Audited Annual Report and Financial Statements for the period ended 31 March 2016

Company number: 09952391

Contents

MARLOWE PLC

Officers and Advisers

Company Secretary
Derek O'Neill

Registered Office
Fifth Floor
55 King Street
Manchester
M2 4LQ

Directors
Alex Dacre (appointed 14 January 2016)
Derek O'Neill (appointed 14 January 2016)
Charles Skinner (appointed 14 January 2016)
Peter Gaze (appointed 14 January 2016)
Nigel Jackson (appointed 1 April 2016)

Nominated Adviser & Broker
Cenkos Securities plc
6-8 Tokenhouse Yard
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EC2R 7AS

Public Relations
FTI Consulting
200 Aldersgate
Aldersgare Street
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EC1A 4HD

Solicitors
Brabners LLP
Fifth Floor
55 King Street
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M2 4LQ

Bankers
Lloyds Bank plc
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25 Gresham Street
London
EC2V 7HN

Registrar and Transfer Agent
Capita Registrars Limited
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Independent Auditors
Grant Thornton UK LLP
Grant Thornton House
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Euston Square
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NW1 2EP

Strategic Report

Marlowe plc ("Marlowe" or "the Company") was incorporated on 14 January 2016. On 30 March 2016 it merged with Marlowe Holdings Limited and was admitted to trading on the AIM Market of the London Stock Exchange.

Since its incorporation Marlowe has developed a strategy to become a leading support services company providing business-to-business services to customers across the United Kingdom.

Marlowe Holdings Limited raised cash of £5.2 million in May 2015 through the placing of 8,584,998 ordinary shares and made three new appointments to its Board of Directors ("the Board") in order to pursue acquisition opportunities within the business services sector. Following this it focused on identifying investment targets in sectors where companies possessed annuity-type recurring revenues underpinned by long-term contracts and a degree of operational complexity that the Board believed would provide attractive margins and high barriers to entry.

Marlowe's strategy is now focused on the acquisition and development of businesses in the outsourced business service sector with a focus on those that provide critical asset maintenance services. Marlowe is focused on fire protection, security systems and water treatment services - which are essential to its customers' operations and invariably governed by regulation, and where customers require a single specialist outsourced provider with nationwide coverage.

Marlowe has made strong progress with this strategy. In April 2016 it conducted a placing to raise cash of £3.0 million and completed the acquisition of Fire and Security (Group) Limited ("Swift"), one of the United Kingdom's leading providers of fire protection and security systems installation and maintenance services. In the same month Marlowe went on to acquire WCS Environmental Group Limited, a provider of integrated water treatment, hygiene, testing and engineering services. In May 2016, Marlowe acquired Fire Alarm Fabrication Services Limited, a London based provider of fire protection services. Marlowe customers can be found on most high streets, in office complexes and industrial estates, and include SMEs, local authorities, facilities management providers, multi-site NHS trusts and FTSE 100 companies.

Marlowe plans to expand and develop these businesses into major players across mainland Britain, accelerated in part through further highly targeted acquisition-led growth. Marlowe also plans to diversify and broaden the services that the group delivers by acquiring and developing specialist support service businesses in complementary sectors with the intention of building a leading group of companies that provide critical asset maintenance services throughout the United Kingdom. Many of the maintenance services that Marlowe is focused on providing are necessitated by stringent legislation and unavoidable regulation.

The businesses were acquired post the end of the reporting period, as a result no financial results of the three acquired businesses have been included in these financial statements. In subsequent financial statements consolidated financial statements including all acquired businesses will be prepared and the following KPIs will be used to assess performance:

Revenue
Adjusted operating profit
Operating cash flow before financing costs and tax
Bank interest
Net debt

Marlowe currently has approximately 400 employees and the Board welcomes and looks forward to working with them and the new management teams into the future.

Directors' report

For the period ended 31 March 2016

The Directors submit their annual report together with the financial statements for the period since incorporation, being 14 January 2016 to 31 March 2016.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare company financial statements for each financial period. The Directors are required by AIM Rules of the London Stock Exchange to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Marlowe plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Capital management

The Company seeks to invest in controlling stakes in unquoted businesses in the business services sector that possess annuity-type recurring revenues, predominately long term contracts, low capital intensity, some operational complexity, sustainable margins and high barriers to entry. The Company generally seeks to finance all operational financing requirements through cash flows generated from operating activities of its subsidiaries, although this may be supplemented through capital injections if mutually beneficial to the Company and its subsidiaries ("the Group"), current shareholders and prospective investors. The Company's equity structure is set out in note 13 to the financial statements.

Management's objectives with respect to managing capital include maintaining sufficient capital to enable the Company to implement its strategy going forward with an optimal level of external debt.

Results and dividends

The audited financial statements for the period ended 31 March 2016 are set out on pages 10 to 26. The Company's loss for the year after taxation amounted to £128,000.

No dividend was declared during the period.

Directors and their interests

The Directors who served during the period and/or up to the date of this report and their beneficial interests in the Company's Ordinary Share capital were as follows:

	Number of 50p ordinary shares as at 31 March 2016
Alex Dacre	3,333,333
Derek O'Neill	416,667
Charles Skinner	333,333
Peter Gaze	218,625

On 1 April 2016, the Directors' agreed to subscribe for an aggregate of 727,000 ordinary shares, at an issue price of 100 pence per share as follows:

	Number of 50p ordinary shares
Alex Dacre	170,000
Derek O'Neill	250,000
Charles Skinner	75,000
Peter Gaze	232,000

On 1 April, Nigel Jackson was appointed to the Board, following the acquisition of Swift in which he received 3,500,000 ordinary shares.

Substantial shareholdings

As at 13 June 2016 the Company has been notified of the following interests in 3% or more of its issued share capital:

	Number of 50p ordinary shares	Percentage of issued share capital
Lord Michael Ashcroft KCMG PC	9,313,933	43.58%
Alex Dacre	3,503,333	16.39%
Nigel Jackson	3,500,000	16.38%
Derek O'Neill	666,667	3.1%

Going concern

The financial statements have been prepared on a going concern basis. The Directors are required by the Companies Act 2006 to prepare annual accounts that give a true and fair view and, as part of this, to decide if it is appropriate to prepare them on a going concern basis. In forming an opinion that the Company is a going concern the Company has prepared cash flow forecasts for the period ending 30 June 2017, which show that the Company and the Group have sufficient facilities for ongoing operations. Whilst there will always remain some inherent uncertainty within the aforementioned forecasts, the Directors believe the Company and Group have sufficient resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements for the period ended 31 March 2016.

Financial risk management

The Company's operations expose it to financial and capital risks. The Directors review and agree policies for managing each of these risks and details of these risks and policies are set out in note 3 to the financial statements.

Auditor

Grant Thornton UK LLP were appointed auditors on 27 February 2016 to fill a casual vacancy in accordance with s485 (3) of the Companies Act 2006. A resolution to re-appoint Grant Thornton UK LLP as auditor and to authorise the Directors to agree its remuneration will be placed before the forthcoming AGM of the Company.

On behalf of the Board

Alex Dacre
Chief Executive
24 June 2016

Independent Auditors' Report to the Members of Marlowe Plc

We have audited the company financial statements of Marlowe plc for the period ended 31 March 2016 which comprise of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Marc Summers
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
24 June 2016

Statement of Comprehensive Income

For the period ended 31 March 2016

	Notes	2016 £'000
Administrative expenses	4	(128)
Operating loss		(128)
Gain on merger of Marlowe Holdings Limited	15	7,574
Impairment of Marlowe Holdings Limited	15	(7,574)
Loss before taxation		(128)
Taxation	6	-
Net loss for the period		(128)
Other comprehensive income		-
Total comprehensive income for the period		(128)
Loss per ordinary share		
- Basic (pence)	7	-
- Diluted (pence)	7	-

The notes from pages 14 to 26 are part of these financial statements.

Statement of Financial Position

As at 31 March 2016

	Notes	2016 £'000
ASSETS		
Non-current assets		
Intangible assets	8	3
Property, plant and equipment	9	4
		7
Current assets		
Trade and other receivables	10	18
Cash and cash equivalents	11	10,619
		10,637
Total assets		**10,644**
LIABILITIES		
Current liabilities		
Trade and other payables	12	(178)
Subscription received in advance	13	(3,000)
		(3,178)
Total liabilities		**(3,178)**
Net assets		**7,466**
Equity		
Share capital	13	7,292
Retained earnings		174
Equity attributable to the owners of the company		**7,466**

These financial statements were approved by the Board of Directors and authorised for issue on 24 June 2016 and were signed on its behalf by:

Alex Dacre
Chief Executive

Statement of Changes in Equity

For the period ended 31 March 2016

	Share Capital	Merger Relief Reserve	Retained Earnings	Total equity
	£'000	£'000	£'000	£'000
Balance at 14 January 2016	-	-	-	-
Loss for the period	-	-	(128)	(128)
Total comprehensive income for the period	-	**-**	**(128)**	**(128)**
Issue of share capital	7,292	302	-	7,594
Liquidation of Marlowe Holdings Limited	-	(302)	302	-
Transaction with owners	**7,292**	**-**	**302**	**7,594**
Balance at 31 March 2016	**7,292**	**-**	**174**	**7,466**

The notes from pages 14 to 25 are part of these financial statements.

Statement of Cash Flows

For the period ended 31 March 2016

	Notes	2016 £'000
Cash flows from operating activities		
Cash flows from operations	14	-
Net cash generated from operating activities		-
Cash flows from investing activities		
Cash received on acquisition of Marlowe Holdings Limited		10,619
Net cash generated from investing activities		**10,619**
Net increase in cash and cash equivalents		**10,619**
Cash and cash equivalents at start of period		-
Cash and cash equivalents at end of period		**10,619**
Cash and cash equivalents shown above comprise:		
Cash at bank	11	10,619

The notes from pages 14 to 25 are part of these financial statements.

Notes to the Financial Statements

For the period ended 31 March 2016

1. General information

Marlowe plc (the "Company") is a strategic investment company incorporated in the United Kingdom (no. 09952391) on 14 January 2016.

The Company's primary objective is to acquire and develop businesses in the outsourced business service sector with a focus on those that provide critical asset maintenance services in the United Kingdom.

The Company's issued share capital is traded on the Alternative Investment Market of the London Stock Exchange ("AIM"), a market operated by the London Stock Exchange plc in the United Kingdom (ticker symbol MRL). The address of the registered office is Fifth Floor, 55 King Street, Manchester, M2 4LQ

2. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise indicated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRS"), IFRIC interpretations, and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified in connection with certain financial instruments. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note.

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Functional and presentational currency

All amounts in these financial statements are presented in thousands of United Kingdom pounds sterling, the Company's presentational and functional currency, unless otherwise stated.

Currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

Intangible assets
Intangible assets are recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, and their fair value can be reliably measured.

Intangible assets that are regarded as having indefinite useful lives are not amortised. Intangible assets that are regarded as having limited useful lives are amortised on a straight-line basis over those lives. Assets with indefinite lives are reviewed for impairment annually and other assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of value in use or fair value less costs to sell. Amortisation and any impairment write downs are recognised in profit or loss.

Website development costs
Website development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives (expected to be up to five years). Residual values and useful lives are reviewed each year.

Property, plant and equipment
Property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight line basis.

	% per annum
Office equipment, fixtures and fittings	20%

Trade and other receivables
Trade receivables, classified as loans and receivables in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", are recorded initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in provision is recognised in profit or loss.

Other receivables and prepayments are recognised at fair value plus transaction costs, if any, which are directly attributable to their acquisition or origination. These are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Given the nature of other receivables and prepayments, however, and the short time involved between their origination and settlement, their amortised costs are not materially different to their fair value at the date of origination.

Cash and cash equivalents
Cash and cash equivalents as defined for the Statement of Cash flows comprise cash in hand, cash held at bank with immediate access, other short-term investments and bank deposits with maturities of three months or less from the date of inception and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

Trade and other payables

Trade payables, classified as other liabilities in accordance with IAS 39, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Given the nature of trade payables, however, and the short time involved between their origination and settlement their amortised cost is not materially different from their fair value at the date of origination. Other payables are stated at amortised cost.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profits nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based upon tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to other comprehensive income and equity, in which case the deferred tax is also dealt with in other comprehensive income and equity.

Equity

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are reported, net of tax, in shareholder's equity.

Critical accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, the uncertainty about these assumptions and estimates could require a material adjustment to the carrying amount of the asset or liability affected in the future.

On 30 March 2016, in accordance with the provisions of Part VII of the International Business Companies Act, 1990 of Belize (the "IBCA"), Marlowe Holdings Limited merged with Marlowe plc so that Marlowe plc became the surviving Company resulting from the merger and all rights and obligations of Marlowe Holdings Limited vested with the Company.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

As Marlowe Holdings Limited was not considered to be a business, the merger is not within the scope of IFRS 3 Business Combinations and the directors have accounted for the merger as a share purchase of all assets and liabilities as at 30 March 2016.

Subsequent to the period end the Company has made a number of significant acquisitions. The assessment of the fair values of the assets and liabilities is inherently judgemental. Where these are still being assessed and until information is received, the amounts disclosed in the financial statements are included as provisional.

Adoption of new and revised standards

(a) New standards, amendments and interpretations issued and effective during the financial period commencing 14 January 2016:

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 14 January 2016 that would be expected to have a material impact on the Company.

(b) Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

New standards, amendments to standards and interpretations have been issued as detailed below but are not effective for the year ended 31 March 2016. The Company has not early adopted any of these standards and is currently assessing the impact of their adoption.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. An updated version of IFRS 9 was issued on 19 November 2013. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the required accounting period beginning on or after 1 January 2018, the date advised by the IASB.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

Notes to the Financial Statements (continued)

3. Financial and capital risk management

The overall objective of the financial risk management of the Company is to minimise risks that may have an adverse impact on the Company's results, cash flows and financial position. The Company is subject to market (interest rate) and credit risks on its cash and cash equivalents.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The majority of the Company's financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant amount of risk due to fluctuations in prevailing levels of market interest rates.

The credit risk is mitigated by banking with reputable and well established financial institutions, whose performance and credit worthiness is reviewed at least annually by the Directors.

4. Administrative expenses

	2016 £'000s
Legal and professional	43
Audit fee	10
Other expenses	75
Total administrative expenses	**128**

5. Operating leases

The Company leases an office under an operating lease. The future minimum lease payments are as follows:

	Minimum lease payments due			
	within 1 year £'000s	1 to 5 years £'000s	After 5 years £'000s	Total £'000s
31 March 2016	20	-	-	20

Notes to the Financial Statements (continued)

6. Taxation

	2016 £'000s
Current tax	
United Kingdom corporation tax on loss for the current period	-
Total current tax	**-**
Deferred tax	
Origination and reversal of timing differences	**-**
Total tax charge	**-**

The charge for the year can be reconciled to the loss per the statement of financial position as follows:

	2016 £'000s
Loss before taxation	(128)
Expected tax charge based on the standard rate of corporation tax rate in the United Kingdom of 20%	26
Tax effect of expenses that are not deductible in determining taxable loss	(13)
Taxable losses carried forward	(13)
Tax expense for the year	**-**

Notes to the Financial Statements (continued)

7. Loss per ordinary Share

Basic loss per ordinary share have been calculated on the loss for the period after taxation and the weighted average number of ordinary shares in issue during the period.

	2016
Weighted average number of shares in issue	14,584,999
Total loss for the period	(£127,716)
Total basic loss per ordinary share (pence)	**(0.9)**
Share issue contingent on acquisition of Fire and Security (Group) Limited	3,000,000
Weighted average fully diluted number of shares in issue	17,584,999
Total fully diluted loss per share (pence)	**(0.9)**

Notes to the Financial Statements (continued)

8. Intangible assets

	Website development costs £'000s	Total £'000s
Cost		
14 January 2016	-	-
Balances transferred from Marlowe Holdings Limited	3	3
31 March 2016	3	3
Accumulated amortisation and impairment		
14 January 2016	-	-
Balances transferred from Marlowe Holdings Limited	-	-
31 March 2016	-	-
Carrying amount		
31 March 2016	3	3

Notes to the Financial Statements (continued)

9. Property, plant and equipment

	Office Equipment £'000s	Total £'000s
Cost		
14 January 2016	-	-
Balances transferred from Marlowe Holdings Limited	5	5
31 March 2016	5	5
Accumulated Depreciation		
14 January 2016	-	-
Balances transferred from Marlowe Holdings Limited	(1)	(1)
31 March 2016	(1)	(1)
Carrying amount 31 March 2016	4	4

10. Trade and other receivables

	2016 £'000s
Other receivables	10
Prepayments and accrued income	1
VAT receivable	7
Total Trade and Other Receivables	**18**

The carrying amounts of trade and other receivables are denominated in United Kingdom pounds sterling. The fair values of trade and other receivables approximate to their book values.

Notes to the Financial Statements (continued)

11. Cash and cash equivalents

	2016 £'000s
Cash at bank	10,619
Total cash and cash equivalents	**10,619**

12. Trade and other payables

	2016 £'000s
Other payables	46
Other taxation and social security	3
Accruals and deferred income	129
Total	**178**

The carrying amounts of trade and other payable are denominated in United Kingdom pounds sterling. The fair values of trade and other payable approximate to their book values. During the year 99,999 redeemable preference shares of £0.50 each, classified as liabilities, were issued and redeemed.

13. Called up share capital

	2016 £'000s
Authorised: 28,113,332 ordinary shares of 50p each	14,057
Allotted, issued and fully paid; 14,584,999 ordinary shares of 50p each	7,292

The issued ordinary share capital is as follows:

Date	Number of ordinary shares	Issue price
14 January 2016	1	0.5
30 March 2016 – Acquisition of Marlowe Holdings Limited	14,584,998	0.5
31 March 2016	14,584,999	

Notes to the Financial Statements (continued)

£3.0 million was received prior to the period end in advance of a contingent share issue to be executed upon completion of the acquisition of Swift. The shares were issued on 1 April when the transaction was completed.

14. Cash inflow from operations

	2016 £'000s
Loss before tax	(128)
Increase in trade and other receivables	-
Increase in trade and other payables	108
Expenses paid by Marlowe Holdings Limited	20
Net cash flow from operations	**-**

15. Investments

On 30 March 2016, the Company merged the assets and liabilities of Marlowe Holdings Limited, a strategic investment company incorporated in Belize, for an equity consideration of £7.3 million (14,584,998 shares of 50p). The fair values are as follows:

	Fair value at acquisition £'000s
Property, plant and equipment	4
Intangible assets	3
Cash	10,619
Trade and other receivables	38
Subscription received in advance	(3,000)
Trade and other payables	(70)
Net assets	**7,594**

Marlowe Holdings Limited's net assets included a £20,000 receivable from Marlowe plc. This was subsequently eliminated following the merger along with the corresponding payable in Marlowe plc's statement of financial position. As a result, net assets of £7.574 million were transferred upon the merger. A gain of £302,000 arose on merger and was recognised in the Merger Relief Reserve. Subsequent to Marlowe Holdings Limited's liquidation following acquisition this was transferred to Retained Earnings.

Notes to the Financial Statements (continued)

16. Financial instruments

The Company's financial instruments comprise cash at bank and various other receivable and payable balances that arise from its operations. The main purpose of these financial instruments is to finance the Company's operations.

Carrying value of financial assets and (liabilities)	**2016 £'000s**
Trade and other receivables	17
Cash and cash equivalents	10,619
Trade and other payables	(48)
Subscription received in advance	(3,000)

17. Directors and employees

The directors who served during the period did not receive any remuneration in respect of their services to the Company. No wages and salaries were incurred during the financial period.

18. Related party transactions

There were no related party transactions during the financial period.

19. Post balance sheet events

Subsequent to the period end the company made the following acquisitions:

On 1 April 2016 the Company acquired the business and assets of Fire and Security (Group) Limited ("Swift"), a fire protection and security solutions business, for a total consideration of £13.0 million, satisfied by the payment of £8.5 million in cash on completion, £1.0 million in cash on 31 May 2016 and £3.5million satisfied by the issuance of 3.5 million ordinary shares in the Company. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'000s**
Trade and other receivables	6,554
Intangible assets – customer relationships	3,116
Property, Plant and Equipment	875
Inventories	615
Cash	544
Intangible assets – order backlog	143
Trade and other payables	(6,453)
Deferred tax liabilities	(652)
Tax liabilities	(211)
Net assets acquired	4,531
Goodwill	8,469

One hundred percent of the equity of Swift was acquired in this transaction.

In connection with the acquisition £3.0 million in cash was raised through the issuance of 3,000,000 ordinary shares of the Company at an issue price of £1 per share.

On 15 April 2016 the Company acquired the business and assets of WCS Environmental Group Limited ("WCS"), a provider of integrated water treatment, hygiene, testing and engineering services, for a total consideration of £2.5 million, satisfied by the payment of £2.025 million in cash and £0.475m satisfied by the issuance of 287,878 ordinary shares of the Company. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'000s**
Trade and other receivables	1,380
Intangible assets – customer relationships	699
Property, Plant and Equipment	243
Inventories	36
Trade and other payables	(505)
Deferred tax liabilities	(162)
Tax liabilities	(55)
Net Cash	(43)
Net assets acquired	1,593
Goodwill	907

One hundred percent of the equity of WCS was acquired in this transaction.

On 11 May 2016 the Company acquired the business and assets of Fire Alarm Fabrication Services Limited, a provider of fire protection services, for a total consideration of £2.5 million, satisfied by the payment of £2.4 million in cash on completion and £0.1 million in cash payable subject to the achievement of certain performance targets by the acquired business in the period ending 11 May 2017. A purchase price allocation exercise has not yet been performed.

One hundred percent of the equity was acquired in this transaction.