY VALUATION REPORT



Established 1872
Consultants in Commercial Property

Walls & Futures REIT plc,
3rd Floor, 111 Buckingham Palace Road,
London
SW1 0SR

and

City & Merchant Limited,
55 Old Broad Street,
London
EC2M 1RX

16th August 2016

Dear Sirs,

234 Durnsford Road, SW19 8DT ('Property 1')
Flats 1 & 2, 54 Elsenham Street, SW18 SNT ('Property 2') (collectively 'the Properties')

Introduction

In accordance with instructions from Walls & Futures REIT plc that was confirmed in an email dated 12th of August 2016 we have undertaken a valuation of the Properties that is to be used to raise third party capital.

This report is addressed to Walls & Futures REIT plc and its corporate adviser City & Merchant Limited and is issued for inclusion in the Admission Document dated 28th July 2016 (the "Admission Document") prepared in connection with Walls & Futures REIT plc's application to have its ordinary shares admitted to trading on the ISDX Growth Market and may only be used in connection with the transaction referred to in this report and for the purposes of Admission.

For the purposes of Paragraph 14 of Appendix 1 of the Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Appendix 1 of the Rules.

4th Floor, 1 Harewood Place. Mayfair. London W1S 1BU **Tel:** 020 7629 9050 **Fax:** 020 7493 9815
www.johndwood.com **E-mail:** property@johndwood.com

John D Wood is a trading name of Castleplus Limited which is authorised and regulated by the
Royal Institution of Chartered Surveyors and the Financial Conduct Authority for insurance purposes only.
Registered in England No. 06898329 Registered Office: Palladium House, 1-4 Argyll Street, London W1F 7LD

Inspection

Tom Roberts & Jacob Haftel inspected the Properties at 3 p.m. on Monday the 15th of August 2016. It was a sunny afternoon and approximately 23 degrees. Having undertaken other valuations in the proximity of the Property, John D Wood is familiar with the market where the Properties are located.

Full access was granted by Mr Joe McTaggart.

Instruction

In the case of this instruction, we have been instructed to prepare the Market Value for the Properties.

The Properties

Property 1 – 234 Durnsford Road, SW19 8DT, London

Location

This Property is a two-storey house located in the suburb of Wimbledon Park, within the London Borough on Merton in South West London. The surrounding towns are Wimbledon, Earlsfield and Balham. The closest tube station to this Property is Wimbledon Park located 0.3 miles away that is a 5 minute walk.

Description

It is a terraced three bedroom, two storey mid-terraced house constructed circa 1910 and is decorated in a fresh neutral style. It comprises of two reception room, kitchen with doors leading to a 45ft west facing private garden. Upstairs are two double bedrooms, one single bedroom and family bathroom. The house is well presented throughout and is ideal for a small family.

This Property is 932 sq ft and comprises;

Ground Floor:

Entrance hall
Reception Room: 15' X 11'9
Dining room: 12'3 X 11'9
Kitchen/Breakfast room: 9'1 X 6'6
Cloak room
WC

First Floor:

Landing
Master bedroom: 15' X 11'9
Bedroom 2: 12'3 X 11'9
Bedroom/Study: 7'5 X 5'10
Family bathroom: 9'1 X 6'6

This Property is in keeping with the surrounding area in terms of age, size and use.

Planning

The use of the building is C3; Use as a dwelling house (whether or not as a sole or main residence).

Condition

This Property has, we understand, been vacant for a year whilst decisions were made on the refurbishments and potential of roof and rear extensions. This Property appeared to be in an acceptable condition throughout, with some areas of wear and tear.

Tenure

It is understood to be freehold and is currently vacant.

Comparable evidence:

There are a number of properties that are within close proximity of this Property that have sold recently. This gives an idea on the type of properties in the area and what price they are achieving. The sold prices are taken from the Land Registry.

Sold:

- A similar property to this Property, a three bedroom terraced house that is in a very similar condition. The Property is 946 sq ft, so almost the same size as this Property that is 932 sq ft. It is situated only 0.9 miles away on Swaby Road that is situated right near Earlsfield train station. It was sold on the 24th March 2016 for £747,500 equating to £790 per sq ft.
- A similar property to this Property is a three bedroom terraced house in a very similar condition. This Property is slightly larger at 1,131 sq ft than this Property. The properties however share the same postcode and are situated only 0.2 miles apart. The property is situated on Stuart Road. It was sold on the 23rd March 2016 for £837,500 equating to £740 per sq ft.

Property 1 is in a sought after location, has good development potential and a good sized rear garden, therefore, we would apply a value of £788 per sq ft that when applied to the floor area totals a market value of £735,000.

Market Value – £735,000

Property 2 – Flats 1& 2, 54 Elsenham Street, Southfields, SW18

Location

This Property is located in Southfields, an inner city district in the London Borough of Wandsworth; situated 5.6 miles (9 km) south-west of Charing Cross. Southfields is located partly in the SW18 postcode area and partly in SW19. Other surrounding more developed districts nearby are Wimbledon and Putney. The closest tube station to this Property is Southfields located 0.3 miles away that is a circa 4 minute walk.

Description

This Property is a recently refurbished end of terrace house constructed in circa 1900. The house was originally one property but has since been converted to form two self-contained flats. The ground floor flat was refurbished last year and the first and second floor maisonette was refurbished 4 years ago. Both flats have been completed to an exceptionally high standard.

Flat 1 – Ground Floor Flat

This flat has been completed to a high standard and comprises two good-sized bedrooms, family bathroom, cupboard, and an open plan kitchen/living room that backs on to an 80 ft rear garden. This flat was refurbished in 2015.

This flat is 805 sq ft and comprises;

Ground floor:

Communal entrance hall Hallway: 24'10 X 8

Kitchen/reception room: 18'7 X 14'2

Bedroom 1: 14'10 X 10'5

Bedroom 2: 16'10 X 14'5

Bathroom: 12'7 X 5'9

Flat 2 – First and second floor Maisonette

This flat has an emphasis on open plan, with an open plan kitchen/living room with a modern German Kitchen with Siemens appliances and three well-proportioned bedrooms and two bathrooms (one en-suite). The maisonette was refurbished some 4 years ago.

This flat is 1,132 sq ft and comprises;

Ground floor:

Communal entrance hall

First Floor:

Landing

Master bedroom: 14'4 X 12'6

En suite Bathroom

Living Room: 13'9 X 13'9

Kitchen: 7'10 X 7'7

Second Floor:

Landing

Bedroom 2: 14'1 X 12'6

Bedroom 3: 14'1 X 9'10

Store Room: 21'5 X 4'8

Planning

The use of the building is C3; Use as a dwelling house (whether or not as a sole or main residence).

Condition

Both flats have been completed to a very high standard with both furnishing and fittings. The ground floor flat was refurbished in 2015 and is in immaculate condition, and the first and second floor maisonette is in good condition but shows some signs of wear and tear in areas.

Tenure

This Property is understood to be freehold and subject to two leases;

- Flat 1 – Ground floor flat – £1,950 per calendar month, £23,400 per annum.
- Flat 2 – First and second floor flat – £2,000 per calendar month, £24,000 per annum.

If the two flats were to be sold off separately then 'ground' leases would need to be put in place of a term we would expect of circa 150 years.

Comparable evidence :

There are a number of properties that are within close proximity of this Property that have sold recently. This gives an idea on the type of properties in the area and what price they are asking and achieving. The sold prices are taken from the Land Registry.

Sold:

Flat 1 – Ground floor comps

- A property very similar to this Property, a two bedroom ground flat with a garden and finished to a very similar standard. The Property is 1,005 sq ft, so larger than the Flat on Elsenham road and is situated 2.6 miles away on Hosack Road in the neighbouring village of Balham. The property was sold on the 25th May 2016 for £792,475 equating to £788 per sq ft.
- A property very similar to this Property, a two bedroom flat with a small garden and finished to a very similar high standard. It is 1,079 sq ft, so also slightly larger than the Property and is situated only 0.6 miles away on Bodmin Street in between Earlsfield and Southfields Stations. The property was sold on the 7th October 2015 for £710,000 equating to £658 per sq ft.

Flat 2- First and second floor maisonette

- A property very similar to this Property, Flat 2 (Maisonette); a three bedroom two bathroom flat that has been finished to a very similar standard. It is 1,126 sq ft, so almost the same as the 1,132 sq ft first and second floor maisonette Property at 54 Elsenham Road. The property is situated only 4 roads down on Astonville Street 0.4 miles away in the same neighbourhood. The property was sold on the 30th October 2015 for £737,500 equating to £655 per sq ft.
- A property very similar to the Property, Flat 2 (Maisonette); it's a three bedroom two bathroom flat which has also been finished to a very similar high quality standard. It is 1,109 sq ft, so almost the same as the subject maisonette at 1,132 sq ft. The property is situated very nearby on Trentham Street 0.3 miles away in the same neighbourhood. The property was sold on the 7th August 2015 for £750,000 equating to £676 per sq ft.

	<i>Size</i>	<i>Price per sq ft</i>	<i>Market Value</i>
Flat 1 – Ground floor flat	805 sq ft	£863 per sq ft	£695,000
Flat 2 – First and second floor flat	1,132 sq ft	£663 per sq ft	£750,000
Total			£1,445,000

We believe the ground floor flat would achieve £863 per sq ft, this reflects size of the Property, although a lot smaller than the first floor flat, it is well designed which gives the flat a spacious feel. Furthermore, it also reflects being positioned on the ground floor with a large 80 ft rear garden and the fact it was refurbished to a high standard in 2015.

We believe the first and second floor maisonette would achieve £663 per sq ft, this takes into account a discount applied to the value due to the size of the flat, the fact it's located on the first and second floor and does not have a garden. Furthermore, the Property was refurbished some 4 years ago, therefore shows some signs of wear and tear.

Market Value – £1,445,000

Property 1 – 234 Durnsford Road, SW19 SOT, London

Market Value: £735,000

(seven hundred and thirty five thousand pounds)

Property 2 – 54 Elsenham Street, Southfields, SW18

Market Value: £1,445,000

(one million, four hundred and forty five thousand pounds)

Confidentiality and Disclosure

The contents of this Valuation Report and appendices are confidential to Walls and Futures REIT plc and City & Merchant Limited for the specific purpose to which they refer and are for their use only. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of their contents. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained.

Yours faithfully

Ray Bloom BSc (Hons)
Managing Director
For and on behalf of John D Wood

Paul Wolfenden FRICS
RICS Registered Valuer Consultant
For and on behalf of John D Wood

Compliance with RICS Valuation Procedures, Basis of Valuation and the Assumptions and Sources of Information

Compliance with RICS Valuation - Professional Standards 2014 UK Edition

We confirm that the valuation has been prepared in accordance with the appropriate sections of the Professional Standards ('PS'), RICS Global Valuation Practice Statements ('VPS'), RICS Global Valuation Practice Statements ('VPS'), RICS Global Valuation Practice Guidance – Applications ('VPGAs') and United Kingdom Valuation Standards ('UKVS') contained within the RICS Valuation – Professional Standards 2014 UK Edition, (the 'Red Book'). It follows that the valuation is compliant with International Valuation Standards ('IVS').

Status of valuer and conflicts of interest

We confirm that we have sufficient current knowledge of the relevant market, and the skills and understanding to undertake the valuation competently. We confirm that Paul Wolfenden FRICS who is co-signatory of this report has overall responsibility for the valuation.

Finally, we confirm that we have undertaken the valuation acting as External Valuers, qualified for the purpose of the valuation and we have no current, anticipated or previous recent involvement with the Property or the party instructing this valuation.

Disclosures required under the provisions of VS 1.9 and UKVS 4.3.4.3

There is no fee-earning relationship between John D Wood and the owner, other than this valuation instruction.

Market Value

The value of the Properties has been assessed in accordance with the relevant parts of the Red Book. In particular, we have assessed Market Value in accordance with VS 3.2. Under these provisions, the term "Market Value" means

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In undertaking our valuation on the basis of Market Values, we have applied the conceptual framework which has been settled by the International Valuation Standards Council and which is set out in paragraphs 31-35 of the IVS Framework.

Taxation and costs

We have not made any adjustment to reflect any liability to taxation that may arise on disposal. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

Assumptions and sources of information;

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). In this context, Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuation, we have made a number of Assumptions and have relied on certain sources of information. Where appropriate, the Owners have confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect then our valuation should be reviewed.

The Assumptions we have made for the purposes of our valuations are referred to below.

Title

We have made an Assumption that the Client is possessed of good and marketable freehold title and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Properties are free from mortgages, charges or other encumbrances .

Condition of structure and services, deleterious materials, plant and machinery and goodwill

No mining, geological or other investigations have been undertaken to certify that the site is free from any defect as to foundations. We have made an Assumption that the load bearing qualities of the sites are sufficient to support the buildings constructed thereon. We have also made an Assumption that there are no services on, or crossing the sites in a position which would inhibit development or make it unduly expensive and that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of the Properties.

It is a condition of John D Wood, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

Environmental matters

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings, and to make an Assumption that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the Properties or any adjacent land to establish whether there is any potential for contamination from such uses or sites, and have therefore made an Assumption that none exists.

We believe this to be a reasonable assumption having regard to the general uses in the vicinity of the Properties. If, however, it were to prove invalid then the values would fall by an unspecified amount.

Commensurate with our Assumptions set out above we have not made any allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings.

In arriving at our valuations, we have sought to reflect our opinion of the Market Value on the basis of the information revealed by our enquiries.

Areas

We have made an Assumption that the floor areas have been calculated in accordance with the current Code of Measuring Practice, prepared by the Royal Institution of Chartered Surveyors.

Statutory requirements and planning

For the valuations, we have assumed that the Properties have the benefit of a planning permission for the permitted uses on site.

Information supplied

We have made an Assumption that all information that has been supplied to us, in respect of the Properties are full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their knowledge such as, but not limited to, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

PART 7

STATUTORY AND GENERAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names appear on page 7 of this document, accept full responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect its import.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 18th March 2016 under the Act with registered number 10071765 as a private company limited by shares with the name City & Merchant Shelf 6 Limited. The Company was re-registered as a public company limited by shares with the name Walls & Futures REIT plc on 26th July 2016.
- 2.2 The principal legislation under which the Company operates is the Act.
- 2.3 The registered and head office of the Company is at 3rd Floor, 111 Buckingham Palace Road, London SW1W 0SR. The telephone number of the Company's registered office is 02073408677.
- 2.4 The address of the Company's website which discloses the information required by Rule 75 of the ISDX Growth Market Rules for Companies is www.wallsandfutures.com.
- 2.5 As summarised in Part 1 of this document in the section headed Restructuring of The Walls & Futures London Growth Fund, the Company was incorporated to acquire the assets of the London Growth Fund by way of the Restructuring. In general terms the Restructuring involves the acquisition of the Properties through a restructuring process in which ordinary shares in the Company of a corresponding value are issued to the London Growth Fund investors. At the date of this document the Company has approved a steps plan to implement the Restructuring, completion of which is conditional on Admission. As part of the Restructuring, the Company will make an application for admission to trading on the ISDX Growth Market and for REIT status. Following the Restructuring the Directors intend to dissolve the London Growth Fund.

3. SHARE CAPITAL OF THE COMPANY

- 3.1 Since incorporation there have been the following changes to the Company's share capital:

<i>Date</i>	<i>Details of Changes</i>	<i>Total Number of shares in Issue</i>
18th March 2016	As at incorporation.	2 ordinary shares of 1p
14th June 2016	3 ordinary shares of 1p allotted and issued.	5 ordinary shares of 1p
14th June 2016	5 ordinary shares of 1p each consolidated into 1 ordinary share of 5p.	1 ordinary share of 5p
14th June 2016	75,049 ordinary shares of 5p each allotted and issued.	75,050 ordinary shares of 5p each. 75,049 of those shares were issued at an issue price of £1.00.

- 3.2 On Completion of the Restructuring the issued share capital of the Company is expected to be:

<i>Class of shares</i>	<i>Nominal Value</i>	<i>Issue Price</i>	<i>Number of Shares</i>
Ordinary Shares	5p	5p	1 (fully paid)
Ordinary Shares	5p	£1.00	75,049 (fully paid)
Ordinary Shares	5p	£1.00	2,190,175 (fully paid)

3.3 The issued share capital of the Company immediately following Admission is expected to be:

<i>Class of shares</i>	<i>Nominal Value</i>	<i>Issue Price</i>	<i>Number of Shares</i>
Ordinary Shares	5p	5p	1 (fully paid)
Ordinary Shares	5p	£1.00	4,265,225 (fully paid)

3.4 By a resolution passed on 25th July 2016 it was resolved, amongst other things:

3.4.1 To adopt the Articles.

3.4.2 That the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £500,000 in connection with the Offer in connection with the Admission, such authority to expire immediately after the Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired.

3.4.3 That the Directors be generally empowered (pursuant to section 570 of the Act) to allot Shares pursuant to the authority referred to paragraph 3.4.2 above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately after the Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

3.4.4 That in addition to the authority referred to in paragraph 3.4.2 above, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot such further Ordinary Shares or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £500,000, such authority to expire on the conclusion of the next annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares or rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if such authority had not expired.

3.4.5 That the Directors be generally empowered (pursuant to section 570 of the Act) to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority referred to paragraph 3.4.4 above as if section 561 of the Act did not apply to any such allotment, such power to expire on the conclusion of the next annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

3.4.6 That the Company be generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of the Ordinary Shares provided that:

3.4.6.1 the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue immediately following completion of the allotments of shares referred to in paragraphs 3.4.2 and 3.4.4 above.

3.4.6.2 The minimum price (excluding expenses) which may be paid for each Ordinary Share is 5 pence.

3.4.6.3 The maximum price (excluding expenses) which may be paid for each Ordinary Share must not be more than is the higher of (a) 105 per cent. of the average market value of an Ordinary Share for the 5 business days prior to the day the purchase is made and (b) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for the last independent trade of and the highest current independent bid for, any number of the Company's shares on the trading venue where the purchase is carried out.

- 3.4.6.4 Such authority will expire on the conclusion of the next annual general meeting of the Company, save in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.
- 3.5 Other than the issue of Offer Shares pursuant to the Offer, the Company has no present intention to issue any new shares in the share capital of the Company, save in relation to the Management Incentive Plan and the Warrant Instrument.
- 3.6 The Company does not have in issue any securities not representing share capital.
- 3.7 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.8 Save as disclosed in this paragraph 3, there has been no issue of share or loan capital of the Company or any other member of the Group (other than intra-group issues by wholly owned subsidiaries) since the date of incorporation of the Company and (other than pursuant to the Offer, the Management Incentive Plan and the Warrant Instrument) no such issues are proposed.
- 3.9 Except for the marketing commissions constituted within the Warrant Instrument, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company since the date of incorporation of the Company.
- 3.10 The Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through CREST will be posted to allottees on 17th October 2016. Shares to be held through CREST will be credited to CREST accounts on Admission.

4. ARTICLES OF ASSOCIATION

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

4.1 Voting Rights

Subject to the rights or restrictions referred to in paragraph 4.2 and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (i) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (ii) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

4.2 Restrictions on Voting

A member of the Company is not entitled, either in person or by proxy, in respect of any share held by him, to vote at any general meeting of the Company unless all amounts payable by him in respect of that share have been paid.

A member of the Company shall not, if the directors determine, be entitled to attend general meetings and vote or to exercise rights of membership (in the case of default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent. of the issued shares of the class) if he or another person appearing to be interested in the relevant shares has failed to comply with a notice given under section 793 of the Act within 14 days. The restrictions will continue for the period specified by the board provided that such period shall end not later than 7 days after the earliest of (i) due compliance to the satisfaction of the board with the section 793 notice; or (ii) receipt by the Company of notice that the shareholding has been sold to a third party pursuant to an arm's length transfer.

4.3 **Dividends**

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profit. The directors may pay such interim dividends as appear to the board to be justified by the financial position of the Company. No dividends payable in respect of an Ordinary Share shall bear interest. The directors may, if authorised by an ordinary resolution, offer the holders of shares the right to elect to receive further shares, credited as fully paid instead of cash in respect of all or part of a dividend (a "scrip dividend"). The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, withhold dividends or other sums payable in respect of shares which are the subject of a notice under section 793 of the Act and which represent 0.25 per cent. or more in nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice and the member holding those shares may not elect, in the case of a scrip dividend, to receive shares instead of that dividend.

The Company or its directors may fix a date as the record date for a dividend provided that the date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared. A dividend unclaimed for a period of 12 years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.

4.4 **Return of Capital**

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

4.5 **Variation of Rights**

All or any of the rights attaching to a class of shares in the Company may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class (excluding any shares of the class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be 2 persons holding, or represented by proxy, not less than one-third in nominal value of the issued shares of the relevant class (excluding any shares of the class held as treasury shares).

4.6 **Transfer of Shares**

Subject to the restriction set out in this paragraph, any member may transfer all or any of his shares in any manner which is permitted by the Statutes (as defined in the Articles) or in any other manner approved by the board. A transfer of a certificated share shall be in writing in the usual common form or in any other form permitted by the Statutes or approved by the board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Statutes and is from time to time approved by the board.

The directors have a discretion to refuse to register a transfer of a certificated share which is not fully paid (provided that this does not prevent dealings in the shares from taking place on an open and proper basis). The directors may also decline to register a transfer of shares in certificated form unless (i) the instrument of transfer is duly stamped or certified or otherwise shown to the satisfaction of the board to be exempt from stamp duty, deposited at the office of the Company or such other place as the board may appoint, accompanied by the certificate for the shares to which it relates if it has been issued and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; (ii) the instrument of transfer is in respect of only one class of share and in favour of no more than 4 transferees. The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are

the subject of a notice under section 793 of the Act and which represent at least 0.25 per cent. of the issued shares of their class, and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

4.7 **Alteration of capital and purchase of own shares**

The Company may alter its share capital in accordance with the provisions in any manner permitted by the Statutes.

4.8 **General Meetings**

4.8.1 *Annual General Meetings*

The board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Act.

4.8.2 *Convening of General Meetings*

All meetings other than annual general meetings shall be called general meetings. The board may convene a general meeting whenever it thinks fit. A general meeting shall also be convened by the board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitions, as provided by the Act. The board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

4.8.3 *Orderly Conduct of Meetings*

The board may both prior to and during any general meeting make any arrangements and impose any restrictions which it considers appropriate to ensure the security and/or the orderly conduct of any such general meeting, including, without limitation, arranging for any person attending any such meeting to be searched, for items of personal property which may be taken into any such meeting to be restricted and for any person (whether or not a member of the Company) who refuses to comply with any such arrangements or restrictions to be refused entry to or excluded from any such meeting.

4.8.4 *Notice of General Meetings*

Subject to the provisions of the Statutes, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Statutes for the type of meeting concerned.

The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director.

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

4.8.5 *Quorum*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting.

Except as otherwise provided by the Articles, 2 persons entitled to attend and to vote on the business to be transacted, each being a member present in person or by proxy or a duly authorised representative of a corporation which is a member shall be a quorum. If within 5 minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the commencement of the general meeting a quorum is not present, or if during the meeting, a quorum ceases to be present, the meeting, if convened by or on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day, time and place as the chairman may, subject to the Statutes, determine. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

4.8.6 *Chairman*

At each general meeting, the chairman of the board or, if he is absent or unwilling, the deputy chairman shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor the deputy chairman is present within 5 minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor the deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman of the meeting if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman of the meeting.

4.8.7 *Directors Entitled to Attend and Speak*

Each director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

4.8.8 *Adjournment*

With the consent of any meeting at which a quorum is present the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting either indefinitely or to another time or place.

In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting.

4.8.9 *Method of Voting and Demand for Poll*

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- 4.8.9.1 the chairman of the meeting; or
- 4.8.9.2 a majority of directors present at the meeting; or
- 4.8.9.3 not less than 5 members present in person or by proxy having the right to vote on the resolution; or
- 4.8.9.4 a member or members present in person or by proxy representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- 4.8.9.5 a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares); and

4.8.9.6 a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

4.8.10 *Taking a Poll*

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).

4.8.11 *Proxies*

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

4.8.12 *Form of Proxy*

An appointment of a proxy shall be in writing in:

4.8.12.1 hard copy in any usual form or in any other form which the board may approve, signed by the appointor, or his agent duly authorised in writing, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by some agent or officer authorised to sign it; or

4.8.12.2 electronic form.

4.8.13 *Deposit of Proxy*

The appointment of a proxy shall:

4.8.13.1 in the case of an appointment in hard copy form, be delivered personally or by post to the office or such other place within the UK as may be specified by or on behalf of the Company for that purpose in the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;

4.8.13.2 in the case of an appointment in electronic form, be received at an address specified (or is deemed by a provision in the Act to have been specified) by or on behalf of the Company for the purpose of receiving documents or information in electronic form in, the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting or in any invitation to appoint a proxy issued by or on behalf of the Company in relation to the meeting or on a website that is maintained by or on behalf of the Company and identifies the Company, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;

4.8.13.3 in the case of a poll which is taken more than 48 hours after it is demanded, be delivered or received as aforesaid not less than 24 hours before the time appointed for the taking of the poll; or

4.8.13.4 in the case of a poll which is not taken at the meeting at which it is demanded but is taken not more than 48 hours after it was demanded, be delivered in hard copy form at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.

The board may at its discretion determine that in calculating the periods mentioned above, no account shall be taken of any part of a day that is not a working day as defined in the Act. Where proxies are sent by electronic means but because of a technical problem cannot be read, the proxies in question are not invalidated.

In relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by electronic means in the form of an Uncertificated Proxy Instruction.

An appointment of a proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting shall not require to be received again for the purposes of any subsequent meeting to which it relates.

4.8.14 *Notice of Revocation of Proxy*

Notice of the revocation of the appointment of a proxy may be given in any lawful manner which complies with the regulations (if any) made by the directors to govern the revocation of a proxy.

4.9 **Directors**

4.9.1 *Number*

Unless otherwise determined by ordinary resolution of the Company, the directors (other than alternate directors) shall not be less than 2 and there shall be no maximum number of directors.

4.9.2 *Appointment of Directors*

Subject to the provisions of the Articles, any person who is willing to act to be a director, either to fill a vacancy or as an additional director may be appointed by:

4.9.2.1 the Company by ordinary resolution; or

4.9.2.2 the board,

but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed shall retire at the next annual general meeting and shall then be eligible for re-appointment.

No person (other than a director retiring in accordance with the Articles) shall be appointed or re-appointed a director at any general meeting unless:

4.9.2.3 he is recommended by the board; or

4.9.2.4 not less than 7 nor more than 42 clear days before the date appointed for the meeting notice in writing by a member qualified to vote at the meeting (other than the person to be proposed) has been given to the Company of the intention to propose that person for appointment or re-appointment together with confirmation in writing by that person of his willingness to be appointed or re-appointed and the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors.

4.9.3 *Remuneration*

The directors (other than any director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as determined by the directors. Any fee shall be distinct from any remuneration or other amounts payable to a director under other provisions of the Articles and shall accrue from day to day. The directors may be paid all travelling, hotel and other expenses properly incurred in and about the discharge of their duties as directors including expenses incurred in travelling to and from meetings of the board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

4.9.4 *Retirement of directors by rotation*

4.9.4.1 At every annual general meeting any director:

4.9.4.1.1 who has been appointed by the board since the previous annual general meeting;

4.9.4.1.2 who held office at the time of the 2 preceding annual general meetings and who did not retire at either of them;

4.9.4.1.3 any non-executive director who has held office with the Company, other than employment or executive office, for a continuous period of 9 years or more at the date of the meeting,

shall retire from office and may offer himself for re-appointment by the members.

4.9.4.2 The names of the directors to retire by rotation shall be stated in the notice of the annual general meeting or in any document accompanying the notice. The directors to retire on each occasion (both as to number or identity) shall be determined by the composition of the board on the day which is 14 days prior to the date of the notice convening the annual general meeting and no directors shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time but before the close of the meeting.

4.9.5 *Position of Retiring Directors*

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to continue to act, be re-appointed. If he is re-appointed he is treated as continuing in office throughout. If he is not re-appointed, he shall retain office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to re-appoint the director is put to the meeting and lost.

4.9.6 *Removal of Directors*

The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, remove any director before his period of office has expired notwithstanding anything in the Articles or in any agreement between him and the Company.

4.9.7 *Vacation of Office of Director*

Without prejudice to the provisions of the Articles for retirement or removal, the office of a director shall be vacated:

4.9.7.1 if he ceases to be a director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles;

4.9.7.2 if he is prohibited by law from being a director;

4.9.7.3 if he becomes bankrupt or he makes any arrangement or composition with his creditors generally;

4.9.7.4 if a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than 3 months;

4.9.7.5 if for more than 6 months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from meetings of the board held during that period and the board resolves that his office be vacated; or

4.9.7.6 if he serves on the Company notice of his wish to resign, in which event he shall vacate office on the service of that notice on the Company or at such later time as is specified in the notice.

4.9.8 *Executive Directors*

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the Company and on such terms as the board determine.

A director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a director.

4.9.9 *Power to Appoint Alternate Directors*

Each director may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board.

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of the Articles shall apply as if he were a director.

Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.

4.9.10 *Quorum and Voting Requirements*

4.9.10.1 A director shall not vote on (or be counted in the quorum) in relation to any resolution of the board concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of 2 or more directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and in that case each of the directors concerned (if not otherwise debarred from voting under article 90 of the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

4.9.10.2 A director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save:

4.9.10.2.1 where the other directors resolve that the director concerned should be entitled to do so in circumstances where they are satisfied that the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

4.9.10.2.2 where his interest arises solely by reason of his also having a direct or indirect interest in the shares of the Company; or

4.9.10.2.3 in any of the following circumstances:

4.9.10.2.3.1 the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by the director or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

4.9.10.2.3.2 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has himself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- 4.9.10.2.3.3 the giving to him of any other indemnity, where all other directors are also being offered indemnities on substantially the same terms;
 - 4.9.10.2.3.4 the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;
 - 4.9.10.2.4 any contract concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer the director is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - 4.9.10.2.5 any contract in which the director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - 4.9.10.2.6 any contract concerning any other company in which the director is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise, unless the company is one in which he has a relevant interest;
 - 4.9.10.2.7 any contract relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - 4.9.10.2.8 any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company and/or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
 - 4.9.10.2.9 any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death, or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to employees to which the fund or scheme relates; and
 - 4.9.10.2.10 any contract concerning the purchase or maintenance of insurance against any liability, for the benefit of persons including directors.
- 4.9.10.3 A company shall be deemed to be one in which a director has a relevant interest if and so long as he (together with persons connected with him within the meaning of sections 252 to 255 of the Act) to his knowledge holds an interest in shares (as determined pursuant to sections 820 to 825 of the Act) representing 1 per cent. or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company or if he can cause 1 per cent. or more of those voting rights to be exercised at his direction; and
- 4.9.10.4 Where a company in which a director has a relevant interest is interested in a contract, he shall also be deemed interested in that contract.

4.9.11 *Other Conflicts of Interest*

- 4.9.11.1 If a director is in any way, directly or indirectly, interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Statutes.
- 4.9.11.2 Provided he has declared his interest in accordance with paragraph 4.9.11.1, a director may:
 - 4.9.11.2.1 be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
 - 4.9.11.2.2 hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the board may decide, either in addition to or in lieu of any remuneration under any other provision of the Articles;
 - 4.9.11.2.3 act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);
 - 4.9.11.2.4 be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and
 - 4.9.11.2.5 be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

4.9.12 *Conflicts of Interest Requiring Board Authorisation*

- 4.9.12.1 A “conflict of interest” means, in relation to any person, an interest or duty which that person has which directly or indirectly conflicts or may conflict with the interests of the Company or the duties owed by that person to the Company but excludes a conflict of interest arising in relation to a transaction or arrangement with the Company (to which the provisions of paragraph 4.9.11 apply).
- 4.9.12.2 The board may, subject to the quorum and voting requirements set out in this paragraph 4.9.12, authorise any matter which would otherwise involve a director breaching his duty under the Statutes to avoid conflicts of interest (“Conflicts”).
- 4.9.12.3 A director seeking authorisation in respect of a Conflict shall declare to the board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the board with such details of the relevant matter as are necessary for the board to decide how to address the Conflict together with such additional information as may be requested by the board.
- 4.9.12.4 Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the board shall be effected in the same way that any other matter may be proposed to and resolved upon by the board under the provisions of the Articles save that:
 - 4.9.12.4.1 the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and
 - 4.9.12.4.2 the relevant director and any other director with a similar interest may, if the other members of the board so decide, be excluded from any board meeting while the Conflict is under consideration.

- 4.9.12.5 Where the board gives authority in relation to a Conflict, or where any of the situations described in this paragraph applies in relation to a director (a “Relevant Situation”):
- 4.9.12.5.1.1 the board may (whether at the relevant time or subsequently) (i) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the board or otherwise) related to the Conflict or Relevant Situation; and (ii) impose upon the relevant director such other terms for the purpose of dealing with the Conflict or Relevant Situation as it may determine;
 - 4.9.12.5.1.2 the relevant director will be obliged to conduct himself in accordance with any terms imposed by the board in relation to the Conflict or Relevant Situation;
 - 4.9.12.5.1.3 the board may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company’s affairs, where to do so would amount to a breach of that confidence;
 - 4.9.12.5.1.4 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
 - 4.9.12.5.1.5 the board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.
- 4.9.12.6 The directors may authorise a matter which may give rise to a Conflict on the part of a person who is proposed to be appointed as a director to the board and any authorisation of such matter by the directors shall promptly be communicated to such person and shall apply to him on his appointment as a director.
- 4.9.12.7 A director shall not be regarded as having a Conflict by reason of his also being a director of or holding any other position with another Group Company and the director shall not be in breach of any duty to the Company by reason of his disclosure of any information to the other Group Company or by anything done by the other Group Company including the exploitation of any property, information or opportunity following any such disclosure to it by the director. The directors may resolve that a specified company shall no longer be treated as a Group Company for the purposes of article 87 of the Articles.
- 4.9.12.8 Save as otherwise resolved by the directors, a director shall not be regarded as having a Conflict by reason of his also having a direct or indirect interest in the shares of the Company.

4.9.13 *Benefits*

Subject to the provisions of the Statutes a director shall not be disqualified by his office from entering into any contract with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise. Subject to the interest of the director being duly declared, a contract entered into by or on behalf of the Company in which any director is in any way interested shall not be liable to be avoided; nor shall any director so interested be liable to account to the Company for any benefit resulting from the contract by reason of the director holding that office or of the fiduciary relationship established by his holding that office.

4.9.14 *Powers of the Board*

The business of the Company shall be managed by the board which may exercise all the powers of the Company, subject to the provisions of the Statutes and the Articles. No alteration

of the Articles shall invalidate any prior act of the board which would have been valid if the alteration had not been made.

4.9.15 *Borrowing Powers*

Subject to the provisions of the Statutes and the Articles, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the Company's undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.9.16 *Indemnity of officers*

Subject to the provisions of and so far as may be permitted by and consistent with the Statutes each current or former director or other officer (other than an auditor) of the Company or any Associated Company may be indemnified out of the assets of the Company against:

4.9.16.1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company other than in the case of a current or former director:

4.9.16.1.1 any liability to the Company or any Associated Company; and

4.9.16.1.2 any liability of the kind referred to in section 234(3) of the Act;

4.9.16.2 any liability incurred by or attaching to him in connection with the activities of the Company or any Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) other than a liability of the kind referred to in section 235(3) of the Act; and

4.9.16.3 any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers.

For the purpose of this paragraph, references to "liability" shall include all costs and expenses incurred by the current or former director or other officer (other than an auditor) in relation thereto.

Subject to the provisions of and so far as may be permitted by the Statutes, the board may exercise all the powers of the Company to:

4.9.16.4 provide any current or former director or other officer (other than an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or in connection with any application for relief under the provisions mentioned in section 205(5) of the Act; and

4.9.16.5 do anything to enable any such person to avoid incurring expenditure,

but so that the terms set out in section 205(2) of the Act shall apply to any such provision of funds or other things so done. For the purpose of this paragraph references to "director" in section 205(2) of the Act shall be deemed to include references to a former director or other officer (other than an auditor) of the Company.

The board may purchase and maintain for or for the benefit of any person who holds or has at any time held a relevant office (as defined in the Articles), insurance against any liability or expense incurred by him in relation to the Company or any Associated Company or any third party in respect of any act or omission in the actual or purported discharge of his duties or otherwise in connection with holding his office.

4.9.17 *Delegation to Individual Directors*

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation. The power to delegate contained in article 82 of the Articles shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles of the Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

4.9.18 *Committees*

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) including without prejudice to the generality of the foregoing all powers, authorities and discretions whose exercise involves or may involve the payment of remuneration to, or the conferring of any other benefit on, all or any of the directors to any committee consisting of such person or persons (whether directors or not) as it thinks fit, provided that the majority of the members of the committee are directors and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors.

4.9.19 *Board Meetings*

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

4.9.20 *Notice of Board Meetings*

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in hard copy form to him at his last known address or any other address given by him to the Company for this purpose or sent in electronic form to him at an address given by him to the Company for this purpose.

4.9.21 *Quorum*

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be 2. Subject to the provisions of the Articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

4.9.22 *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote, unless he is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

4.9.23 *Telephone and Video Conference Meetings*

A meeting of the board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- 4.9.23.1 to hear each of the other participating directors addressing the meeting; and
- 4.9.23.2 if he wishes, to address all of the other participating directors simultaneously, whether by conference telephone or by video conference or by any other form of communications equipment (whether in use when the Articles are adopted or developed subsequently) or by a combination of any such methods.

A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

4.9.24 *Resolutions in Writing*

Any director may propose a directors' written resolution and the secretary must propose a written resolution if a director so requests. A resolution in writing signed by all of the directors for the time being entitled to notice of a meeting of the board, to attend such meeting and to vote on such resolution shall be as valid and effective as if it had been passed at a meeting of the board duly called and constituted. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the directors concerned.

4.10 **Real Estate Investment Trust**

For the purposes of this paragraph 4.10 only, the following words and expressions shall bear the following meanings:

"Distribution" means any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made.

"Distribution Transfer" means a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not and whether as a result of the transfer or not) is an Excessive Shareholder.

"Distribution Transfer Certificate" means a certificate in such form as the directors may specify from time to time to the effect that the relevant Person has made a Distribution Transfer, which certificate may be required by the directors to satisfy them that an Excessive Shareholder is not beneficially entitled (directly or indirectly) to a Distribution.

"Excess Charge" means, in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the directors consider may become payable by the Company or any other shareholder of the Group under section 551 of the CTA 2010 and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person.

"Excessive Shareholder" means any Person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any shareholder of the Group to be liable to pay tax under section 551 of the CTA 2010 on or in connection with the making of a Distribution to or in respect of such Person including, at the date of adoption of article 133 of the Articles, any holder of excessive rights as defined in section 553 of the CTA 2010.

"Excessive Shareholding" means the shares in the Company in relation to which or by virtue of which (in whole or in part) a Person is an Excessive Shareholder.

"Group" means the Company and the other companies in its group for the purposes of section 606 of the CTA 2010.

"interest in the Company" includes, without limitation, an interest in a Distribution made or to be made by the Company.

"Person" means a natural person, a corporation, partnership or other entity or organisation of any kind incorporated or unincorporated and wherever domiciled.

"Relevant Registered Shareholder" means a shareholder who holds all or some of the shares in the Company that comprise an Excessive Shareholding (whether or not an Excessive Shareholder).

"Reporting Obligation" means any obligation from time to time of the Company to provide information or reports as a result of or in connection with the Company's status as a REIT or the principal company in a group REIT.

4.10.1 *Notification of Excessive Shareholder and Other Status*

- 4.10.1.1 Each shareholder and any other relevant Person shall serve notice in writing on the Company at the registered office on:
- 4.10.1.1.1 him becoming an Excessive Shareholder or him being an Excessive Shareholder on the date article 133 of the Articles comes into effect (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the shareholder(s) who hold(s) the relevant Excessive Shareholding and such other information, certificates or declarations as the directors may require from time to time);
 - 4.10.1.1.2 him becoming a Relevant Registered Shareholder or being a Relevant Registered Shareholder on the date article 133 of the Articles comes into effect (together with such details of the relevant Excessive Shareholder and such other information, certificates or declarations as the directors may require from time to time); and
 - 4.10.1.1.3 any change to the particulars contained in any such notice, including on the relevant Person ceasing to be an Excessive Shareholder or a Relevant Registered Shareholder.
- 4.10.1.2 Any such notice shall be delivered by the end of the second Business Day after the day on which the Person becomes an Excessive Shareholder or a Relevant Registered Shareholder (or the date this Article comes into effect, as the case may be) or the change in relevant particulars or within such shorter or longer period as the directors may specify from time to time.
- 4.10.1.3 The directors may at any time give notice in writing to any Person requiring him, within such period as may be specified in the notice (being 7 days from the date of service of the notice or such shorter or longer period as the directors may specify in the notice), to deliver to the Company at the Registered Office such information, certificates and declarations as the directors may require to establish whether or not he is an Excessive Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such Person shall deliver such information, certificates and declarations within the period specified in such notice.

4.10.2 *Distributions in respect of Excessive Shareholdings*

- 4.10.2.1 In respect of any Distribution, the directors may, if the directors determine that the condition set out in paragraph 4.10.2.2 is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in paragraph 4.10.2.3 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 4.10.2.2 The condition referred to in paragraph 4.10.2.1 is that, in relation to any shares in the Company and any Distribution to be paid or made on and in respect of such shares:
- 4.10.2.2.1 the directors believe that such shares comprise all or part of an Excessive Shareholding of an Excessive Shareholder; and
 - 4.10.2.2.2 the directors are not satisfied that such Excessive Shareholder would not be beneficially entitled to the Distribution if it was paid,
- and furthermore if the shares comprise all or part of an Excessive Shareholding in respect of more than one Excessive Shareholder, this condition shall be satisfied in respect of all such Excessive Shareholders.
- 4.10.2.3 If a Distribution has been withheld on or in respect of any shares in the Company in accordance with paragraph 4.10.2.1, it shall be paid as follows:

- 4.10.2.3.1 if it is established to the satisfaction of the directors that the condition in paragraph 4.10.2.2 is not satisfied in relation to such shares, the whole amount of the Distribution withheld shall be paid; and
- 4.10.2.3.2 if the directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of the Excessive Shareholding, the Distribution attributable to such transferred shares shall be paid (provided the directors are satisfied that following such transfer such transferred shares concerned do not form part of an Excessive Shareholding); and
- 4.10.2.3.3 if the directors are satisfied that as a result of a transfer of interests in shares referred to in paragraph 4.10.2.3.2 above the remaining shares no longer form part of an Excessive Shareholding, the Distribution attributable to such remaining shares shall be paid.

In this sub-paragraph, references to the “transfer” of a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that share.

- 4.10.2.4 An Excessive Shareholder may satisfy the directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the directors shall be entitled to require such other information, certifications or declarations as they think fit.
- 4.10.2.5 The directors may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the directors pursuant to paragraph 4.10.1.3 in relation to such shares shall not have been complied with to the satisfaction of the directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the directors unless the directors withhold payment pursuant to paragraph 4.10.2.1 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 4.10.2.6 If the directors decide that payment of a Distribution should be withheld under paragraph 4.10.2.1 or paragraph 4.10.2.5 they shall within 5 Business Days give notice in writing of that decision to the Relevant Registered Shareholder.
- 4.10.2.7 If any Distribution shall be paid on an Excessive Shareholding and an Actual Excess Charge becomes payable, the Excessive Shareholder shall pay the amount of such Actual Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Excessive Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to paragraph 4.10.4.2 or out of any subsequent Distribution in respect of the shares to such Person or to the holders of all shares in relation to or by virtue of which the directors believe that Person has an interest in the Company (whether that Person is at that time an Excessive Shareholder or not).

4.10.3 Distribution Trust

- 4.10.3.1 If a Distribution is paid on or in respect of an Excessive Shareholding (except where the Distribution is paid in circumstances where the Excessive Shareholder is not beneficially entitled to the Distribution), the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the Persons nominated by the Excessive Shareholder under paragraph 4.10.3.2 in such proportions as the Excessive Shareholder shall in the nomination direct or, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made,

for the Company or such other Persons as may be nominated by the directors from time to time.

- 4.10.3.2 The Excessive Shareholder in respect of which a Distribution is paid shall be entitled to nominate in writing any 2 or more Persons (not being Excessive Shareholders) to be the beneficiaries of the trust on which the Distribution is held under paragraph 4.10.3.1 and the Excessive Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated Persons, failing which the Distribution shall be held on trust for the nominated Persons in equal proportions. No Person may be nominated under this paragraph who is or would, on becoming a beneficiary in accordance with the nomination, become an Excessive Shareholder. If the Excessive Shareholder making the nomination is not by virtue of paragraph 4.10.3.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the Person who is the trustee.
- 4.10.3.3 Any income arising from a Distribution which is held on trust under paragraph 4.10.3.1 shall until the earlier of (i) the making of a valid nomination under paragraph 4.10.3.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid, be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 4.10.3.4 No Person who by virtue of paragraph 4.10.3.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 4.10.3.5 No Person who by virtue of paragraph 4.10.3.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own fraud or wilful wrongdoing or, in the case of an incorporated Person, the fraud or wilful wrongdoing of its directors, officers or employees.

4.10.4 *Obligation to dispose*

4.10.4.1 If, at any time, the directors believe that:

- 4.10.4.1.1 in respect of any Distribution declared or announced, the condition set out in paragraph 4.10.2.2 is satisfied in respect of any shares in the Company in relation to that Distribution;
- 4.10.4.1.2 a notice given by the directors pursuant to paragraph 4.10.1.3 in relation to any shares in the Company has not been complied with to the satisfaction of the directors within the period specified in such notice; or
- 4.10.4.1.3 any information, certificate or declaration provided by a Person in relation to any shares in the Company for the purposes of the preceding provisions of this paragraph was materially inaccurate or misleading,

the directors may give notice in writing (a "Disposal Notice") to any Persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the directors consider to be appropriate in the circumstances) to dispose of such number of shares as the directors may in such notice specify or to take such other steps as will cause the condition set out in paragraph 4.10.2.2 no longer to be satisfied. The directors may, if they think fit, withdraw a Disposal Notice.

4.10.4.2 If:

- 4.10.4.2.1 the requirements of a Disposal Notice are not complied with to the satisfaction of the directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- 4.10.4.2.2 a Distribution is paid on an Excessive Shareholding and an Actual Excess Charge becomes payable;

the directors may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Excessive Shareholding concerned. For this purpose, the directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant share and, in the case of a share in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through the Relevant System.

- 4.10.4.3 Any sale pursuant to paragraph 4.10.4.2 above shall be at the price which the directors consider is the best price reasonably obtainable and the directors shall not be liable to the holder or holders of the relevant share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.
- 4.10.4.4 The net proceeds of the sale of any share under paragraph 4.10.4.2 (less any amount to be retained pursuant to paragraph 4.10.2.7 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
- 4.10.4.5 The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this paragraph.

4.10.5 *General*

- 4.10.5.1 The directors shall be entitled to assume, without enquiry, unless any director has reason to believe otherwise, that a Person is not an Excessive Shareholder or a Relevant Registered Shareholder.
- 4.10.5.2 The directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular Person) pursuant to the provisions described in this paragraph and any such determination or decision shall be final and binding on all Persons unless and until it is revoked or changed by the directors. Any disposal or transfer made or other thing done by or on behalf of the board or any director pursuant to the provisions described in this paragraph shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.
- 4.10.5.3 Without limiting their liability to the Company, the directors shall be under no liability to any other Person, and the Company shall be under no liability to any shareholder or any other Person, for identifying or failing to identify any Person as an Excessive Shareholder or a Relevant Registered Shareholder.
- 4.10.5.4 The directors shall not be obliged to serve any notice required under the provisions described in this paragraph upon any Person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any Person upon whom notice is required to be served under the provisions described in this paragraph shall not prevent the implementation of or invalidate any procedure under the provisions described in this paragraph.
- 4.10.5.5 Any notice required or permitted to be given pursuant to the provisions described in this paragraph may relate to more than one share and shall specify the share or shares to which it relates.
- 4.10.5.6 The directors may require from time to time any Person who is or claims to be a Person to whom a Distribution may be paid without deduction of tax under Regulation 7 of The Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 (as such regulations may be modified, supplemented or replaced from time to time) to provide such information, certificates or declarations as they may require from time to time.

5. DIRECTORS' AND OTHER INTERESTS

- 5.1 As at 28th July 2016 and as expected to be held on Admission, the interests (all of which are beneficial) of the Directors (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning of section 252 to 255 of the Act) in the Company's issued share capital are or are expected to be as follows:

<i>Director</i>	<i>Before Admission</i>		<i>After Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>
Joe McTaggart	58,164	2.57%	58,164	1.36%
David White	16,886	0.75%	16,886	0.40%

- 5.2 As at 28th July 2016 and as expected to be held on Admission, the interests of the substantial shareholders in the Company's issued share capital as far as could with reasonable diligence be ascertained by the Company are or are expected to be as follows:

<i>Indirect Holders</i>	<i>Before Admission</i>		<i>After Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>
Karl Reynolds	71,998	3.18%	71,998	1.69%
John Gartside	68,369	3.02%	68,369	1.60%
Lee Bowyer	107,076	4.73%	107,076	2.51%
Joyce Swann	69,765	3.08%	69,765	1.64%
Paul Henderson	72,904	3.22%	72,904	1.71%

- 5.3 Save as disclosed in paragraphs 5.1 and 5.2 above, 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.
- 5.4 The Directors, referred to in paragraph 5.1 above, do not have voting rights that differ from those of other Shareholders.
- 5.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 5.6 In addition to their directorships of the Company and wholly owned subsidiaries of the Company, the Directors currently hold, and have during the 5 years preceding the date of this document held, the following directorships or partnerships:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Joe McTaggart	Wigmore Jones Limited Onaji Limited	Carlton Square Limited
David White	White Capital Limited	Jasper Wallace Ltd
Peter Wylie	Dunadd Asset Management Ltd New Street Trustees Limited Stephen Walters (Financial Planning) Limited	ACS Installations Ltd Voice Technologies Limited

- 5.7 None of the Directors has any unspent convictions in relation to indictable offences.
- 5.8 None of the Directors have been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body).
- 5.9 Save as described below, none of the Directors has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership,

compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

- 5.10 David White was a director of Jasper Wallace Ltd, which was dissolved by way of voluntary strike off on 26th January 2016.
- 5.11 None of the Directors has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership.
- 5.12 No asset of any Director has at any time been the subject of a receivership.
- 5.13 None of the Directors is or has been bankrupt nor been the subject of any form of individual voluntary arrangement.
- 5.14 None of the Directors is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6. DIRECTORS' APPOINTMENTS

6.1 *Joe McTaggart's Service Agreement*

The services of Joe McTaggart are to be supplied pursuant to the terms of a service agreement between Joe McTaggart and the Company entered into on 28th July 2016. The appointment is for a minimum initial period of 12 months from Admission and is terminable by either party by 6 months' notice in writing served at any time and requires Joe McTaggart to devote such time and attention to the business of the Company as may reasonably be required to carry out his role as Chief Executive.

Annual remuneration is in the sum of £50,000 or as otherwise agreed from time to time in accordance with the service agreement. The terms of the service agreement do not provide for any private medical insurance scheme and no death in service benefit and, save for the Company's obligations under Part 1 of the Pensions Act 2008, no pension contribution is provided nor is there access to a Company pension scheme.

Joe McTaggart will participate in the Company's Management Incentive Plan. Further details about the plan are set out below in this Part 7.

The service agreement also allows the Company, in certain circumstances, to make a payment in lieu of notice and/or place the employee on gardening leave during any notice period. The agreement also contains restrictions on Joe McTaggart including provisions relating to the use of confidential information and intellectual property and post-termination restrictions for a period of 6 months after termination including non-solicitation and non-dealing provisions in respect of senior employees and non-compete provisions.

The service agreement is governed by English law.

6.2 *David White's Service Agreement*

The services of David White are to be supplied pursuant to the terms of a service agreement between David White and the Company. The appointment is for a minimum initial period of 12 months and is terminable by either party by 6 months' notice in writing served at any time and requires David White to devote such time and attention to the business of the Company as may reasonably be required to carry out his role as Chief Operating Officer.

Annual remuneration is in the sum of £50,000 or as otherwise agreed from time to time in accordance with the service agreement. The terms of the service agreement do not provide for any private medical insurance scheme and no death in service benefit and, save for the Company's obligations under Part 1 of the Pensions Act 2008, no pension contribution is provided nor is there access to a Company pension scheme.

David White will participate in the Company's Management Incentive Plan. Further details about the plan are set out below in this Part 7.

The service agreement also allows the Company, in certain circumstances, to make a payment in lieu of notice and/or place the employee on gardening leave during any notice period. The agreement also contains restrictions on David White including provisions relating to the use of confidential information and intellectual property and post-termination restrictions for a period of 6 months after termination including non-solicitation and non-dealing provisions in respect of senior employees and non-compete provisions.

The service agreement is governed by English law.

6.3 **Peter Wylie's Appointment Letter**

The services of Peter Wylie as Non-Executive are supplied pursuant to the terms of an appointment letter between Peter Wylie and the Company. The appointment is for an initial term of one year terminable by either party on one months' notice in writing served at any time. With effect from Admission Peter Wylie will be entitled to directors fees of £8,000 per annum. The appointment letter is governed by English law.

6.4 Save as set out above, there are no existing or proposed service agreements between any of the Directors and the Company.

7. **Management incentive plan**

7.1 As soon as reasonably practicable following Admission, the Company will establish a management incentive plan under which awards to acquire Ordinary Shares can be granted to eligible directors and employees.

7.2 Awards granted under the plan may be structured as options, conditional awards or forfeitable shares, and where appropriate or applicable, will be designed to be tax effective.

7.3 Awards granted to eligible participants will be granted over such number of Ordinary Shares as the Directors shall decide.

7.4 Awards will vest (become exercisable in the case of options) at the end of a predetermined vesting period that will typically be 3 years subject to the satisfaction of any relevant performance conditions (appropriately aligned to the strategic aims and objectives of the Company) and provided that the participant remains an eligible employee at the Company. For awards granted immediately after Admission, it is anticipated that management will be incentivised to participate in 20 per cent. of any growth in the net asset value per Ordinary Share in excess of property inflation as measured by reference to the IPD UK Annual Residential Property Index.

7.5 Awards will normally lapse when a participant ceases to be employed by the Company. However if a participant ceases employment by reason of being a 'good leaver' (such as ill health or death) the awards shall remain capable of vesting.

7.6 In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) awards will vest in full.

8. THE COMPANY AND ITS SUBSIDIARIES

8.1 The Company is the holding company of the Group and has the following principal subsidiaries:

<i>Name</i>	<i>Country of Registration</i>	<i>Principal Activity</i>	<i>Registered Office</i>
Walls & Futures Limited	England and Wales	Property development	3rd Floor 111 Buckingham Palace Road London SW1W 0SR
Walls & Futures (GP) Limited	Scotland	Dormant	15 Atholl Crescent Edinburgh EH3 8HA
Walls & Futures (LP) Limited	England and Wales	Dormant	3rd Floor 111 Buckingham Palace Road London SW1W 0SR

8.2 The above companies are all directly or indirectly wholly owned by the Company.

9. THE CITY CODE

9.1 **Mandatory Takeover Bids**

The City Code applies to all takeover and merger transactions in relation to the Company, and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers is on a statutory footing.

The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

9.2 **Squeeze Out**

Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, 6 weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

9.3 **Sell Out**

Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less than 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

10. **NOTIFICATIONS OF SHAREHOLDINGS**

The provisions of DTR 5 will apply to the Company and its Shareholders once its shares are admitted to ISDX. DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed, reach or fall below the threshold of 3 per cent. and each 1 per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within 2 trading days of the event giving rise to the notification requirement and the Company must release details to a RIS as soon as possible following receipt of a notification.

11. **MATERIAL CONTRACTS**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since the date of its incorporation and members of the Group in the 2 years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by the Company and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

11.1 **Share Exchange Agreement**

On 14th June 2016, the Company entered into an agreement between (1) the Company, (2) Joe McTaggart and (3) David White (being the holders of the whole of the issued share capital of Walls & Futures Limited) (the "Vendors") pursuant to which the Vendors sold all their shares in Walls & Futures Limited to the Company. The consideration due to the Vendors from the Company for the transfer of their shares in Walls & Futures Limited was £75,050 (satisfied by the allotment and issue of 75,049 ordinary shares in the Company, credited as fully paid up at an issue price of £1.00).

11.2 **Acquisition of the Properties**

The Company has approved a steps plan to implement the Restructuring by which, conditional on Admission, it will acquire the assets of the London Growth Fund. In general terms the Restructuring involves the acquisition of the Properties through a restructuring process in which Ordinary Shares of a corresponding value are issued to the London Growth Fund investors. The number of further shares agreed to be issued is 2,190,175 at £1.00 each. Completion of the acquisition of the Properties is conditional upon Admission.

11.3 **Director Lock-In Agreements**

Subject to Admission, Joe McTaggart and David White have each entered into a Director Lock-In Agreement pursuant to which he will agree, subject to certain exceptions, that he will not, from the date of signing the Director Lock-in Agreement until 12 months following the date of Admission in respect of his entire holding of Ordinary Shares dispose of any of the shares or interests in the shares held by him. An exception is in acceptance of a general offer for the share capital of the Company made in accordance with the City Code. The Director Lock-In Agreements contain an undertaking to procure that any family member or connected person (as such terms are defined in the ISDX Growth Market Rules) who acquires any shares in the Company shall enter into a deed of adherence under which he agrees to be bound by the terms of the Lock-In Agreement as if he were a party to it.

11.4 **Corporate Adviser Agreement**

On 1st February 2016, City & Merchant entered into a corporate adviser agreement with the Company, pursuant to which the Company has appointed City & Merchant to act as corporate adviser to the Company in relation to Admission and to assist with the Group's pre-Admission reorganisation. An initial fee of £10,000 plus VAT was paid and the Company has agreed to pay a further fee of £10,000 plus VAT on completion of this document and a success fee of £10,000 plus VAT on Admission. The Company has also agreed to pay City & Merchant £200 per month for provision of company secretarial services for the Company.

By an agreement dated 28th July 2016 City & Merchant was appointed as the Company's corporate adviser for the purposes of the ISDX Growth Market Rules requiring a company to retain an ISDX corporate adviser at all times. The appointment is conditional on Admission within 6 months of the date of the agreement and will run for an initial period of 12 months from Admission and thereafter terminable by either party giving to the other at any time not less than 90 days' prior written notice, save that City & Merchant can resign as corporate adviser at any time if in its sole discretion there is a material breach by the Company or the Directors of the agreement or the ISDX Growth Market Rules. The Company has agreed to pay from the date of Admission fees of £15,000 per annum plus VAT and disbursements. After 12 months the fees may be amended by City & Merchant by not less than 30 days' written notice. In the event that further funds are raised within 12 months of Admission the Company shall, in addition to any agreed fee, issue such further warrants at the issue price of such further issue as will maintain the number of warrants outstanding as 1 per cent. of the Company's issued share capital at the time. The agreement contains indemnities given by the Company against losses, liabilities, demands, claims, costs, charges and expenses as a result of (i) this document not containing all information required by the ISDX Growth Market Rules or statute or any statement herein being alleged to be untrue, inaccurate or misleading or (ii) the performance by City & Merchant of the agreement which does not arise because of the negligence or default of City & Merchant. The Company and each of the Directors have also given various warranties regarding the Company, including, for example the Company's financial position and the directors' responsibilities and obligations as directors of a company admitted to the ISDX Growth Market.

11.5 **City & Merchant Warrant**

On 28th July 2016, the Company entered into the Warrant Instrument which, *inter alia*, grants warrants (the City & Merchant Warrant) to City & Merchant pursuant to which the Company granted City & Merchant the right to subscribe for such number of Ordinary Shares as is equal to 1 per cent. of the issued share capital of the Company on Admission at the issue price of £1 per Ordinary Share, exercisable during the period beginning on the date of Admission and ending on 30th September 2022. The Warrant Instrument is governed by English law.

11.6 **Wigmore Jones Agreement**

The Company has appointed Wigmore Jones, a company owned and controlled by Joe McTaggart as the managing agent of the Properties. The management fee is 7.5 per cent. of rent received plus VAT per annum. The appointment is for the duration of the tenancy (and any renewal or extension), unless otherwise agreed in advance. The Company has agreed to indemnify Wigmore Jones as the Company's agent or otherwise against any costs, fines, claims, damages, liabilities or expenses incurred or imposed on Wigmore Jones in relation to the Company, the Properties or any tenancy as long as they are incurred or imposed as a result of Wigmore Jones carrying out their normal duties in good faith. The Agreement is governed by English law.

It is anticipated that properties not situated in London and the South East would not be managed by Wigmore Jones.

11.7 **Marketing Commissions**

The Company has agreed to pay commissions, in the form of warrants in connection with the subscription for new Ordinary Shares by investors who are introduced to the Company by its Directors and such other persons as may be authorised by the Company. The commissions payable to the Directors and such other persons comprise warrants over Ordinary Shares. The number of warrants to be granted is determined by the terms of the Warrant Instrument and comprise a right to subscribe

for one Ordinary Share at the Offer Price per £100 invested, exercisable during the period beginning on the date of Admission and ending on 30th September 2022.

12. RELATED PARTY TRANSACTIONS

The transactions referred to in the Share Exchange Agreement and the Wigmore Jones Agreement are the only related party transactions which the Company has entered into since the date of its incorporation.

13. WORKING CAPITAL

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account the net proceeds of the Offer, the working capital of the Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.

14. CORPORATE GOVERNANCE

The Corporate Governance Code does not apply to companies admitted to trading on ISDX, therefore the Company is not required to comply with the Corporate Governance Code. However, the Directors intend to follow the Corporate Governance Code principles of corporate governance appropriate for a company of the Company's size and nature.

The Board consists of 3 Directors of whom 2 are executive and one is non-executive.

The decision has been taken not to establish nomination, remuneration and audit committees due to the anticipated size of the Company at the date of the Admission. This decision will have to be reassessed by the Directors as the Company increases in size and will be established when the Directors consider it appropriate to do so.

15. LITIGATION

The Company is not and has not been involved in any governmental, legal or arbitration proceedings which may have, or have had since the date of its incorporation, a significant effect on its financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or any member of the Group.

16. GENERAL

- 16.1 Save as set out in this document there has been no significant change in the financial or trading position of the Group since 31st May 2016, the date to which the interim financial information of the Company set out in Part 5 were prepared.
- 16.2 The estimated costs and expenses relating to the Offer payable by the Company are estimated to amount to approximately £80,000. The total net proceeds of the Offer, after settling fees, will be £1,920,000 assuming full subscription.
- 16.3 Kingston Smith LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountant's reports in Part 5 of this document and the references to its report in the form and context in which it appears. The Reporting Accountants have no material interest in the Company.
- 16.4 City & Merchant is authorised and regulated by the FCA and is acting in the capacity as corporate advisor to the Company. City & Merchant has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 16.5 John D Wood has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and report in Part 6 and the references to its report in the form and context in which they appear.

- 16.6 Save as disclosed in this document and for the advisers named in page 7 of this document, no person other than trade suppliers in the ordinary course of business has received any fees, securities in the Company or other benefit with a value of £10,000 or more, directly or indirectly, from the Company since the date of its incorporation or to receive from the Company, directly or indirectly, any fees, securities or other benefit with a value of £10,000 or more in the future.
- 16.7 Save as disclosed in this Document the Directors are not aware of any exceptional factors which have influenced the Company's activities nor are the directors aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this document are available free of charge to the public at the registered office of the Company and at City & Merchant Limited, 55 Old Broad Street, London EC2M 1RX during normal business hours on any weekday (weekends and public holidays excepted) until close of business on 30th November 2016.

Dated: 28th July 2016

PART 8

TERMS, CONDITIONS AND PROCEDURE FOR APPLICATION

1. Applications for Ordinary Shares are subject to the terms and conditions included in the Application Form and set out below. The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon the Admission of the Ordinary Shares, issued and to be issued, to trading on ISDX. The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Offer. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.
2. The basis of allotment will be determined by the Directors in their absolute discretion. The Directors reserve the right:
 - (a) to reject any application in whole or in part or to scale down any applications or to accept applications on a “first come first served” basis;
 - (b) to extend the period during which the Offer remains open; and
 - (c) to treat any application as valid and binding on an applicant even if the Application Form is not complete in all respects or is not accompanied by a certified power of attorney where required.
3. The Application Form should be completed in full and sent or delivered to the address set out on the Application Form together with a remittance for the full amount payable either:

by Cheque or banker’s draft payable to SLC Registrars Ltd Client Account re: Walls & Futures and crossed “A/C Payee” and should be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man).

If you are unable to remit your subscription funds by cheque or banker’s draft please contact the Registrar on 01903 706150 (standard geographic rates apply) for the particulars of the account to which such funds may be remitted.

Applications must be for a minimum of 10,000 Ordinary Shares and thereafter in multiples of 2,500 Ordinary Shares. The issue price of the Ordinary Shares is £1.00 per share and applications must therefore be for a minimum of 10,000 Ordinary Shares at an aggregate issue price of £10,000 and thereafter in multiples of £2,500 for each additional tranche of 2,500 Ordinary Shares applied for (or such smaller number for which the application may be accepted). Applicants are advised to allow 2 full business days for delivery through the post and to use first class mail. Applications will not be acknowledged. Investors may make more than one application for Ordinary Shares under the Offer.
4. The right is reserved to present all cheques and banker’s drafts on receipt and to retain certificates for ordinary shares and any monies returnable pending the clearance of all cheques or pending investigations of any suspected breach of the terms applying to the application or verification of identity. All cheques, certificates and other documents sent or returned to applicants will be sent at the risk of the person(s) entitled thereto.
5. Cheques will be presented for payment on receipt into an interest bearing collection account with HSBC Bank plc. If any application is not accepted, the amount paid on application will be returned without interest by post at the applicant’s risk.
6. By completing and delivering an Application Form, you irrevocably undertake as follows:
 - (a) to subscribe for the number of shares specified in the Application Form (or such lesser amount for which your application is accepted) at the Offer Price, on the terms of, and subject to, the conditions set out in this document, including these terms and conditions and procedure for application, the guidance notes accompanying the Application Form and subject to the memorandum and Articles and agree to be bound by the Articles;
 - (b) to accept such Ordinary Shares as may be allotted to you in accordance with paragraph 1 or such lesser number of Ordinary Shares in respect of which this application may be accepted;

- (c) that all applications, acceptances, allotments and contracts arising from it will be governed by and construed in accordance with English law;
 - (d) that you are either an individual who is not under the age of 18 on the date of your application or a company or other body corporate duly incorporated and validly existing and that if you sign the Application Form on behalf of somebody else or a corporation you have the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose the power of attorney or other authority;
 - (e) you authorise the Company or any of its respective agents to send by post a share certificate for the number of Ordinary Shares for which your application is accepted and/or a crossed cheque and/or return your cheque(s) or banker's draft(s) for any monies returnable only after clearance of funds for the number of shares accepted, in each case at the risk of the person(s) entitled thereto, to your address (or that of the first named applicant) as set out in the Application Form and to procure that your name (together with the name(s) of any other joint applicant(s)) is/are placed on the Register of Members of the Company in respect of such Ordinary Shares;
 - (f) that you are not relying on any information or representations in relation to the Company and the Ordinary Shares other than those contained in this document and accordingly you agree that neither the Company nor any person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representations;
 - (g) on request by the Company, to disclose promptly in writing to it any information which it may request in connection with your application;
 - (h) to pay (by cheque or banker's draft or such other method of payment as may be agreed with the Company) the Offer Price for the Ordinary Shares (payable in full on application) in respect of which your application is accepted and that the remittance accompanying your Application Form will be honoured at first presentation and agree that if it is not so honoured the Company may (without prejudice to any other rights it may have) terminate the agreement to allot the relevant Ordinary Shares to you without liability to you and may allot to some other person in which case you will not be entitled to any refund or payment in respect thereof; and
 - (i) that the details relating to you as set out in your Application Form are correct.
7. Applications will not be accepted from person's resident in the United States of America, Canada, Australia, Japan, or the Republic of South Africa and by completing and returning the Application Form the applicant warrants that he is not a person so resident. No person receiving a copy of this document and/or an Application Form in any other territory (other than the UK), may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is a condition of any application by any such person outside the UK that he has satisfied himself as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory and paid any issue, transfer or other taxes required to be paid in such territory in respect of any Ordinary Shares acquired under the Offer. The completion of an Application Form shall constitute a warranty that the person completing such application form has observed such laws and formalities in full and paid such issue, transfer or other taxes. The Company reserves the right to request applicants to produce evidence satisfactory to them of their right to apply for Ordinary Shares under the Offer and that such application would not result in the Company, its advisers or the Directors being in breach of any laws or regulations of the relevant jurisdiction.
8. The Company reserves the right to treat any application, which does not comply strictly with the terms and conditions of the application as nevertheless valid.
9. No letters of allotment or other renounceable or temporary documents of title or receipts will be issued in respect of accepted applications but share certificates will be dispatched within 28 days of allotment.
10. Applications will be irrevocable.

11. Verification of identity requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the applicant(s) is required by all applicants. A failure to provide the necessary evidence of identity may result in the rejection of your application or in delays in the dispatch of a share certificate or the return of application monies without interest. In order to avoid this, you should ideally make payment by means of a cheque drawn by the person named in Box 5 of the Application Form. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should:
 - (a) write the name and address of the person named in paragraph 5 of the Application Form on the back of the cheque, building society cheque or banker's draft;
 - (b) if a building society cheque or banker's draft is used, ask the building society to endorse on the cheque or bankers draft the name and account number of the person whose building society or bank account is being debited. The bank or building society endorsement should be overlaid with the branch stamp; and
 - (c) if you are making the application as agent for one or more persons, indicate in the bottom of the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact City & Merchant Limited, 55 Old Broad Street, London EC2M 1RX for advice on the application process. If within a reasonable period of time following a request for verification of identity, City & Merchant has not received satisfactory evidence, the Company may at its absolute discretion reject your application in which event the application monies will be returned without interest to the account at the drawee bank from which such monies emanate.
12. The Receiving Agents in relation to the Offer are SLC Registrars Limited, Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ.
13. You agree that a failure to receive, process or accept your application for Ordinary Shares does not give rise to any right of action by any person against the Company, the Receiving Agent or any other person. You agree that the non-receipt by any person of this document or any other related document shall not invalidate the Offer in whole or in part or give rise to any right of action by any person against the Company, the Receiving Agent or any other person.

GUIDANCE NOTES TO THE APPLICATION FORM

The following should be read in conjunction with the Application Form.

1. Insert in the first space provided in paragraph 1 (in figures) the number of Ordinary Shares for which you would like to apply at £1.00 per share. Applications should be for a minimum of 10,000 Ordinary Shares (£10,000) and thereafter in multiples of 2,500 Ordinary Shares (£2,500).
2. Insert in the space provided in paragraph 2 (in figures) the amount of your cheque or banker's draft. The amount of your cheque or banker's draft should be the Offer Price of £1.00 per Ordinary Share multiplied by the number of Ordinary Shares inserted in the first space in paragraph 1.
3. Insert your full name and address in BLOCK CAPITALS in the box provided in paragraph 5.
4. Date and sign the Application Form in the space provided in paragraph 6. The Application Form may be signed by someone else on your behalf (and/or on behalf of any joint applicant(s)) if duly authorised to do so, but the power(s) of attorney or a duly certified copy (certified by a solicitor) of them must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity must be stated. Applications may not be made by anyone aged under 18.
5. Attach a single cheque or banker's draft to your completed Application Form. Your cheque or banker's draft must be payable to: SLC Registrars Ltd Client Account re: Walls & Futures for the amount payable on application as inserted in paragraph 2, and should be crossed "A/C Payee".

If you are unable to remit your subscription funds by cheque or banker's draft please contact the Registrar on 01903 706150 (standard geographic rates apply) for the particulars of the account to which such funds may be remitted.

6. Acknowledgements of acceptance of investors' applications will be dispatched as soon as reasonably practicable.
7. In each case the cheque must be drawn in pounds sterling and bear a UK bank sort code number in the top right hand corner. Applications may be accompanied by a cheque drawn by someone other than the applicant(s), but any monies to be returned will be done so by returning the cheque to the applicant or by sending a cheque crossed "Account Payee" in favour of the person named in paragraph 5. If any application is not accepted the amount paid will be returned by cheque sent by post at the risk of the applicant(s). The Company reserves the right:
 - 7.1 to present all cheques for payment and to retain share certificates and surplus application monies pending clearance of applicants' cheques;
 - 7.2 to reject any application or to accept any application in part only on any basis it sees fit; and
 - 7.3 to accept an application not complying with the requirements specified herein or in the Application Form.
8. All cheques, certificates and other documents will be dispatched by post at the risk of the person(s) entitled thereto.
9. You may apply jointly with other persons. You must then arrange for the Application Form to be completed by or on behalf of each other joint applicant (up to a maximum of three other persons). Their full names should be inserted in BLOCK CAPITALS in the space provided in paragraph 5 and signatures in paragraph 6. If anyone is signing on behalf of any joint applicant(s), the power(s) of attorney or a duly certified copy thereof must be enclosed for inspection.
10. You must send your completed Application Form by post, or deliver it by hand (during normal business hours), to: SLC Registrars Limited, Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ so as to be received not later than 5.00 p.m. on the 30th September 2016 (unless extended by the Directors).

If you post your Application Form, you are recommended to use first-class post and allow at least 2 days for delivery. Application Forms received after this date may be returned.

11. If you wish your Ordinary Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete paragraph 8.
12. Investors should be aware of the following requirements in respect of the Money Laundering Regulations 2007:
 - 12.1 Please supply either an Identity Verification Certificate from your financial intermediary or, if you do not have an adviser, one of each of the following:
 - Proof of identity: a copy of your passport or driving licence certified by a bank or solicitor stating that it is a “true copy of the original and a true likeness of [name]”; and
 - Proof of Address: an original or a certified copy of a recent bank or building society statement or utility bill (NOT telephone or television invoices) showing your name and address being no more than 3 months old.
 - 12.2 Your cheque or bankers’ draft must be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee or which has arranged for its cheques or bankers’ drafts to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. Cheques should be drawn on the personal account to which you have sole or joint title to such funds. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker’s drafts will be presented for payment upon receipt. The Company reserves the right to instruct SLC Registrars (the “Registrar”) to seek special clearance of cheques and banker’s drafts to allow the Company to obtain value for remittances at the earliest opportunity. The right is reserved to reject any Application Form in respect of which the cheque or bankers’ draft has not been cleared on first presentation and in the event that any monies are required to be returned to you, they will be returned by cheque crossed “A/C Payee only” in favour of the person named in Section 5 of the Application Form (“the Applicant”).
 - 12.3 If you are unable to remit your subscription funds by cheque or bankers’ draft:
 - please contact the Registrar on 01903 706150 (standard geographic rates apply) for the particulars of the account to which such funds may be remitted;
 - ensure that any such transfer incorporates the reference WALLS/[YOUR SURNAME]; and
 - ensure that the Proof of Address you attach to your application (see 12.1 of this section) is a bank statement in respect of the same account from which the subscription funds are remitted. A statement reflecting a different account will result in your Application being rejected and subscription funds being returned by cheque crossed “A/C Payee only” in favour of the Applicant as defined above.

APPLICATION FORM

Walls & Futures REIT plc

You must send your completed Application Form by post or deliver it by hand (during normal business hours) to SLC Registrars Limited, Ashley Park House, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ. The Offer will open at 10.00 a.m. on 22nd August 2016 and may be closed any time thereafter or when the Offer is fully subscribed, but in any event not later than 5.00 p.m. on 30th September 2016 unless extended by the Directors, pursuant to the terms of the Offer.

Offer by Walls & Futures REIT plc of 2,000,000 Ordinary Shares of 5p each at £1.00 per Ordinary Share. Before making any application you are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000.

Before completing this form you should read the accompanying notes.

You may only apply for Ordinary Shares in the multiples stated in note 1 of the Guidance Notes to the Application Form.

1. I/We offer to acquire shares in respect of which this application may be accepted at £1.00 per Ordinary Share on the terms and subject to the conditions of the Offer Document dated 28 July 2016 (including the terms, conditions and procedure for Application contained therein and the guidance notes and articles of association of the Company.
2. I/We attach a cheque or banker's draft or have made a bank transfer for the amount payable of £..... (£1 multiplied by the number of Ordinary Shares inserted above) made payable to SLC Registrars Ltd Client Account re: Walls & Futures.
3. I/We request that you send me/us a share certificate for the number of Ordinary Shares in respect of which this application may be accepted together with a cheque for any surplus application money (without interest) by post at my/our risk, to the address given below. I/We understand that the completion and delivery of the Application Form accompanied by a cheque constitutes an undertaking that the cheque will be honoured on first presentation. I/We understand that no application will be accepted unless and until payment in full for the Ordinary Shares has been made.
4. I/We confirm that I am/we are applying on my/our behalf, that I/we have read, accepted and understood the terms and conditions set out in the Offer Document, that I/we have taken appropriate professional advice before submitting this Application Form and that I am/we are aware of the risks involved in investing in the Ordinary Shares subject to the Offer. I/We further confirm that I am/we are investing in the Company on the basis only of the information contained in the Offer Document which supersedes all other information (whether written or oral) concerning the Company and the Ordinary Shares or otherwise prior to the date of the Offer Document and any such other information or representations must not be relied upon in subscribing for Ordinary Shares.
5. Please register any Ordinary Shares allotted to me/us in my/our name(s).

Please complete using BLOCK CAPITALS:

Full Name:
(no initials)

Address:

..... Postcode:

Home Tel: Mobile:

Email:



6. Signature Requirements:

Applicant Signature:

Date:

(Name of joint applicants if necessary)

JOINT HOLDER Full Name (no initials):

Signature:

Date:

JOINT HOLDER Full Name (no initials):

Signature:

Date:

JOINT HOLDER Full Name (no initials):

Signature:

Date:

7. We authorise the Company to contact me/us by telephone in connection with queries arising on my/our behalf.

8. Shares in Uncertified Form (CREST) – the following details MUST be obtained from your broker and in respect of this particular security and offer.

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

CREST Participant ID (no more than 5 characters):

CREST Member Account ID (no more than 8 characters):

CREST Participant's Name:

9. Information for Application through the Regulated Firm

Name of regulated Firm:
Name of Regulator:
Regulator Reference Number:

Signed:

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Company Stamp

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Name:

Position:

Date:

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CITY & MERCHANT