THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should immediately consult a person authorised under the Financial Services and Markets Act 2000 (as amended) (FSMA) who specialises in advising on the acquisition of shares and other securities.

The Directors and the Proposed Director, whose names appear on page 9 of this document and the Company, accept individual and collective responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Director (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (UKLA). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document.

The AIM Rules are less demanding than those of the official list of the UKLA (Official List). It is emphasised that the Ordinary Shares are not, and no application is being made for admission of the Ordinary Shares to the Official List or to any other recognised stock exchange. Investment in the Company is speculative and involves a high degree of risk. Prospective investors should carefully consider the section entitled "Risk Factors" in Part II of this document before taking any action. Notwithstanding this, the whole of the text of this document should be read but viewed in light of these risk factors.

This document, which is drawn up as an admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. It does not constitute an offer to the public within the meaning of section 102B of FSMA, the Act or otherwise. Accordingly, this document does not comprise a prospectus within the meaning of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules or approved or filed with the FCA or any other competent authority.

Application will be made for Admission. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 31 March 2016.

MARLOWE
PLC

(incorporated and registered in England and Wales under number 09952391)

Proposed Acquisition of Fire & Security (Group) Limited

Proposed issue of 3,000,000 Subscription Shares at a price of 100 pence per share

and

Admission of Enlarged Share Capital to trading on AIM

Nominated adviser and broker:

Cenkos Securities plc

Share capital immediately following Admission:

	Issued and fully paid
Ordinary shares of 50 pence each	21,084,999

Cenkos, which is regulated and authorised in the United Kingdom by the FCA, is acting as nominated adviser and broker exclusively for the Company in connection with Admission. Cenkos is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Cenkos nor for advising any other person in connection with the contents of this document or the proposed Subscription and Admission. The responsibilities of Cenkos, as nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Cenkos has not authorised the contents of the document and no representation or warranty, express or implied, is made by Cenkos as to the contents of this document, or for the omission of any material from this document, for which the Company, the Directors and the Proposed Director are solely responsible.

The Subscription is conditional, *inter alia*, on Admission taking place by 30 April 2016. The Subscription Shares will, upon Admission, rank *pari passu* in all respects with the existing Ordinary Shares and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission.

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

OVERSEAS SHAREHOLDERS

This document does not constitute an offer to sell or issue, or an invitation to subscribe for, or solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations.

The Subscription Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any U.S. person (within the definition of Regulation S made under the United States Securities Act 1933, as amended).The Ordinary Shares have not been approved or disapproved by the Securities Exchange Commission, any state securities commission in the United States of America or any other United States of America regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States of America.

The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Subscription, the Ordinary Shares or the distribution of this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

IMPORTANT INFORMATION

Investment in Marlowe plc carries risk. There can be no assurance that the Enlarged Group's strategy will be achieved and investment results may vary substantially over time. Investment in Marlowe plc is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and Investors may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in the Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see further under ''Part II'').

Potential Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Enlarged Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

If you are in any doubt about the contents of this document you should consult a person authorised under FSMA, who specialises in advising on the acquisition of shares and other securities. Investment in Marlowe plc is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in Marlowe plc and who have sufficient resources to bear any losses which may result therefrom.

Neither the Company, the Directors, nor the Proposed Director are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Potential Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning Marlowe plc and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

FORWARD LOOKING STATEMENTS

This document should be read in its entirety before making any investment in Marlowe plc. Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Company, Swift and the Enlarged Group and industry and markets in which the Enlarged Group will operate, the Board's beliefs and the assumptions made by the Board. Words such as ''expects'', ''anticipates'', ''should'', ''intends'', ''plans'', ''believes'', ''seeks'', ''estimates'', ''projects'', ''pipeline'', ''aims'', ''may'', ''targets'', ''would'', ''could'' 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 the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment. These forward-looking statements speak only as at the date of this document. Marlowe plc expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Enlarged Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Enlarged Group is expected to operate, are based on the Company's and Swift's records or are taken or derived from statistical data and information derived from the sources described in this document.

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

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

Presentation of financial information

Unless otherwise indicated, the financial information included in this document is based on International Financial Reporting Standards and International Financial Reporting Standards Interpretations Committee interpretations as adopted by the European Union, and those parts of the UK Companies Act 2006 applicable to the companies reporting under the International Financial Reporting Standards. International Financial Reporting Standards as adopted by the European Union (''IFRS'') differs in certain aspects from International Financial Reporting Standards as issued by the International Accounting Standards Board. The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Enlarged Group's accounting policies.

The financial information included in this document includes some measures which are not accounting measures within the scope of IFRS which the Enlarged Group uses to assess the financial performance of its business. These measures include EBITDA (Earnings before interest, tax, depreciation and amortisation).

Pro Forma Financial Information

In this document, any reference to ''*pro forma*'' financial information is to information which has been extracted without material adjustment from the unaudited *pro forma* financial information contained in Part V of this document. The unaudited consolidated *pro forma* statement of net assets set out in Part V of this document has been prepared for illustrative purposes only and on the basis of the notes set out in Part V. Due to its nature, the unaudited consolidated *pro forma* statement of net assets addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results following the Acquisition, the Merger and the Subscription.

The unaudited consolidated *pro forma* statement of net assets is compiled on the basis set out in Part V of this document from the (i) unaudited balance sheet of the Company at 26 February 2016 based on the narrative set out in relation to the historical financial information on the Company contained in Part IV of this document; (ii) unaudited interim balance sheet of Marlowe Holdings Limited as at 30 September 2015 set out in Annexure 2 of the document; and (iii) the audited balance sheet of Swift at 31 May 2015, as set out in the historical financial information on Swift contained in Part IV of this document. The unaudited consolidated *pro forma* statement of net assets takes no account of trading activity or other transactions since the respective dates.

No Profit Forecast

No statement in this document is intended as a profit forecast.

CONTENTS

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise or unless it is otherwise specifically provided:

"Acquisition"	the proposed acquisition by the Company of the entire issued share capital of Swift pursuant to the Acquisition Agreement described in this document
"Acquisition Agreement"	the conditional agreement dated 29 February 2016 relating to the Acquisition, made between the Company and the Seller, a summary of which is set out in Part VI paragraph 6(a) of this document
"Act"	the Companies Act 2006 as amended
"Admission"	admission of the Consideration Shares, the Merger Shares and the Subscription Shares to trading on AIM
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published from time to time by London Stock Exchange
"B Shareholders"	participants in a long-term incentive scheme being implemented upon Admission, including Directors Charles Skinner, Alex Dacre, Derek O'Neill and the Proposed Director
"B Shares"	Redeemable B shares of £0.01 each in the capital of Marlowe 2016
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
"BSRIA"	Building Services Research and Information Association – a UK-based testing, instrumentation, research and consultancy organisation
"CAGR"	compound annual growth rate
"Capita Asset Services"	a trading name of Capita Registrars Limited
"Cenkos"	Cenkos Securities plc (registered number 05210733), nominated advisor and broker to the Company
"Circular"	the document dated 29 February 2016 sent to MHL Shareholders with this document which describes the Merger
"City Code"	The City Code on Takeovers and Mergers issued and administered by the UK Panel on Takeovers and Mergers, as amended, modified or supplemented from time to time
"Company" or "Marlowe"	Marlowe plc (registered number 09952391)
"Completion"	completion of the Acquisition, pursuant to the Acquisition Agreement
"Concert Party"	Lord Ashcroft KCMG PC and certain long term business associates, details of whom are contained in Part III of this document
"Consideration Shares"	3,500,000 Ordinary Shares to be issued to the Seller pursuant to the Acquisition Agreement
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms

	(all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
"CREST member"	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
"CREST Participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"CREST sponsor"	a CREST Participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member (which includes all-CREST personal members)
"Delisting"	the proposed delisting from AIM of MHL, as more particularly described in paragraph 7 of Part I of this document
"Directors" or "Board"	the directors (and, following Admission, the Proposed Director) of the Company whose names appear on page 9 of this document
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"Enlarged Group"	the Company and its Subsidiaries following Completion and completion of the Merger
"Enlarged Share Capital"	the issued ordinary share capital of the Company immediately following Admission (including the Subscription Shares, Consideration Shares and Merger Shares)
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Ordinary Share"	the Ordinary Share in the Company in issue at the date of this document
"FCA"	the Financial Conduct Authority of the UK
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"FY15"	the twelve month period ended 31 May 2015
"IBCA"	the International Business Companies Act, 1990 of Belize
"IRR"	internal rate of return
"Introduction Agreement"	the conditional agreement dated 29 February 2016 and made between Cenkos, the Company, the Directors and the Proposed Director, further details of which are set out in paragraph 6(b) of Part VI of this document
"Issue Price"	100 pence per Subscription Share
"Listing Rules"	the Listing Rules of the UKLA made in accordance with section 73A(2) of FSMA
"London Stock Exchange"	London Stock Exchange plc
"Marlowe 2016"	Marlowe 2016 Limited (registered number 09975667), a wholly owned subsidiary of the Company
"Merger"	the merger of MHL and the Company pursuant to Part VII of the IBCA, as more particularly described in the Circular and paragraph 9 of Part VI of this document
"Merger Plan"	the description of the Merger set out in the Circular
"Merger Shares"	ordinary shares of 50 pence each in the capital of the Company issued or to be issued pursuant to the Merger
"MHL"	Marlowe Holdings Limited, registered in Belize with company number 50,447
"MHL Directors" or "MHL Board"	the directors of MHL, whose names appear on page 9 of this document

"MHL Shareholders"	holders of MHL Shares
"MHL Shares"	ordinary shares of 50 pence each in the capital of MHL
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 50 pence each in the capital of the Company
"Overseas Holders"	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
"Panel"	the Panel on Takeovers and Mergers
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
"Placees"	those persons who have conditionally agreed to subscribe for the Subscription Shares directly with the Company
"Proposed Director"	the Seller
"Prospectus Rules"	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/7l/EC
"Redeemable Shares"	the 99,999 redeemable preference shares of 50 pence each in the capital of the Company in issue as at the date of this document
"RIS"	a regulatory information service as defined by the Listing Rules
"Seller"	Nigel Jackson
"Shareholders"	holders of Ordinary Shares
"Special General Meeting"	the meeting of the MHL Shareholders as more particularly described in the Circular
"Subscription"	the proposed issue and allotment at the Issue Price of the Subscription Shares to the Placees as described in this document
"Subscription Shares"	the 3,000,000 Ordinary Shares to be issued and allotted to the Placees pursuant to the Subscription
"Subsidiaries"	in relation to a company, wherever incorporated, means a 'subsidiary undertaking' as defined in section 1162 of the Act
"Swift"	Fire & Security (Group) Limited, registered in England and Wales with company number 05792132
"Swift Group"	Swift and its subsidiaries
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part IV of FSMA
"Uncertificated Securities Regulations"	the Uncertificated Securities Regulations 2001, as amended from time to time

DIRECTORS, PROPOSED DIRECTOR, SECRETARY AND ADVISERS

MHL Directors

Alex Dacre	*Chief Executive Officer*
Derek O'Neill	*Group Finance Director*
Charles Skinner	*Non-executive Director*
Peter Gaze	*Non-executive Director*

Directors of the Company:

Alex Dacre	*Chief Executive Officer*
Derek O'Neill	*Group Finance Director and Interim Chairman*
Charles Skinner	*Non-executive Director*
Peter Gaze	*Non-executive Director*

All of Fifth Floor, 55 King Street, Manchester M2 4LQ

Proposed Director of the Company:

Nigel Jackson	*Executive Director (Managing Director, Swift)*

Of Fifth Floor, 55 King Street, Manchester M2 4LQ

Company secretary:
Derek O'Neill

Registered office of the Company:
Fifth Floor
55 King Street
Manchester
M2 4LQ

Current registered office of MHL:
21 Regent Street
Belize City
Belize

Nominated adviser and broker:
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Auditors and reporting accountants:
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Legal advisers to the Company:
Brabners LLP
55 King Street
Manchester
M2 4LQ

Legal advisor to the Nominated Advisor & Broker:
Memery Crystal LLP
44 Southampton Buidlings
London
WC2A 1AP

Registrars:
Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisition and Subscription	29 February 2016
Publication and posting of this document and Circular	29 February 2016
Admission, Completion and commencement of dealings of Ordinary Shares	31 March 2016
Relevant Ordinary Shares credited to CREST stock accounts	31 March 2016
Despatch of definitive share certificates for Ordinary Shares	14 April 2016

Notes:

(i) References to times in this document are to London time (unless otherwise stated).

(ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.

(iii) The timing of the events in the above timetable and in the rest of this document is indicative only.

SUBSCRIPTION STATISTICS

Existing Ordinary Shares	1
Existing MHL Shares	14,584,998
Consideration Shares	3,500,000
Number of Subscription Shares to be issued pursuant to the Subscription	3,000,000
Issue Price	100 pence
Estimated gross proceeds of the Subscription	£3,000,000
Estimated net proceeds of the Subscription	£2,995,000
Enlarged Share Capital	21,084,999
Percentage of Enlarged Share Capital represented by Subscription Shares	14.2%
Percentage of Enlarged Share Capital represented by Consideration Shares	16.6%
Market Capitalisation at Admission at the Issue Price	£21,084,999
ISIN Code for Ordinary Shares	GB00BD8SLV43
SEDOL number	BD8SLV4
AIM symbol	MRL

PART I – INFORMATION RELATING TO THE COMPANY

1. Introduction and background to MHL and the Company

MHL was admitted to trading on AIM in 2007 as a company established for the purpose of making investments in publicly traded or private companies and creating value for shareholders. MHL was originally admitted to AIM as a strategic investment company. Marlowe plc is a newly incorporated, UK domiciled company which intends to merge with MHL. It is proposed that MHL should merge with the Company so that the ultimate holding company of the Enlarged Group is a UK company.

In May 2015 MHL raised £5.2 million through the placing of 8,584,998 ordinary shares and made new appointments to the MHL Board in order to pursue acquisition opportunities. The MHL Board made significant personal investments in the May 2015 placing. Since then the MHL Board has focussed on investment targets within the business services sector in areas where companies possess annuity-type recurring revenues which are underpinned by long-term contracts and a degree of operational complexity that the MHL Board believes can provide attractive margins and high barriers to entry. The target markets are fragmented and, in the belief of the MHL Directors, offer the potential for quick consolidation. Potential acquisition targets include the type of businesses which might be below the radar of both large corporations and private equity houses and also provide opportunities for operational improvements and economies of scale. The sectors of focus are those areas in which the MHL Directors have a significant amount of quoted company experience and possess records of generating significant returns for their shareholders through acquisition-led growth.

The MHL Directors' recent focus has been on targets that provide installation and maintenance services to assets and systems within a customer's place of business and which are essential to their ability to operate in a manner which keeps their employees and members of the public safe and enables business continuity. Most pertinently, these services ensure that customers are compliant with regulation and the law.

Since its admission to AIM, MHL has been controlled by Lord Ashcroft KCMG PC who currently has an interest in approximately 53.58 per cent. of the MHL shares. Following the proposed Subscription, it is anticipated that Lord Ashcroft KCMG PC will have an interest of 44.17 per cent. of the Enlarged Share Capital. This document provides you with further details on the Company's acquisition strategy, the specific acquisition of Swift and the Merger. It also explains why the Board considers the Acquisition to be in the best interests of the Company.

2. The Acquisition

The Company has conditionally agreed subject, *inter alia*, to Admission to acquire Swift, one of the UK's leading national fire protection and security systems service providers. In FY15, Swift generated revenues of approximately £21 million and EBITDA of approximately £1.5 million. Approximately 57 per cent. of Swift's revenue is currently derived from recurring contracts.

The total consideration for the Acquisition is £13.0 million to be satisfied by the payment of £8.5 million payable in cash on Completion, £1 million in cash on 31 May 2016 and the issue of 3,500,000 Consideration Shares (equal to 16.6 per cent. of the Enlarged Share Capital). Upon Admission the Seller, the sole shareholder of Swift, will be appointed to the Board as an Executive Director and will continue in his role of Managing Director of Swift.

As at 31 January 2016, MHL had funds available for investment of approximately £8.3 million. Following the Merger, these funds (net of expenses) will be available to the Company, and will be used to fund the Acquisition.

3. Strategy of the Group

The Directors believe that the Acquisition represents the first step towards building a dynamic business-to-business service group. The Directors intend to make further strategic acquisitions in the future. The Board has identified a number of companies which they believe are complementary to Swift and, if acquired, would enhance the market position of Swift. The potential acquisitions would also position the Company to develop a presence in other support service sectors which are complementary to the services provided by Swift.

The Directors believe that the targets currently under consideration all share the following attractive key characteristics:

- they possess predictable annuity-type recurring revenues, typically with long-term customer relationships;
- they occupy legislative and regulatory driven markets and provide services which could be described as 'essential' or 'critical' to the customer which results in a high level of non-discretionary customer spend which the Board believes should be relatively resilient to both a change in ownership and economic cycles;
- they provide services which customers invariably prefer to outsource rather than conduct in-house because of their specialist and technical nature, the levels of regulatory compliance which govern them, and the cost savings and the improved efficiency which can result from outsourcing;
- they occupy fragmented markets which the Directors believe present the potential for a quickly executed consolidation;
- they exhibit a high degree of conversion of profit to cash;
- they share the same channel to market which could present potentially attractive cross-selling opportunities in related critical asset maintenance sectors; and
- they occupy markets which have growing barriers to entry for the following reasons:
  - some customers wish to consolidate their supplier base and for their suppliers to possess a national footprint;
  - customers and suppliers require service providers to meet stringent industry accreditations and standards;
  - there are economies of scale presented by large volume relationships with suppliers;
  - there is a need for well-invested and complex operating systems in order to comply with higher regulatory standards and customer demands; and
  - there are significant advantages presented by increased route density as a result of increased scale.

The Board believes that the type of targets they are focussing on provide services which demonstrate a level of complexity that typically results in the customer displaying a degree of reliance upon their suppliers to provide specialist and technical services. Typically, the Board believes that if customers are content that the levels of service are high and cost-effective they will show a level of inertia and be less likely to switch provider. The Directors believe that these types of businesses are well suited to support growth, over and above the long-term organic revenue growth rate, through acquisition. The Board expects that synergies can be achieved, post-Acquisition, through effective integration, the benefits of scale, increased geographical footprint, tight cost-control and effectively managed and implemented cross-selling structures and systems.

4. Information on Swift

Swift was co-founded in 1982 by the Seller, the current shareholder and Managing Director, and is a leading private national fire protection and security systems installation and maintenance business with a broad range of capabilities to design, install and service fire protection and security solutions. It is intended that the Seller becomes an Executive Director of the Company upon Admission and will continue to manage the Swift business within the Enlarged Group.

The Board believes that Swift offers an integrated solution for fire and security systems. The majority of its engineers are multi-skilled and as such able to service both fire and security systems simultaneously providing, the Directors believe, customers with a more efficient and attractive service.

Swift's revenues are derived from the provision of core services including:

– fire protection: fire alarms, fire extinguishers, fire risk assessments, fire suppression and emergency lighting;

– security systems: CCTV, intruder alarms, gates, barriers and access control; and

– off-site monitoring: intruder alarm and CCTV monitoring, remote diagnostics and keyholding.

The business is categorised into three main divisions:

– Service: recurring planned and preventative maintenance work, associated remedial and small installation work, non-scheduled call out maintenance work;
– Systems: installation of a broad range of fire safety and security systems; and
– Monitoring: contracted fire, security and CCTV monitoring services and remote systems diagnostics.

Service

Service accounted for approximately 52 per cent. of Swift's revenues in FY15. The service department generates recurring and non-recurring revenue with approximately half the service work underpinned by recurring maintenance contracts. Further service revenue, associated with the maintenance contracts, arises from remedial repairs, upgrades or small installations along with non-scheduled call outs for emergencies and urgent remedial repairs undertaken outside of planned maintenance visits. A typical service contract will run for three years with a two year extension providing, the Directors believe, the business with good earnings visibility. The service contract entitles Swift to the exclusive right to provide maintenance services and sets out the scheduled maintenance programme for the duration of the contract term.

Service work is carried out by Swift's in house team of approximately 130 engineers who are spread across the UK providing a national presence.

Monitoring

Monitoring is a small but growing division of the business and accounted for approximately 5 per cent. of Swift's FY15 revenue. Monitoring services are predominantly provided via 12 month contracts. Swift has in-house CCTV and alarm monitoring and remote systems diagnostics capability, which enables Swift to conduct remote system maintenance and repairs facilitating cost reductions. This, the Directors believe, gives Swift a competitive advantage in developing new business relationships with customers who prefer to source fire, security and monitoring services from a single provider.

Systems Installations

In FY15 installation work accounted for approximately 43 per cent. of Swift's revenue. Installation work comprises core installations and small installations for mostly commercial clients including national high street retailers, banks and well-known hotel chains with management closely focused on profit margins. Each project is standalone and there are approximately 100-150 open installation projects at any one time.

The Directors believe that the Swift Group has the following attractive properties:

- a senior management team with extensive experience in the industry. The team includes a managing director, finance director, sales director, commercial director, projects director, HR director and IT director;
- over 270 employees, of whom 129 are service engineers and 34 sales managers;
- national coverage from four regional offices and field-based engineers around the UK;
- long-standing relationships with blue-chip customers which include national high street retailers, universities, banks, well-known hotel chains, local authorities and large NHS hospitals and facilities management companies;
- a significant level of recurring revenue through a well-diversified base of long-term and rolling contracts;
- IT infrastructure that drives efficiencies in route density, sales, service, inventory management and customer relations;
- an established financial record:
  - 2013 – 2015 revenue CAGR of 13.8 per cent.;
  - 2013 – 2015 adjusted EBITDA CAGR of 11.2 per cent.;
  - 2013 – 2015 strong cash flow generation: 71.2 per cent. conversion;
- an apprentice scheme and in-house training academy;
- long-standing relationships with fire and security systems manufacturers including Gent, Samsung, Apollo, Morley, Hikvision and Bosch; and

- a broad set of fire and security accreditations.

The Directors intend to continue to focus on building relationships with new and existing customers and growing Swift's base of recurring revenues through seeking to install new fire and security systems at customers' premises. In addition they provide recurring planned and preventative periodic maintenance to these systems through ongoing service contracts. Currently Swift services in excess of 39,441 systems with approximately 53 per cent. of its revenues in FY15 derived from recurring service or monitoring contracts. The Board intends to continue to enhance and accelerate Swift's development plans through the innovation and development of new customer services and technology.

Routes to Market

Swift employs a sales director, a commercial director, a sales force and account management team of 34 who are responsible for developing relationships and winning business with new and existing customers. Additionally, the 129 field-based service engineers generate sales leads. The centralised support services division is responsible for identifying and completing tender driven opportunities and providing the marketing activities and support for new business development.

Selected financial information on Swift

The Financial information on Swift set out below has been extracted without material adjustment from the historical financial information for the three years ended 31 May 2015 set out in Part IV of this document.

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

	Year ended 31 May 2015 (audited) £'000	**Year ended 31 May 2014 (audited) £'000**	**Year ended 31 May 2013 (audited) £'000**
Revenue	20,897	18,377	16,149
Operating Profit	1,262	955	702
Profit before tax	1,180	869	656
Net assets	1,525	1,287	645

Qualified Opinion on Stock Balance

The Swift audited historical financial information for the three years ended 31 May 2015 is set out in Part IV of this document. The statutory accounts of Swift for the three years ended 31 May 2015 have been delivered to the Registrar of Companies and unqualified auditor's reports have been made on those accounts by Cowgill Holloway LLP, and those audit reports did not contain any statement under section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns), or section 498(3) (failure to obtain necessary information and explanations).

However, for the purposes of the Company's Admission to AIM, Grant Thornton UK LLP have provided an opinion on this financial information that includes a qualification as to the stock balance for each of the three years and the potential impact that it may have on the profit and loss statements of Swift. Grant Thornton UK LLP have not qualified the accounts in any other way. The basis for Grant Thornton UK LLP's qualification is extracted from the Accountant's Report on the historical financial information set out in Section A of Part IV as below:

With respect to inventory having a carrying amount of £203,493, £229,881, £365,305 and £473,310 at 31 May 2012, 31 May 2013, 31 May 2014 and 31 May 2015 respectively, the evidence available to us was limited because we did not observe the counting of physical inventories on those dates. As a consequence we have been unable to obtain sufficient appropriate evidence concerning opening and closing inventory balances. As opening balances relating to inventory form part of the determination of the statement of comprehensive income, we were also unable to determine whether adjustments might have been necessary in respect of profits or losses for the years reported in the statement of comprehensive income. Owing to the nature of the company's *records, we were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities by using other audit procedures.*

Notwithstanding the qualified opinion, the Directors believe that the financial information is an appropriate representation of the business. Swift is a company that provides security and fire prevention services to companies including large high street retail chains. It is not stock intensive.

During the period covered by the historical financial information the stock balance at each year end represented approximately 4% of gross assets annually during the three year track record, and approximately 2% of turnover. In the highly unlikely event that none of the stock was in existence at each of the balance sheet dates, the maximum impact on gross assets would have been a reduction of the total stock value at year end to nil and the maximum impact on profit before tax would have been a reduction during each year of £26,388, £135,424 and £108,005 for the years ended 31 May 2013, 31 May 2014 and 31 May 2015 respectively, being the movement in the stock balance in each period. However, the Directors have undertaken a diligence exercise to gain comfort that the stock balance as at the date of this document is materially correct and that Swift has appropriate systems and controls in place to accurately record and manage stock.

5. Current Trading and Prospects of the Enlarged Group

On 30 October 2015 MHL announced its unaudited interim results for the six months ended 30 September 2015. Since that date the Company has been progressing with due diligence on Swift and other investment opportunities and incurred professional fees in relation to the acquisition of Swift as set out in paragraph 14 of Part VI of this document. MHL's cash balance at 31 January 2016 was £8.3 million.

The audited historical financial information of Swift to 31 May 2015 is set out in Part IV of this document. The business has been trading broadly in line with Swift's management's expectations. In the seven months to December 2015, Swift's revenues were £11.8 million (0.3% lower than the same period in the prior year).

On 23 December 2015, during the Company's acquisition negotiations with Swift, Swift Fire and Security (Northern) Limited ("SFSN") entered into a Sub-Contract Agreement with a blue-chip national facilities management provider (the "Provider") under which SFSN will provide fire and security services for certain of this Provider's clients ("the SFSN Agreement"). Services under the SFSN Agreement commenced on 1 February 2016 and expire on 31 January 2019 but may be varied. According to the terms of the SFSN Agreement, SFSN paid a one off "set up" fee of £500,000 to the Provider on 24 December 2015. For the first contract year under the SFSN Agreement the Provider will pay SFSN £2,382,960 for the provision of agreed core services in addition to remuneration for variable services. The SFSN Agreement may be terminated by the Provider, *inter alia*, for convenience by the Provider on 3 month's notice or immediately if any superior client contract is suspended, terminated or discharged.

In late February 2016, the Company received approval from a leading commercial bank for a 3 year Term Loan Facility for £3 million and Revolving Credit Facility of £1.5 million with an interest rate of 2.75 per cent. plus 3 month LIBOR per annum. The Company intends to enter into this facility on, or shortly after, Admission.

6. Fire Protection and Security Markets

Fire Protection Market

The UK fire protection market is estimated to be worth £1.8 billion, according to the Fire Industry Association. The market is fragmented with over 1,000 operators.

The diminishing role of public authorities in UK public services has resulted in fire safety increasingly becoming the responsibility of the private sector. As such, laws and regulations continue to be tightened. The Regulatory Reform (Fire Safety) Order 2005 ("FSO") came into effect in October 2006 and replaced over 70 sets of fire safety regulations. The FSO applies to all non-domestic premises in England and Wales and places the responsibility on individuals within an organisation to carry out risk assessments to identify, manage and reduce the risk of fire. The potential exists for prosecution for individuals and companies failing to comply. Additionally, the Corporate Manslaughter Act 2007 can place responsibility on the directors of non-compliant companies.

The Directors consider that four of the main operators in the UK commercial fire protection market are Tyco Corporation, Chubb Fire & Security (a subsidiary of United Technologies Corporation), Protec Fire & Security and ADT Fire and Security (a subsidiary of Tyco International).

Security Systems Market

The UK security systems market, like the fire protection market, is fragmented and is host to many small private companies. A recent BSRIA report shows the market for CCTV, access control and intruder alarms, in the UK, was worth more than £2.16 billion. A briefing from BSRIA in 2015 estimates there are 4.25 million CCTV cameras deployed in the UK and states that improved technology, such as networked and digital systems, is driving demand for technological improvement.

Wide-ranging application of CCTV extends from simple scene monitoring to facial-recognition technology, remote video monitoring, video smoke detection, mobile systems and automatic number-plate recognition. Customers are beginning to demand video analytic software, which can be programmed to intelligently analyse and respond to a changing scene. This software is also being used to improve retail operations, such as queue monitoring, people counting and measuring traffic patterns to drive sales and customer satisfaction. Internet protocol network-based systems continue to gain share as a result of offering enhanced flexibility and versatility, but also remote viewing and control of video data from one or more interfaces in different locations.

The Directors consider that four of the key operators in the UK security systems market are ADT Fire and Security (a subsidiary of Tyco International), Chubb Fire & Security, Stanley (a subsidiary of Black & Decker) and Secom.

Market Opportunity

In the markets that the Directors are currently focused on, there exists stringent and enforced regulation. For instance, many of Swift's customers have obligations to provide assessments, systems and equipment to protect their employees and the public from the threat of fire.

Current national building regulations require that fire detection and fire alarm systems are installed in many buildings at the time of construction. In addition, legislation requires that, where necessary to safeguard relevant persons in case of fire, existing premises are equipped with appropriate fire detection and fire alarm systems. These systems require ongoing recurring periodic maintenance. Failure to demonstrate that compliant and regular testing and maintenance of fire protection equipment has been conducted by a competent person can lead to enforcement and potentially prosecution.

In the security systems market, The National Police Chiefs' Council ("NPCC") of England, Wales and Northern Ireland dictate that the police will only respond to a remotely monitored security system in cases where businesses are compliant with the NPCC Requirements for Security Systems. Businesses must comply with the NPCC Policy on Police Response to Security Systems in addition to a recognised standard or code of practice controlling manufacture, installation, maintenance and operation (any systems installed after June 2012 must conform to PD6662: 201 and BS 8243).

Legislation exists in adjacent potential target markets, for instance Health & Safety Act 1974, LS (ACOP) 2001, Control of Substances Hazardous to Health Regulations 2002 and Water Supply Regulations 1999 govern the water treatment and hygiene sector ensuring that organisations have a legal duty to prepare and manage a scheme for maintaining safe water quality (and provide a framework of actions designed to assess, prevent or control the risk from bacteria such as Legionella and take suitable precautions).

Regulatory and legislative requirements of this nature, for essential periodic maintenance, lead to recurring revenues which the Directors believe provide an attractive level of earnings visibility. The Board believes that a market opportunity could be exploited through building a group of service businesses, accelerated through acquisition, initially providing services which ensure that customers remain compliant with such regulations. The Board believes that Swift presents an attractive first acquisition to create a platform for Enlarged Group growth from which to consolidate the fire protection and security markets and also from which to broaden the portfolio of services that the Enlarged Group provides. Accordingly, the Directors will look to make acquisitions of businesses that add strategic capability in complementary areas which share a similar channel to market.

7. The Circular, the Merger and the Delisting

The Circular contains details of the Delisting and the proposed Merger between the Company and MHL.

It is proposed that MHL be delisted from AIM shortly after the Merger, in accordance with the AIM Rules prior to the Company being admitted to trading.

Prior to the Acquisition it is proposed that MHL will merge with the Company, a newly incorporated public limited company, so that the Enlarged Group has a holding company incorporated in England & Wales. The Merger will be effected under the IBCA, on the terms set out in the Merger Plan and is subject to the approval of MHL Shareholders. Further details of the Merger are in the Circular and paragraph 9 of Part VI of this document. Conditional upon the Merger becoming effective, MHL Shareholders will receive new Ordinary Shares on the basis of:

One new Ordinary Share for each MHL Share held immediately prior to the Merger.

The Acquisition is conditional, *inter alia*, upon Admission. Further details of the Merger are set out in the Merger Plan in the Circular and paragraph 9 of Part VI of this document. Following Admission, the Company will not be treated as an investing company, as defined by the AIM Rules.

The MHL Directors believe that the Delisting and the Merger are in the best interests of MHL Shareholders and that MHL Shareholders will be afforded greater protections as shareholders of a UK domiciled company and that the Company will be a more attractive investment proposition facilitating greater liquidity in the Ordinary Shares. The Company will fall under the jurisdiction of The City Code on Takeovers and Mergers, thereby affording additional protections to Shareholders about which see paragraph 19 of this Part I.

8. The Acquisition Agreement

The Company is to acquire Swift pursuant to the Acquisition Agreement conditional *inter alia* on Admission. The consideration to be paid on Completion pursuant to the Acquisition Agreement will be £8.5 million payable in cash on Completion, £1 million in cash on 31 May 2016 and the allotment of the Consideration Shares valued at the Issue Price (equal to £3.5 million). The Company is protected against movements in Swift's working capital between 31 October 2015 and Completion by a 'locked box' mechanism pursuant to which the Seller indemnifies the Company and the Swift Group in relation to any value extracted from the Swift Group by the Seller or certain persons connected to him.

The Seller gives warranties customary in a transaction of this nature on both the signing of the Acquisition Agreement and Completion, subject on both occasions to any matters fairly disclosed by him and subject to certain customary limitations on the Company's right to claim for breach. The Seller indemnifies the Company, Swift and its subsidiaries in respect of a small number of issues highlighted by the Company during its due diligence process. The Seller indemnifies the Company, Swift and its subsidiaries in relation to any tax which has not been paid or provided for appropriately. The Seller is to be subject to certain restrictive covenants about his commercial activities for periods of three years and in some instances a further two years following Completion subject to certain other existing commercial activities.

Should Admission, and therefore Completion, not occur in certain circumstances within the Company's control, the Company has agreed to pay the Seller £150,000 plus VAT in respect of costs incurred by the Seller.

9. Directors and Proposed Director and Senior Management

The Board currently comprises of the following directors:

Alex Dacre, *Chief Executive*

Alex has a background in the quoted business-to-business services sector and an expertise in executing buy-and-build growth strategies. Prior to his appointment at MHL, he directed Impellam Group plc's corporate development activities, completing a number of significant acquisitions including the transformational £73 million acquisition of Lorien Resourcing, a £350 million revenue UK market leader in technology recruitment. During an 18 month period of acquisitive growth, Impellam saw its market capitalisation more than double and it become the UK's second largest temporary staffing business. Prior to this, he worked with Charles Skinner to turn AIM-listed

Restore plc into one of the UK's leading office services companies and a leading consolidator in the document management and commercial relocation sectors.

Derek O'Neill, *Interim Chairman and Group Finance Director*

Derek was Chief Executive and a majority shareholder of Lorien Resourcing, a £350 million revenue UK market leader in technology recruitment, until its recent sale to Impellam Group plc. He has previously been on the board of two listed companies including Deltron Electronics plc. He spent 12 years as an executive director of a number of private equity backed businesses and also as an executive director in a diverse range of sectors, including house building, electronics, engineering, telecommunications, logistics and recruitment. He is currently a non-executive director of Impellam Group plc. Derek will Chair the Board as Interim Chairman before a permanent Chairman is selected.

Charles Skinner, *Independent Non-executive Director*

Charles is Chief Executive of Restore plc, the AIM-listed provider of office services. Under his leadership, its market capitalisation has grown from less than £2 million in 2009 to over £290 million today. He was previously Chief Executive of Johnson Services Group plc and Brandon Hire plc, prior to which he was at SG Warburg and 3i plc and was Editor of Management Today. He has 17 years' experience as chief executive of quoted companies, all operating in the business-to-business service sector.

Peter Gaze, *Independent Non-executive Director*

Peter has been a non-executive director of MHL since 2006. He was recently the Chief Financial Officer and a Director of BCB Holdings Limited and of Waterloo Investment Holdings Limited. Peter was an executive at ADT Group plc during its expansion in the UK and US, in the period leading up to its acquisition by Tyco International for £3.7 billion in 1997. He chairs the Audit Committee.

Proposed Director

Nigel Jackson will join the Board on Admission.

Nigel Jackson, *Proposed Director*

Nigel has a background in developing support service businesses and has operated in the service sector since 1980. Nigel qualified as a chartered accountant in 1978 whilst working for Price Waterhouse (now PricewaterhouseCoopers). Nigel co-founded Swift in 1982 and for the last 10 years, as Managing Director, has spearheaded its growth into one of the leading independent businesses in the sector during a period which has seen consistent growth in revenue and profit. Prior to running Swift Group, Nigel ran his own accountancy practice, Jacksons Chartered Accountants, from 1985 to 2005 before it was sold to the other partners. He is a director of a number of other private businesses.

10. Corporate Governance

As a company whose shares are traded on AIM, it is not necessary for the Company to comply with the requirements of the UK Corporate Governance Code 2014 (the 'Code'). However, the Board believes that it is accountable to the Shareholders and others for good corporate governance and is committed to the same. Where appropriate, taking into account the Company's size and nature, the Company intends to comply with much of the Code and also follow the corporate governance guidelines of the Quoted Companies Alliance for companies whose shares are traded on AIM.

The Board will at Admission comprise of three executive directors and two independent non-executive directors. Derek O'Neill will hold the role of Interim Chairman following Admission whilst the Company recruits a permanent Chairman, which the Directors have undertaken to do within six months of Admission.

An audit committee has been established to operate with effect from Admission. The audit committee will comprise of Peter Gaze and Charles Skinner, of whom Peter Gaze will be the chairperson. It will meet whenever there is business to discuss and at least three times each year. The audit committee is responsible for ensuring that the financial performance of the Enlarged Group is properly monitored, controlled and reported on. It will also meet the auditors and review the auditors' reports relating to accounts and internal control systems.

A remuneration committee has been established to operate with effect from Admission. The remuneration committee will comprise of Charles Skinner and Peter Gaze, of whom Charles Skinner will be the chairperson. It will meet whenever there is business to discuss and at least twice each year. The remuneration committee is responsible for determining the Enlarged Group's overall policy on executive remuneration and for deciding the specific remuneration, benefits and terms of employment for executive directors and the Enlarged Group's company secretary.

The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and there are procedures in place to ensure compliance by the Company's applicable employees. The Company has a share dealing code which is appropriate for an AIM quoted company.

11. Details of the Subscription

The Company proposes to raise £3 million gross proceeds (approximately £2,995,000 net of expenses related to the Subscription) through the issue of the Subscription Shares to the Placees at the Issue Price. The Company has conducted the Subscription on a private basis; Cenkos has not conducted the Subscription.

£2,298,000 of the Subscription is underwritten by Talisman Holdings Limited, a company owned by Lord Ashcroft KCMG PC.

The Issue Price of 100 pence per new Ordinary Share represents a discount of 27.27 per cent. to the share price of MHL, being 137.50 pence per MHL Share, on 30 October 2015 when trading in the MHL Shares was suspended.

The Directors have agreed to subscribe for an aggregate of 727,000 Subscription Shares as follows:

Director	**Subscription Shares**
Alex Dacre	170,000
Derek O'Neil	250,000
Charles Skinner	75,000
Peter Gaze	232,000

Application will be made for the Subscription Shares to be admitted to trading on AIM, as more particularly described in paragraph 18 of this Part I.

12. Use of the proceeds of the Subscription

The net proceeds of the Subscription of approximately £2,995,000 million will be used to:

– fund a portion of the cash consideration payable on Completion (£1.8 million);

– provide funds for the Enlarged Group's working capital requirements (£1.145 million); and

– redeem the Redeemable Shares (£49,999.50)

13. Lock-in Agreement

Each of Alex Dacre and the Proposed Director (together the "Locked-in Shareholders") have entered into a lock-in agreement with the Company and Cenkos pursuant to which they have agreed that, in the case of Alex Dacre, 3,333,333 Ordinary Shares and, in the case of the Proposed Director, 3,500,000 Ordinary Shares will be subject to lock-in arrangements.

Those lock-in arrangements prevent the Locked-in Shareholders from disposing of any interest in the Ordinary Shares subject to the lock-in agreement in the three years after Admission, subject to customary exceptions and as described below.

One third of the Ordinary Shares subject to the lock-in arrangements held by each Locked-in Shareholder will be released from the lock-in arrangements on the first anniversary of Admission, and a further third will be released on the second anniversary of Admission.

Any Ordinary Shares subject to the lock-in arrangements may, in the year after their being released from those arrangements, only be disposed of through Cenkos or, if Cenkos is no longer the broker to the Company, another broker nominated by the Company.

14. Introduction Agreement

Each of (1) the Company, (2) MHL, (3) Cenkos, (4) the Directors and (5) the Proposed Director have entered into an agreement dated 29 February 2016 pursuant to which Cenkos agrees to facilitate Admission. Pursuant to this agreement, the Company, the Directors and the Proposed Director give certain warranties and indemnities to Cenkos about the Enlarged Group. Further details are set out in paragraph 6 of Part VI.

15. Incentive Arrangements

The Directors believe that the success of the Company will depend to a significant degree on the future performance of the management team. Accordingly, arrangements have been put in place to create incentives for those who are expected to make key contributions to the success of the Enlarged Group. A long term incentive scheme has been created to reward the key contributors for the creation of shareholder value. In order to make these arrangements most efficient, they are based around a subscription for B Shares in Marlowe 2016 by the B Shareholders.

The B Shareholders have subscribed for B Shares. In certain circumstances, detailed below, the B Shareholders can give notice to the Company and Marlowe 2016 to redeem their B Shares in exchange for the issue by the Company of Ordinary Shares.

On such redemption, the aggregate value of the B Shares is to be 10% of the result of the following:

- the market value of Ordinary Shares that were in issue at Admission (being 21,084,998 Ordinary Shares), in addition to the market value of any Ordinary Shares issued following Admission in relation to net shareholder investments of up to £40 million (any Ordinary Shares issued where net shareholder investments exceed £40 million will be excluded); less
- the Ordinary Shares in issue at Admission (being 21,084,998 Ordinary Shares) multiplied by the Issue Price of 100 pence (equalling £21,084,998); less
- net shareholder investments of up to £40 million in the Company raised by way of a share placing following Admission; plus
- the amount of any dividends declared by the Company following Admission.

The market value of the Ordinary Shares for these purposes will be the average closing price of the Ordinary Shares over the 10 Business Days immediately preceding the day on which notice of redemption is given by a B Shareholder.

The B Shareholders may only give notice to redeem their B Shares in any of the following circumstances:

- a sale of all or a material part of the business of the Enlarged Group;
- a sale of more than 51% of the Ordinary Shares to an unconnected person;
- a winding up of the Company, or any other return of capital;
- not earlier than the third anniversary of the relevant agreement relating to the B Shares and not later than the fifth anniversary of the relevant agreement relating to the B Shares (the ''Measurement Period'').

The B Shareholders have agreed that if they cease to be involved with the Enlarged Group in the three years after Admission for a reason other than death, long-term disability, injury or ill-health, redundancy, retirement at or after the date on which the B Shareholder would normally be expected to retire, dismissal other than for gross misconduct, or being voted off a board of the Enlarged Group other than for poor performance, Marlowe 2016 will have the ability to redeem that B Shareholder's B Shares for the amount subscribed for those B Shares.

The B Shareholders have agreed that if they cease to be involved with the Enlarged Group in the three years after Admission by reason of death, long-term disability, injury or ill-health, redundancy, retirement at or after the date on which the B Shareholder would normally be expected to retire, dismissal other than for gross misconduct, or being voted off a board of the Enlarged Group other than for poor performance, Marlowe 2016 will have the ability to redeem that B Shareholder's B Shares for an amount calculated on the same basis as used if the B Shareholders give notice to redeem their B Shares.

Any B Shares not redeemed on the seventh anniversary of the relevant B Shares agreement will either be redeemed by Marlowe 2016, or purchased by the Company, in each case for £0.01 in aggregate.

Alex Dacre, Derek O'Neill, Nigel Jackson and Charles Skinner are participating in the incentive scheme described above, and have subscribed for B Shares in Marlowe 2016 as follows:

Name	Number of B Shares	Amount Subscribed (£)	Proportion of total number of B Shares
Alex Dacre	5,460	54.60	54.6%
Derek O'Neill	1,820	18.20	18.2%
Charles Skinner	1,183	11.83	11.8%
Nigel Jackson*	900	9.00	9.0%
Other	637	6.37	6.4%

*Nigel Jackson's subscription is subject to Admission.

16. Related Party Transaction

The incentive arrangements described in paragraph 15 above may fall within the definition of a related party transaction falling outside the Director's standard remuneration package. Peter Gaze, the independent director in relation to the incentive arrangements, having consulted with Cenkos, as the Company's Nominated Adviser, considers the terms of this transaction to be fair and reasonable in so far as the Company's shareholders are concerned.

17. Dividend policy

For the foreseeable future, it is anticipated by the Directors that the Company will not pay dividends but will preserve any surplus cash for business development purposes. This policy will be reviewed on an at least annual basis.

18. Admission, settlement and CREST

Further to the Merger and Admission, new Ordinary Shares will be issued to MHL Shareholders in place of their MHL Shares.

It is anticipated that MHL Shares will be cancelled from trading on AIM on 31 March 2016.

The last day of dealings in MHL Shares is expected to be on 30 March 2016.

Application will be made for the Merger Shares, the Subscription Shares and the Consideration Shares to be admitted to trading on AIM. It is anticipated that Admission will take place on 31 March 2016. Following Admission the total number of voting rights of the Ordinary Shares will be 21,084,999. The Merger Shares, the Subscription Shares and the Consideration Shares will rank *pari passu* in all respects, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

These dates may be deferred if there is any delay in obtaining approval of the Merger or Admission. In the event of a delay, the application for cancellation of MHL Shares will be deferred until the Business Day immediately prior to the effective date of the Admission.

On the effective date of the Merger, all certificates representing MHL Shares will cease to be valid and binding in respect of such holdings and should be destroyed. Definitive share certificates for new Ordinary Shares allotted to MHL Shareholders who held MHL Shares in certificated form are expected to be despatched within ten days of Admission. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register of members. All certificates will be sent by pre-paid first class post at the risk of the person entitled thereto.

MHL Shares held in uncertified form will be disabled in CREST on the effective date of the Merger.

For MHL Shareholders who hold their MHL Shares in electronic form in a CREST account by way of Depositary Interests, Ordinary Shares will be credited to their CREST accounts on Admission.

The ISIN for the Company's Ordinary Shares on Admission will be GB00BD8SLV43.

The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The articles of association of the Company permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

The Company reserves the right to issue new Ordinary Shares to all shareholders in certificated form if, for any reason, it wishes to do so.

All the new Ordinary Shares will be in registered form and no temporary documents of title will be issued.

All mandates in force on the effective date of Admission relating to payment of dividends on MHL Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the effective date of Admission to be valid and effective mandates or instructions to the Company in relation to the corresponding holding of new Ordinary Shares.

It is intended to redeem the Redeemable Shares immediately after Admission.

19. Application of the City Code and Concert Party

The City Code will apply to the Company. The Panel is an independent body whose main functions are to issue and administer the City Code and to supervise and regulate takeovers and other matters to which the City Code applies in accordance with the rules set out in the City Code. The City Code is designed 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 by an offeror.

The City Code also provides an orderly framework within which takeovers are conducted. In addition it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets. Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

Unless the Panel otherwise consents, an offer under Rule 9 of the City Code must be made to all other shareholders, be in cash (or have a cash alternative) at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interests in shares of the company during the 12 months prior to the announcement of the offer 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.

For the purposes of the City Code, a concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of that company or to frustrate the successful outcome of an offer for the company. Control means a single holding, or aggregate holdings, of interests in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control. In relation to the Company, a Concert Party (made up of certain providers of capital to MHL) is currently interested in approximately 58.43 per cent. of the voting rights of MHL. Following Admission, it is anticipated that the Concert Party will hold 10,588,858 Ordinary Shares representing approximately 50.22 per cent. of the Enlarged Share Capital.

The Concert Party will not hold any options in the Company.

As the Concert Party will hold more than 50 per cent. of the Enlarged Share Capital, members of the Concert Party (for so long as they continue to be treated as acting in

concert) may accordingly increase their aggregate interest in shares without incurring any obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent.

Further details of the Concert Party are set out in Part III of this document.

20. Risk Factors

The attention of Shareholders is drawn to the risk factors set out in Part II of this document.

21. Additional Information

You should read the whole of this document and not just rely on the information contained in this Part I. Your attention is drawn to the information set out in Parts II to VI (inclusive) of this document, which contains further information on the Company and the Enlarged Group.

PART II – RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below. Ordinary Shares may not be a suitable investment for all recipients of this document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

In addition to the usual risks associated with an investment in a company, the Directors and the Proposed Director consider that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this Document, prior to making any investment decision in respect of the Ordinary Shares. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority. It should be noted that the risks described below are not the only risks faced by the Enlarged Group and there may be additional risks that the Directors and the Proposed Director currently consider not to be material or of which they are currently not aware.

If any of the events described in the following risk factors actually occur, the Enlarged Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The information set out below is not set out in any order of priority. The Enlarged Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

1. Risks specific to the Enlarged Group, its business and the industry in which it operates

Competition and industry consolidation

The Enlarged Group will be engaged in business activities where there are a number of other companies competing for business. Several of these competitors may be larger and may have access to greater funds than the Enlarged Group. Consolidation among the Enlarged Group's peers in the industry could also result in increased competitive pressure in winning business as well as reducing the opportunities for acquisitive growth by the Company. This could lead to competitors of the Enlarged Group gaining increased efficiencies of scale, greater market share and stronger financial resources, thereby threatening the Enlarged Group's competitive position.

Dependence on key personnel

Attracting, training, retaining and motivating technical and managerial personnel is an important component of the future success of the Enlarged Group's business. Following the Acquisition, continued growth may cause a significant strain on managerial, operational, financial and information systems resources of the Enlarged Group. Accordingly, the loss of any key employee may have a detrimental effect upon the future trading performance of the Enlarged Group. Retention measures, including continued employment contingent incentive schemes, will be effected in an effort to mitigate such a risk.

Loss of key customers

In FY15, the top ten customers by value accounted for approximately 40 per cent. of the Swift Group's revenue. Any significant deterioration in the Enlarged Group's relationships with its key customers whether as a result of inability to agree terms on renewal of the relevant contract(s), a key customer ceasing to require a product, a change of management of a customer, gains made by the Enlarged Group's competitors or otherwise, could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and/or prospects following the Acquisition becoming effective. In addition, certain of the Swift Group's contracts with its customers contain change of control provisions, which may enable such customers to be released from the terms of existing contracts upon Completion.

Access to further capital and dilution

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

There can be no assurance that there will be suitable acquisition opportunities in the future

The Enlarged Group will seek to identify suitable strategic acquisitions which complement, or expand upon, the Enlarged Group's existing product and service offering. Although the Enlarged Group has already identified several businesses which the Board will consider acquiring, there can be no guarantee that such acquisitions will be pursued or completed.

The Enlarged Group may also need to incur significant expenses (including professional fees) in connection with the search for, due diligence and negotiation relating to potential acquisitions, which may not ultimately lead to the completion of such acquisitions. This may include a situation where a rival bidder offers a higher price during the negotiation process. In addition to any financial impact of pursuing acquisitions, the attention and time required of key management individuals may lead to the diversion of management's attention from other business concerns.

Change of control

The Swift Group has certain agreements in place which permit the counterparty to terminate such agreements if their consent is not obtained prior to a change of control of Swift. Whilst the Directors are not aware of any intention on the part of such counterparties to terminate their agreements with the Swift Group or cease or suspend trading with the Swift Group, the Acquisition will constitute a change of control under the relevant agreements for which consent of the counterparties has not been obtained. Should any such counterparty elect to terminate its agreement with the Swift Group due to the change of control it could cause harm to the Enlarged Group's business, financial condition and result of operations.

Integration of acquisitions in future

The Enlarged Group may need to incur significant expenses in connection with the integration of the operations of any future acquisition. Whilst the Enlarged Group will assess the level of cost that will be incurred on a case by case basis, there will be many factors beyond the Company's control that could affect the total amount or the timing of any integration expenses.

Although the MHL Directors have a successful track record of improving profit margins in acquired businesses, the anticipated benefits of any acquisition will also depend in part on whether the operations, systems, management and cultures of the Enlarged Group and any acquisition can be integrated in an efficient and effective manner. The integration of an acquisition may present significant challenges to management, including the integration of systems and personnel, possible unanticipated liabilities, restructuring charges, unexpected costs and the loss of key employees. There can be no assurance that there will be operational or other synergies realised by the Enlarged Group, or that the integration of its operations, systems, management and cultures will be accomplished effectively or on a timely basis.

Compliance with regulations and changes in legislation

The markets in which the Enlarged Group operates are subject to a range of environmental, health and safety laws. The Enlarged Group could be subject to fines, penalties, and/or liability for fire safety equipment installation, maintenance or other services provided which are found not to be in accordance with relevant laws or regulations. Such fines, as well as any changes in laws and regulations affecting the markets in which the Enlarged Group operates, could have a negative impact on the Enlarged Group's business activities and consequently may have a detrimental effect upon the future trading performance of the Enlarged Group.

Licences, permits and authorisations

If the Swift Group loses or is unable to obtain certain permits, licences or authorisations necessary for its operations, it may not be able to carry on parts of its business. Swift is very aware of the regulatory requirements and certifications needed to operate and this is given the highest importance within the organisation. A Head of Compliance is responsible for ensuring that the highest standards are met and this role reports directly to the Managing Director as a measure of the importance assigned to this area.

Failure of information systems

The Enlarged Group's ability to maintain financial controls and provide a high quality service to its customers depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. The Enlarged Group's computer systems are vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to or failure of the systems could result in interruptions to the Enlarged Group's financial controls and customer service. Such interruption could have a material adverse effect on the Enlarged Group's business, results of operations and/or financial condition.

Reputational damage from failure of fire installation and security services

Failure of any of the Enlarged Group's fire or security systems or maintenance services exposes the Company to significant reputational damage, should any of its clients experience fire or security related incidences. Such reputational damage could have a continued detrimental effect on the credibility of the Enlarged Group and its services, which may lead to loss of accreditations, loss of customers and decreased ability to win business. Such an event may therefore have a material adverse effect on the Enlarged Group's financial position, operations and cash flows.

Economic conditions and economic weakness

Any economic downturn either globally or locally in any area in which the Enlarged Group operates may have an adverse effect on the demand for the Enlarged Group's products and services. A more prolonged economic downturn may lead to an overall decline in the volume of the Enlarged Group's sales, restricting the Enlarged Group's ability to generate a profit.

Taxation

Any changes to current UK and international taxation legislation (including corporate, personal, capital and indirect taxation), the interpretation of such legislation by tax authorities as well as changes to accounting standards, may impact on the Company's, and consequently the Enlarged Group's, activities, financial situation and results.

Employment Taxes

The Swift Group engages the services of self-employed subcontractors to install its systems. Should HMRC undertake an employment status review and determine that any or all of those subcontractors are in fact employees, retrospective liabilities for PAYE, NICs, interest and penalties would arise which may impact on the Enlarged Group's activities, financial situation and results.

Litigation

Whilst the Enlarged Group has taken, and the Company intends the Enlarged Group to continue to take, such precautions as it regards appropriate to avoid or minimise the likelihood of any legal proceedings or claims, or any resulting financial loss to the Enlarged Group, the Directors and the Proposed Director cannot preclude the possibility of litigation being brought against the Enlarged Group.

There can be no assurance that claimants in any litigation proceedings will not be able to devote substantially greater financial resources to any litigation proceedings or that the Enlarged Group will prevail in any such litigation. Any litigation, whether or not determined in the Enlarged Group's favour or settled by the Enlarged Group, may be costly and may divert the efforts and attention of the Enlarged Group's management and other personnel from normal business operations.

Reliance on key suppliers

The Enlarged Group will not have any significant reliance upon key suppliers. No single supplier will provide more than ten per cent of sold products and most suppliers provide less than five per cent. The Enlarged Group will continue to have a competitive supplier network that allows products to be sourced from alternative suppliers, with minimal disruption to the Enlarged Group.

Future strategy

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. The ability of the Enlarged Group to implement its strategy in a competitive market will require effective management planning and operational controls.

2. Risks relating to the Acquisition

The Acquisition is subject to various conditions which may not be satisfied or waived

Completion of the Acquisition is conditional upon, *inter alia*, Admission.

There can be no guarantee that all necessary conditions will be satisfied and therefore no guarantee that the Acquisition will complete. If the Acquisition does not proceed, MHL or the Company will have incurred advisory and other costs which it will have to pay in any event.

Integration of the Swift Group

The success of the Enlarged Group will be partly dependent on the ability to successfully integrate the Swift Group with future acquisitions undertaken by the Company. The potential strategic risks include an inability to manage the financial and operational transition of the additional businesses. If integration does not proceed as successfully as the Board expects, or within a reasonable timescale, it could have a detrimental impact on the future financial position of the Enlarged Group. These potential risks are mitigated by a Board with the relevant experience of overseeing acquisitions and integration processes.

3. Risks relating to the Ordinary Shares

Future sale of Ordinary Shares

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

Investment in AIM-traded securities

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

Share price volatility and liquidity

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

The interests of significant Shareholders may conflict with those of other Shareholders

Upon Admission, a limited number of Shareholders will have significant holdings of Ordinary Shares. In particular, it is anticipated that Lord Ashcroft KCMG PC will hold approximately 44.17 per cent of the Company's Enlarged Share Capital. Accordingly, Lord Ashcroft KCMG PC and such Shareholders will possess sufficient voting power to have significant influence on matters requiring Shareholder approval. The interests of such significant Shareholders may conflict with those of other holders of Ordinary Shares.

PART III – INFORMATION ON THE CONCERT PARTY

1. Information on the Concert Party

The members of the Concert Party comprise Lord Ashcroft KCMG PC, Melquisedec Flores, Philip Osborne, Philip Johnson, Ian Robinson and Peter Gaze. They have been deemed to be acting in concert by the Panel. They each have long standing business associations with MHL's controlling shareholder, Lord Ashcroft KCMG PC, such that they are considered to be acting in concert, as described in more detail in this Part III.

2. Information on each of the members of the Concert Party

- Lord Ashcroft KCMG PC is the controlling shareholder of MHL and participated in its placing in May 2015. On Admission, he will continue to retain an interest in the Company of 44.17 per cent of the Enlarged Share Capital.
- Melquisedec Flores is a shareholder in MHL and participated in its placing in May 2015. He was a business associate of Lord Ashcroft KCMG PC and used to advise him as a financial consultant.
- Philip Osborne is a shareholder in MHL and participated in its placing in May 2015, until which time he was also a director of MHL. Philip is a business associate of Lord Ashcroft KCMG PC and has held employments and board positions in companies controlled by Lord Ashcroft KCMG PC.
- Philip Johnson is a shareholder in MHL and participated in its placing in May 2015, until which time he was also a director of MHL. He is a long term business associate of Lord Ashcroft, known primarily to him through his Belize business interests.
- Ian Robinson is a shareholder in MHL and participated in its placing in May 2015. He is a long term business associate of Lord Ashcroft KCMG PC and has held employments and board positions in companies controlled by Lord Ashcroft KCMG PC.
- Peter Gaze has been a non-executive director of MHL since 2006 and participated in its placing in May 2015. He is a long term business associate of Lord Ashcroft KCMG PC. He was recently the Chief Financial Officer and a director of Caribbean Investment Holdings Limited (formerly BCB Holdings Limited) and of Waterloo Investment Holdings Limited, both companies controlled by Lord Ashcroft KCMG PC.

3. Disclosure of interests and dealings in relevant securities

3.1 Concert Party interests in the Company

The relevant interests of all the members of the Concert Party in MHL as at 26 February 2016 (being the latest practicable date prior to the date of this document) and their position in the Company following Admission are as follows:

	Existing MHL shares held	Percentage beneficial interest in MHL Shares	Number of Ordinary Shares held following Admission	Percentage of Enlarged Share Capital following Admission
Lord Ashcroft KCMG PC*	7,813,933	53.58	9,313,933	44.17
Melquisedec Flores	35,000	0.24	55,000	0.26
Philip Osborne	103,450	0.71	203,450	0.96
Philip Johnson	282,200	1.93	482,200	2.29
Ian Robinson	68,650	0.47	83,650	0.40
Peter Gaze	218,625	1.50	450,625	2.14
Total	8,521,858	58.43	10,588,858	50.22

*Talisman Holdings Limited, a company owned by Lord Ashcroft KCMG PC entered into an agreement on 17 February 2016 with the Company, pursuant to which Talisman Holdings Limited agreed to underwrite the Subscription of 2,298,000 of the Subscription Shares at the Issue Price. Should Talisman Holdings Limited be required to subscribe for these Subscription Shares, Lord Ashcroft KCMG PC's maximum position will be 10,111,933 shares representing approximately 47.96 per cent of the Enlarged Share Capital and the maximum position of the Concert Party would be 10,819,858 shares or 51.32 per cent of the Enlarged Share Capital.

PART IV – HISTORICAL FINANCIAL INFORMATION

SECTION A – ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION ON FIRE & SECURITY (GROUP) LIMITED

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29 February 2016

Dear Sirs

Fire & Security (Group) Limited (the Target) and its Subsidiary Undertakings (together, the Target Group) – Accountant's Report on Historical Financial Information

We report on the Target Group's historical financial information set out in Section B of Part IV, for the three years ended 31 May 2015 (the **Historical Financial Information**). The Historical Financial Information has been prepared for inclusion in Marlowe plc's admission document dated 29 February 2016 (the **Admission Document**) on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of Marlowe plc are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical 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 Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Basis for qualified opinion on financial information

With respect to inventory having a carrying amount of £203,493, £229,881, £365,305, and £473,310 at 31 May 2012, 31 May 2013, 31 May 2014 and 31 May 2015 respectively, the evidence available to us was limited because we did not observe the counting of physical inventories on those dates. As a consequence we have been unable to obtain sufficient appropriate evidence concerning opening and closing inventory balances. As opening balances relating to inventory form part of the determination of the statement of comprehensive income, we were also unable to determine whether adjustments might have been necessary in respect of profits for the years reported in the statement of comprehensive income. Owing to the nature of the Target Group's records, we were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities by using other audit procedures.

Qualified opinion on financial information

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial information gives, for the purposes of the Admission Document dated 29 February 2016, a true and fair view of the state of affairs of Fire & Security (Group) Limited as at 31 May 2013, 2014 and 2015 and of its profits, cash flows and changes in equity for the three years ended 31 May 2015 in accordance with the basis of preparation set out in note 2 of the financial information and has been prepared in a form that is consistent with the accounting policies to be adopted in Marlowe plc's annual accounts.

Declaration

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

Yours faithfully

GRANT THORNTON UK LLP

SECTION B – HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON FIRE & SECURITY (GROUP) LIMITED

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 May 2013 £	2014 £	2015 £
Continuing Operations				
Revenue	6	16,149,228	18,377,074	20,896,640
Cost of sales		(9,260,185)	(10,652,050)	(12,869,306)
Gross Profit		6,889,043	7,725,024	8,027,334
Administrative expenses		(6,187,479)	(6,770,069)	(6,765,605)
Profit from operations	7	701,564	954,955	1,261,729
Finance income	8	281	668	1,733
Finance costs	9	(45,486)	(86,282)	(83,421)
Profit before tax expense		656,359	869,341	1,180,041
Income tax credit/(charge)	10	13,855	(203,350)	(264,041)
Profit for the year from continuing operations		670,214	665,991	916,000
Discontinued operations				
Profit/(loss) from discontinued operations	4	24,696	(24,451)	(81,610)
Net profit for the year		694,910	641,540	834,390
Total comprehensive income for the year		694,910	641,540	834,390
Attributable to:				
Equity holders of the parent – continuing		415,493	665,991	916,000
– discontinued		24,696	(24,451)	(81,610)
Non-controlling interests		254,721	—	—
		694,910	641,540	834,390
Earnings/ (loss) per share	5			
Basic				
On total profits attributable to equity holders of parent		421.3p	529.3p	772.9p
On continuing operations		397.7p	549.4p	848.5p
On discontinued operations		23.6p	(20.1)p	(75.6)p

There is no difference between basic and diluted earnings per share.

Consolidated Statement of Financial Position

	Notes	As at 31 May 2012 £	2013 £	2014 £	2015 £
Non-current assets					
Goodwill	14	258,076	258,076	145,465	145,465
Property, plant and equipment	13	1,903,314	1,563,171	946,016	854,367
Deferred tax	18	121,407	161,676	13,151	41,182
Total non-current assets		2,282,797	1,982,923	1,104,632	1,041,014
Current assets					
Inventories	15	203,493	229,881	365,305	473,310
Trade and other receivables	16, 21	3,943,335	3,865,394	4,277,549	4,745,650
Cash and cash equivalents	21	1,117,533	1,059,396	2,029,064	1,882,403
Total current assets		5,264,361	5,154,671	6,671,918	7,101,363
Current assets classified as held for sale	4	—	—	300,582	225,641
TOTAL ASSETS		7,547,158	7,137,594	8,077,132	8,368,018
Equity and Liabilities					
Equity attributable to equity holders of the parent	19				
Share capital		100,000	121,212	121,212	100,000
Capital redemption reserve		—	—	—	21,212
Merger reserve		—	486,391	486,391	—
Retained earnings		263,672	37,464	679,004	1,403,389
		363,672	645,067	1,286,607	1,524,601
Non-controlling interests		578,188	—	—	—
Total equity		941,860	645,067	1,286,607	1,524,601
Liabilities					
Non-current liabilities					
Borrowings	21	485,080	531,071	419,203	354,271
Finance leases		19,652	—	—	410
Total non-current liabilities		504,732	531,071	419,203	354,681
Current liabilities					
Trade and other payables	17	5,128,887	4,879,476	5,181,421	4,975,563
Borrowings	21	950,358	1,039,625	870,935	885,261
Finance leases		5,390	19,664	—	8,432
Tax liabilities		15,931	22,691	42,339	276,497
Total current liabilities		6,100,566	5,961,456	6,094,695	6,145,753
Liabilities associated with current assets held for sale	4	—	—	276,627	342,983
Total liabilities		6,605,298	6,492,527	6,790,525	6,843,417
TOTAL EQUITY AND LIABILITIES		7,547,158	7,137,594	8,077,132	8,368,018

Consolidated Statement of Changes in Equity

	Share capital £	Merger reserve £	Capital redemption reserve £	Retained earnings £	Total £	Non-controlling interest £	Total equity £
Balance at 1 June 2012	100,000	—	—	263,672	363,672	578,188	941,860
Total comprehensive income for the year	—	—	—	440,189	440,189	254,721	694,910
Transactions with owners							
Purchase of non-controlling interest	21,212	486,391	—	(666,397)	(158,794)	(832,909)	(991,703)
Balance at 31 May 2013	121,212	486,391	—	37,464	645,067	—	645,067
Total comprehensive income for the year	—	—	—	641,540	641,540	—	641,540
Balance at 31 May 2014	121,212	486,391	—	679,004	1,286,607	—	1,286,607
Total comprehensive income for the year	—	—	—	834,390	834,390	—	834,390
Transactions with owners							
Purchase of own shares	(21,212)	—	21,212	(499,997)	(499,997)	—	(499,997)
Excess of consideration over reserves for business acquired under predecessor value method	—	—	—	(96,399)	(96,399)	—	(96,399)
Reserve transfer	—	(486,391)	—	486,391	—	—	—
Balance at 31 May 2015	100,000	—	21,212	1,403,389	1,524,601	—	1,524,601

Consolidated Statement of Cash Flows

	Notes	Year ended 31 May 2013 £	2014 £	2015 £
Cash flows from operating activities	**20**			
Profit before tax	20 (a)	677,331	828,933	1,078,230
Finance income and expense	20 (b)	45,205	85,614	82,002
Depreciation and impairment	20 (c)	601,730	616,797	270,546
Increase in inventories		(26,388)	(135,424)	(104,980)
(Increase)/decrease in trade and other receivables		(451,062)	(165,404)	653,426
Increase/(decrease) in trade and other payables		50,589	278,572	(1,237,016)
Cash generated from total operations		897,405	1,509,088	742,208
Net interest paid		(45,205)	(85,614)	(81,811)
Tax recovered/(paid)		113,072	(18,201)	(45,689)
Net cash inflow from operating activities	20 (d)	965,272	1,405,273	614,708
Cash flows from investing activities				
Purchase of property, plant and equipment		(284,868)	(83,827)	(231,164)
Disposal of property, plant and equipment		23,281	78,752	53,074
Disposal of subsidiary undertaking (net of cash)		—	—	(6,549)
Net cash outflow from investing activities	20 (d)	(261,587)	(5,075)	(184,639)
Net cash inflow before financing activities		703,685	1,400,198	430,069
Cash flows from financing activities				
Invoice discounting facility (repayments)/ advances		(49,209)	74,720	(36,054)
Bank loan advances/(repayments)		58,122	(104,447)	(67,027)
Finance lease (repayments)/advances		(5,378)	(19,664)	8,842
Loans from/(repayments to) related parties		126,346	(250,831)	52,475
Business combination under predecessor value method	20 (e)	—	—	(64,475)
Purchase of non-controlling interest		(891,703)	(100,000)	—
Repurchase of own shares		—	—	(499,997)
Net cash outflow from financing activities	20 (d)	(761,822)	(400,222)	(606,236)
Net (decrease)/increase in cash and cash equivalents in the year		(58,137)	999,976	(176,167)
Cash and cash equivalents at the beginning of the year		1,117,533	1,059,396	2,059,372
Cash and cash equivalents at the end of the year	20 (f)	1,059,396	2,059,372	1,883,205

Notes to the consolidated financial information

1. General information

Fire & Security (Group) Limited is a limited company incorporated and domiciled in the United Kingdom. The principal activity of the group was that of electronic fire safety and security systems installation, service and maintenance.

2. Principal Accounting Policies

The Principal Accounting Policies applied in the preparation of this Historical Financial Information are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Historical Financial Information Statements

The Historical Financial Information of Fire & Security (Group) Limited for the years ended 31 May 2013, 31 May 2014 and 31 May 2015, as set out in this Part 4, does not constitute statutory accounts within the meaning of section 435 of Companies Act 2006. The Directors of Marlowe plc are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union applicable to companies reporting under IFRS. The Historical Financial Information has also been prepared under the historical cost convention.

For all periods up to and including the year ended 31 May 2015, Fire and Security (Group) Limited prepared its statutory financial statements in accordance with UK GAAP. This Historical Financial Information for the years ended 31 May 2013, 31 May 2014 and 31 May 2015 is the first financial information Fire & Security (Group) Limited has prepared in accordance with IFRS and the date of transition was 1 June 2012. Reconciliations from previously reported financial statements to IFRS are presented in note 25.

The preparation of Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed later in these accounting policies.

The Historical Financial Information is presented in sterling (£), rounded to the nearest pound.

Going Concern

The Directors of Marlowe plc have assessed the current financial position of Fire & Security (Group) Limited, along with future cash flow requirements to determine if the Group has the financial resources to continue as a going concern for the foreseeable future. The Directors of Marlowe plc have concluded that it is appropriate that Fire & Security (Group) Limited be considered a going concern. For this reason they have adopted the going concern basis in preparing the Historical Financial Information. The Historical Financial Information does not include any adjustments that would result in the going concern basis of preparation being inappropriate.

Basis of consolidation

Subsidiaries are all entities over which the group has control. All subsidiaries have the same reporting date and use accounting policies consistent with those of the parent company. Fire and Security (Group) Limited and its subsidiary undertakings (the Group) controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, other than those where the businesses were previously under common control (where the predecessor value method is used (see below). The consideration transferred for the acquisition of a subsidiary or a business is the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued to the Group. The consideration transferred includes the fair values of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, unrealised gains and losses on intra-group transactions and balances between group companies are eliminated on consolidation.

Where subsidiaries have been acquired during the period, and those businesses have been under common control prior to acquisition, the predecessor value method has been used to effect the consolidation. Assets and liabilities are not restated to their fair value and no goodwill is recognised on consolidation. Any excess of consideration paid over the recorded values of assets net of liabilities is shown in equity. Comparative financial information has not been restated. The results, assets and liabilities of the acquired entity have been consolidated from the date control was acquired.

Non-controlling interests are measured at their share of the net assets of the relevant subsidiary undertakings. The purchase of existing non-controlling interests, including shares issued as consideration, is measured at fair value, with any excess over the carrying value of the non-controlling interest being recorded in equity.

First time adoption of IFRS

The Historical Financial Information has been prepared in accordance with IFRS as adopted by the European Union for the first time for the year ended 31 May 2015. The impact of adoption of IFRS for the first time has been assessed and the additional disclosures required under IFRS have been included within the notes to this financial information. The accounting policies set out in note 2 are those applicable for the year following the issue of this Historical Financial Information.

The accounting policies set out in notes 2 and 3 have been applied in preparing these Historical Financial Information Statements. The retrospective application of IFRS to the comparative information and the opening IFRS balance sheet was required, with certain limited exceptions, by IFRS 1 'First time adoption of IFRS'.

New and revised standards

The following standards and interpretations have been adopted in the Historical Financial Information as they are mandatory for the year ended 31 May 2015:

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

Other standards and interpretations have been issued which will be effective for future reporting periods but have not been adopted in these financial statements as set out below.

The following IFRS and IFRIC interpretations have been issued but have not been applied by Marlowe plc in preparing the Historical Financial Information of Fire and Security (Group) Limited as they are not yet effective. Marlowe plc intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial instruments', effective date 1 January 2018 (not yet adopted by the EU)
- IFRS 15 'Revenue from contracts with customers', effective date 1 January 2018 (not yet adopted by the EU)
- IFRS 16 'Leases', effective date 1 January 2019 (not yet adopted by the EU)

These standards are yet to be subject to a detailed review. IFRS 9 will impact both the measurement and disclosure of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. IFRS 16 will impact the measurement and disclosure of lease liabilities, and the liabilities shown on the group's balance sheet.

Beyond this, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the group's activities and which have not therefore been adopted in preparing this Historical Financial Information.

Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding sales taxes, and reduced by any rebates and trade discounts allowed.

The Group often enters into sales transactions involving a range of the Group's products and services, for example for the delivery and installation of fire and security equipment and related after-sales service and monitoring.

Sale of electronic fire safety and security systems equipment/ installations

A sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership, generally when the goods have been delivered to the customer.

Service and monitoring

Revenue from ongoing service and monitoring contracts are recognised on a straight line basis over the period of a contract, as this represents the best estimate of the stage of completion. Income invoiced for future periods is deferred and included in current liabilities. Income for call-out charges where such items do not form part of ongoing contracts is recognised when work is completed.

Revenue from the hire of equipment is recognised on a straight line basis over the term of the contract.

Segment reporting

The Group has three reportable operating segments under IFRS 8: installation, service and monitoring. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services (see Note 6).

For management purposes, the Group uses the same measurement policies as those used in its financial statements. Corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. Finance costs are also not allocated to any segment.

Over the period covered by the historical information, the Group has changed the way in which certain costs have been treated with regard to allocation to segments for management purposes. In 2013 and 2014 sales costs were attributed to segments; in 2015 such costs were not allocated in this way. In 2013 charges from the support division were allocated to segments; this was not the case in 2014 and 2015. Direct comparison between the operating results of reported segments from one period to the next is therefore not possible.

Management does not consider the assets and liabilities of its operating segments in managing the Group's operations.

Income tax

Tax expense recognised in profit or loss comprises the sum of deferred and current tax not recognised in other comprehensive income or directly in equity. The charge for income tax expense for the year is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates and laws that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates and laws enacted or substantially enacted that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recorded in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	
Long leasehold land and buildings	2% straight line
Equipment on hire	5% in year of acquisition and 10% thereafter straight line
Fixtures, fittings & equipment	15%-33.33% reducing balance and straight line dependent on the asset
Motor vehicles	25% reducing balance

Derecognition and disposal

An item of plant, property or equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the income statement in the year in which the asset is derecognised.

Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the purchase of finished goods. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Leases and hire purchase contracts

Leases and hire purchases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the group are classified as finance leases and hire purchase contracts. These are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. These assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Employee entitlements and benefits

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to the balance sheet date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount.

Payments to defined contribution personal pension schemes for employees are charged against profits in the year in which they are incurred.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and is net of bank overdrafts.

Invoice discounting advances are treated as financing cashflows in the cashflow statement.

Expenditure

All expenses and interest payable are accounted for on an accruals basis.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) For receivables and payables, which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Trade receivables are subject to debt invoice discounting facility. The Group remains exposed to credit risk on such receivables until they are paid, and are therefore not derecognised until that point. Advances received from invoice discounting are accounted for as financial liabilities.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified as loans and receivables on initial recognition.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets. The only financial assets held are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The Group does not hold any derivative financial instruments.

Interest earned from financial assets and payable on financial liabilities is included within finance income/costs.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by Fire and Security (Group) Limited are recorded at the proceeds received net of direct issue costs, or at fair value where no proceeds are received.

Where equity shares are issued that qualify for merger relief under UK company law, any excess of fair value over the nominal value of shares issued is credited to a merger reserve. This merger reserve is released when the shares issued are repurchased.

On repurchase of shares, in accordance with UK company law a transfer is made to a non-distributable capital redemption reserve of the nominal value of the shares repurchased. The consideration for the repurchase of shares is debited to retained earnings.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

All transactions with owners of the parent are recorded separately within equity.

Goodwill

Goodwill represents the future economic benefits as intangible assets arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The prospective non-amortisation of goodwill is a change from the policy adopted under UK GAAP, where goodwill was amortised over its estimated useful life. There are no adjustments required on transition.

Impairment testing

For the purposes of assessing impairment of goodwill, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result some assets are tested individually for impairment and some are tested at cash-generating unit level. All other individual assets or cash-generating units are tested for impairment annually.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged *pro rata* to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Assets and liabilities classified as held for sale and discontinued operations

Assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or impairment. Financial liabilities continue to be measured in accordance with the group's relevant policy for those items.

Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item. Assets and liabilities of disposal groups are presented separately in the statement of financial position.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale.

3. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the historical financial information, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Those having most potential impact on the historical financial information are as follows:

Matters of judgement

i) Recognition of deferred tax assets (note 18)

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax losses carried forward can be utilised.

ii) Fair value measurement

Judgement is required in assessing market rates of interest, where loans and receivables are interest-free, and whether the effect of discounting at such rates is material to the financial statements.

iii) Predecessor value method

Judgment is required in assessing how to account for business combinations involving entities under common control, where a choice exists between the predecessor value method, where assets and liabilities of acquired entities are not remeasured at their fair value, and the acquisition method, where such assets and liabilities are remeasured to fair value. The predecessor value method has been chosen as the ultimate control over the combining entities remains the same both before and after the business combination. As there is effectively no change in the resources owned by the controlling entity, we believe acquisition accounting would not be an appropriate reflection of the substance of the transaction.

A judgment has also been made to not restate the comparative information as we consider that a historical trend analysis of the Group's performance serves better the information needs of our users.

iv) Hire of equipment (note 13)

Judgement is required in determining the manner in which the Group achieves its returns on such equipment and therefore whether the hire of such equipment should be accounted for as operating or finance leases. As the Group maintains the risks and rewards of ownership of the equipment on hire, these are treated as operating leases.

Estimation uncertainty

i) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

ii) Estimated useful lives of property, plant and equipment

Estimation is required in determining the useful lives of such assets and their residual values.

4. Discontinued Operations

The results of the discontinued operations for the years ended 31 May 2013, 2014 and 2015 are shown in the table below:

Remote Video Response Centre Limited (RVRC) and subsidiary undertakings

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Revenues	489,735	622,861	—
Expenses	(468,763)	(556,215)	—
Profit/(loss) from discontinued operation before tax	20,972	66,646	—
Income tax	3,724	15,957	—
Loss on disposal	—	(107,054)	
Profit/(loss) for the period	24,696	(24,451)	—

Consideration paid was nil.

Havenhall Services Limited

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Revenues	—	—	472,167
Expenses	—	—	(573,978)
Profit/(loss) from discontinued operation before tax	—	—	(101,811)
Income tax	—	—	20,201
Profit/(loss) for the period	—	—	(81,610)

The major classes of assets and liabilities held for sale are as follows:

	Year ended 31 May		
	2013	2014	2015
		RVRC	Havenhall Services Limited
	£	£	£
Intangible assets	—	5,558	—
Property, plant and equipment	—	112,487	—
Trade receivables	—	150,520	224,839
Deferred tax	—	1,709	—
Cash and cash equivalents	—	30,308	802
	—	300,582	225,641
Trade and other payables	—	276,627	342,983

Details of cashflows from discontinued activities are given in note 20.

5. Earnings/ (loss) per share

	Year ended 31 May 2013 £	2014 £	2015 £
Basic			
Earnings used in calculation of earnings per share:			
On total profits attributable to equity holders of parent	440,189	641,540	834,390
On continuing operations	415,493	665,991	916,000
On discontinued operations	24,696	(24,451)	(81,610)
Weighted average number of shares in issue	104,475	121,212	107,962

6. Segment reporting

Management currently identifies the Group's three reportable service lines under IFRS 8 as installation, service and monitoring. The revenues, profits and losses of these operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted operating segment results. Certain operating and central overheads are not allocated to individual segments in management reporting. There is no separate monitoring of segment assets and liabilities.

All revenue derives from the UK.

Segment information for the reporting period is as follows:

Year ended 31 May 2015

	Installation £'000	Service £'000	Monitoring £'000	Other £'000	Total £'000
Revenue					
From external customers	9,028	10,214	1,117	538	20,897
From other segments	—	—	—	1,343	1,343
Segment revenues	9,028	10,214	1,117	1,881	22,240
Expenses	(6,418)	(7,825)	(806)	—	(15,049)
Segment profit	2,610	2,389	311	1,881	7,191
Costs not allocated to segments					
Sales costs					(2,450)
Branch costs					(643)
Other					(1,589)
Inter segment sales					(1,247)
Profit from operations					1,262

Year ended 31 May 2014

	Installation £'000	Service £'000	Monitoring £'000	Other £'000	Total £'000
Revenue					
From external customers	7,522	9,041	1,089	725	18,377
From other segments	—	—	—	1,212	1,212
Segment revenues	7,522	9,041	1,089	1,937	19,589
Expenses	(6,398)	(5,989)	(435)	—	(12,822)
Segment profit/(loss)	1,124	3,052	654	1,937	6,767
Costs not allocated to segments					
Branch costs					(834)
Other costs					(3,766)
Inter-segment sales					(1,212)
Profit from operations					955

Year ended 31 May 2013

	Installation £'000	Service £'000	Monitoring £'000	Other £'000	Total £'000
Revenue					
From external customers	6,481	8,305	1,175	188	16,149
From other segments	—	—	—	1,543	1,543
Segment revenues	6,481	8,305	1,175	1,731	17,692
Expenses	(6,551)	(7,092)	(541)	—	(14,184)
Segment profit/(loss)	(70)	1,213	634	1,731	3,508
Costs not allocated to segments					
Branch costs					(985)
Other					(1,821)
Profit from operations					702

There are no individual customers responsible for more than 10% of revenues.

7. Profit from continuing operations

	Year ended 31 May 2013 £	2014 £	2015 £
After charging			
Auditor's remuneration:			
– Audit	14,650	14,650	21,979
Non-audit services	6,400	4,500	3,622
Operating lease rentals			
– Land and buildings	190,747	162,096	149,400
– Motor vehicles	466,838	601,469	549,726
Depreciation and other amounts written off property, plant and equipment	580,596	485,910	270,871
Loss/(profit) on sale of fixed assets	—	4,621	(2,483)

8. Finance income

	Year ended 31 May 2013 £	2014 £	2015 £
Interest on bank deposits	281	668	1,733

9. Finance costs

	Year ended 31 May 2013 £	2014 £	2015 £
Interest on hire purchase contracts	1,164	783	396
Interest on loans measured at amortised cost	44,322	85,477	82,834
Other	—	22	191
	45,486	86,282	83,421

10. Income tax expense

	Year ended 31 May 2013 £	2014 £	2015 £
Current tax charge	26,650	56,351	295,979
Adjustment to prior year charge	—	(1,761)	(4,625)
	26,650	54,590	291,354
Deferred tax (income)/expense relating to the origination and reversal of temporary differences	(40,505)	148,760	(27,313)
(Income)/expense for the year	(13,855)	203,350	264,041

Income tax is calculated at 20% (2014-20.98%; 2013-24.25%) of the estimated assessable profit for the year.

The tax income/(expense) for the year can be reconciled to the profit per the income statement as follows:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Accounting profit	656,359	869,341	1,180,041
Tax at the applicable tax rate	159,167	182,388	236,008
Effects of:			
Expenses that are not deductible for tax purposes	24,797	10,289	32,773
Recognition of previously unrecognised deductible differences in respect of tax losses	(192,589)	(13,969)	—
Effect of change in tax rate on deferred tax balances	(5,230)	19,916	503
Other adjustments	—	4,726	(5,243)
Income tax (credit)/ expense for year	(13,855)	203,350	264,041

11. Employee benefits expense

The average number of persons employed by the Group (including directors) during the period and the aggregate payroll costs of these persons were as follows:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Wages and salaries	6,200,915	6,288,118	6,951,889
Social security costs	671,199	629,134	729,015
Other pension costs-defined contribution plans	6,523	5,770	166,283
	6,878,637	6,923,022	7,847,187
Numbers	203	217	228

12. Transactions with key management personnel

Key management of the Group are the members of its board of directors. Key management personnel remuneration includes the following expenses:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Wages and salaries	143,533	131,490	249,606
Social security costs	19,808	18,146	34,446
Pension contributions-defined contribution plans	—	—	160,000
	163,341	149,636	444,052

13. Property, plant and equipment

	Equipment on hire £	Long leasehold property £	Motor vehicles £	Equipment fixtures and fittings £	Total £
Cost					
At 31 May 2012	5,214,209	—	38,311	1,421,178	6,673,698
Additions	47,783	160,151	—	76,934	284,868
Disposals	(556,853)	—	—	—	(556,853)
At 31 May 2013	4,705,139	160,151	38,311	1,498,112	6,401,713
Additions	29,911	—	3,210	50,706	83,827
Disposals	(1,100,509)	—	(34,811)	—	(1,135,320)
Reclassified as held for disposal	—	—	—	(191,474)	(191,474)
At 31 May 2014	3,634,541	160,151	6,710	1,357,344	5,158,746
Additions	55,914	—	16,175	157,724	229,813
Disposals	—	—	(3,210)	(51,274)	(54,484)
At 31 May 2015	3,690,455	160,151	19,675	1,463,794	5,334,075

	Equipment on hire £	Long leasehold property £	Motor vehicles £	Equipment fixtures and fittings £	Total £
Depreciation					
At 31 May 2012	3,710,854	—	13,200	1,046,330	4,770,384
Charge for year	522,401	2,135	3,535	73,659	601,730
Eliminated on disposal	(533,572)	—	—	—	(533,572)
At 31 May 2013	3,699,683	2,135	16,735	1,119,989	4,838,542
Charge for year	428,897	3,203	2,158	70,864	505,122
Eliminated on disposal	(1,036,276)	—	(15,671)	—	(1,051,947)
Reclassified as held for disposal	—	—	—	(78,987)	(78,987)
At 31 May 2014	3,092,304	5,338	3,222	1,111,866	4,212,730
Charge for year	200,358	3,203	4,916	62,394	270,871
Eliminated on disposal	—	—	(535)	(3,358)	(3,893)
At 31 May 2015	3,292,662	8,541	7,603	1,170,902	4,479,708
Net book value					
At 31 May 2015	397,793	151,610	12,072	292,892	854,367
At 31 May 2014	542,237	154,813	3,488	245,478	946,016
At 31 May 2013	1,005,456	158,016	21,576	378,123	1,563,171
At 31 May 2012	1,503,355	—	25,111	374,848	1,903,314

Included within fixed assets are assets held under finance leases or hire purchase contracts with a net book value of £12,072 (2014:£nil;2013-£21,540).

The Group's property, plant and equipment assets are provided as security under a debenture to the Group's bankers.

14. Goodwill

	Total £
Cost	
At 31 May 2012	895,961
At 31 May 2013	895,961
Reclassified as held for disposal	(119,665)
At 31 May 2014	776,296
At 31 May 2015	776,296
Impairment	
At 31 May 2012	637,885
At 31 May 2013	637,885
Reclassified as held for disposal	(7,054)
At 31 May 2014	630,831
At 31 May 2015	630,831
Carrying amount	
At 31 May 2015	145,465
At 31 May 2014	145,465
At 31 May 2013	258,076
At 31 May 2012	258,076

The directors have identified service, installation and monitoring divisions as cash generating units during the period covered by the financial information. The carrying value of goodwill has been allocated equally between installation and service divisions.

The recoverable amounts of the CGUs have been determined on the following basis:

(i) management forecasts to 31 May 2018, incorporating projected nominal sales growth of between 3% and 4% per annum;

(ii) zero real growth rate thereafter and inflation per annum of 1%;

(iii) a pre-tax discount rate of 14.3%.

The effects of variations in the above assumptions are as follows:

(i) a reduction in assumed sales growth to May 2018 of 1% results in a reduction in surplus of value in use over carrying value of approximately £1 million:

(ii) a reduction in nominal long-term growth rate from 2% to 1% results in a reduction of surplus of value in use over carrying value of approximately £1 million;

(iii) an increase in the pre-tax discount rate of approximately 1.2% would result in a reduction of surplus of value in use over carrying value of approximately £1 million.

In management's view there is no reasonably possible change in key assumptions that would cause carrying amount of goodwill to exceed the recoverable amount.

15. Inventories

	Year ended 31 May 2012 £	2013 £	2014 £	2015 £
Spare parts and equipment held for resale	203,493	229,881	365,305	473,310

The Group's inventories are provided as security under a debenture to the Group's bankers.

Inventory costs are included within cost of sales including any write downs.

16. Trade and other receivables

	Year ended 31 May 2012 £	2013 £	2014 £	2015 £
Trade receivables	3,585,695	3,546,570	4,015,491	4,548,820
Other receivables	211,255	105,927	103,248	6,953
Prepayments	146,385	212,897	158,810	189,877
	3,943,335	3,865,394	4,277,549	4,745,650

Trade receivables are pledged as security for invoice discounting facility advances of £385,452 (2014 – £421,506; 2013 – £346,786). The Group retains the credit risk in respect of all receivables discounted under the facility.

All trade and other receivables are short-term. Their net carrying value is a reasonable approximation of their fair value.

17. Trade and other payables

	Year ended 31 May 2012 £	2013 £	2014 £	2015 £
Trade payables	1,680,430	1,606,594	2,188,307	2,339,497
Other payables	—	9,988	13,438	5,345
Accruals	716,350	800,725	806,899	568,788
Deferred consideration	—	100,000	—	—
Deferred income	1,666,025	1,515,087	1,224,979	1,134,166
Taxation and social security	1,066,082	847,082	947,798	927,767
	5,128,887	4,879,476	5,181,421	4,975,563

All trade and other payables are short-term. Their net carrying value is a reasonable approximation of their fair value.

18. Deferred tax

	Year ended 31 May			
	2012	2013	2014	2015
	£	£	£	£
Deductible temporary differences arising from tax losses	236,075	199,994	—	—
(Taxable)/deductible temporary differences arising from depreciation of assets	(114,668)	(38,318)	13,151	25,198
Other short term timing differences	—	—	—	15,984
Net asset	121,407	161,676	13,151	41,182
Tax losses available to the group were as follows	£2.0 million	£1.1 million	—	—

At 31 May 2012 there was a deductible temporary difference of approximately £1 million in respect of tax losses for which no deferred tax asset was recognised. The group received a credit to the income tax expense in 2013 and 2014 in relation to those losses.

19. Share capital

	Year ended 31 May			
	2012	2013	2014	2015
	£	£	£	£
Issued capital				
Number				
Ordinary shares of £1 each	100,000	121,212	121,212	100,000
Amount				
Ordinary shares of £1 each	100,000	121,212	121,212	100,000

The ordinary shares carry one vote per share and participate in profits available for dividend *pro rata*.

21,212 ordinary shares in Fire & Security Group Limited were issued with a fair value of £507,603 in the year ended 31 May 2013 as part of the consideration for the purchase of the non-controlling interest in Swift Fire and Security Group plc, a subsidiary undertaking. In addition to the shares, £991,703 was paid in cash to acquire the non-controlling interest (of which £100,000 was deferred consideration settled in the 2014 financial year).

On 15 October 2014, Fire and Security (Group) Limited repurchased 21,212 £1 Ordinary shares for £499,997 out of reserves and cancelled the shares.

Capital risk management

The Group aims to manage its overall capital structure to ensure it continues to operate as a going concern and provides a return to shareholders. The Group's capital structure represents the equity attributable to the shareholders of the Group together with borrowings and cash equivalents. The directors review the current and projected capital position of the Group and are therefore in a position to address issues that may arise in a timely manner.

The Group's objective is to maintain an efficient capital structure without excessive gearing.

The amounts managed as capital by the Group for the period under review are as follows:

	Year ended 31 May			
	2012	2013	2014	2015
	£	£	£	£
Total equity, including non-controlling interests	941,860	645,067	1,286,607	1,524,601
Cash and cash equivalents	1,117,533	1,059,396	2,029,064	1,882,403
Capital	2,059,393	1,704,463	3,315,671	3,407,004
Total equity	941,860	645,067	1,286,607	1,524,601
Borrowings	1,460,480	1,590,360	1,290,138	1,248,374
Overall financing	2,402,340	2,235,427	2,576,745	2,772,975
Capital to overall financing ratio	0.86	0.76	1.29	1.23

Included in reserves at 31 May 2015 (other years – £nil) is a capital redemption reserve of £21,212 that is not distributable.

20. Cash flow statement

a) The analysis of profit before tax is as follows:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Continuing operations	656,359	869,341	1,180,041
Discontinued operations (note 4)	20,972	(40,408)	(101,811)
	677,331	828,933	1,078,230

b) The analysis of net finance costs is as follows:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Continuing operations	45,205	85,614	81,497
Discontinued operations	—	—	314
Loss on disposal of subsidiary undertaking			191
	45,205	85,614	82,002

c) The analysis of depreciation and impairment is as follows:

	Year ended 31 May		
	2013	2014	2015
	£	£	£
Continuing operations	580,596	490,532	269,195
Discontinued operations	21,134	126,265	1,351
	601,730	616,797	270,546

d) The analysis of net cash flows between continuing and discontinued activities is as follows:

	Year ended 31 May		
	2013	**2014**	**2015**
	£	**£**	**£**
Operating activities			
Continuing operations	943,431	1,376,322	746,533
Discontinued operations	21,841	28,951	(133,372)
	965,272	1,405,273	613,161
Investing activities			
Continuing operations	(242,124)	4,245	(183,092)
Discontinued operations	(19,463)	(9,320)	—
	(261,587)	(5,075)	(183,092)
Financing activities			
Continuing operations	(761,822)	(400,222)	(606,236)
Discontinued operations	—	—	—
	(761,822)	(400,222)	(606,236)

e) Net cash outflow on acquisition of subsidiary undertakings

Consideration paid	—	—	(200,000)
Cash acquired	—	—	135,525
Net cash outflow	—	—	(64,475)
Net assets acquired, at book value			
Property, plant and equipment	—	—	1,351
Inventories	—	—	3,025
Receivables	—	—	1,347,670
Payables	—	—	(1,374,141)
Income tax payable			(9,829)
Cash	—	—	135,525
	—	—	103,601
Excess of consideration over net assets taken to equity	—	—	96,399
Consideration paid	—	—	200,000

The Group acquired SFMP (Group) Limited from Nigel Jackson on 1 June 2014. The acquisition has been accounted for using the predecessor value method.

f) Analysis of cash and cash equivalent balances

Balances are analysed as follows

Continuing operations	1,059,396	2,029,064	1,882,403
Discontinued operations	—	30,308	802
	1,059,396	2,059,372	1,883,205

21. Financial instruments

The Group has the following categories of financial instruments at the balance sheet date:

	Loans and receivables			
	2012	2013	2014	2015
	£	£	£	£
Financial assets				
Trade receivables – current	3,585,695	3,546,570	4,015,491	4,548,820
Other receivables – current	211,255	105,927	103,248	6,953
Cash and cash equivalents	1,117,533	1,059,396	2,029,064	1,882,403
Total financial assets	4,914,483	4,711,893	6,147,803	6,438,176

	Other financial liabilities			
	2012	2013	2014	2015
	£	£	£	£
Financial liabilities held at amortised cost				
Trade payables – current	1,680,430	1,606,594	2,188,307	2,339,497
Other payables – current	—	9,988	13,438	5,345
Loans payable – current	950,358	1,039,625	870,935	885,261
Loans payable – non-current	485,080	531,071	419,203	354,271
Deferred consideration	—	100,000	—	—
Accruals	716,350	1,200,725	806,899	568,788
Total financial liabilities	3,832,218	4,488,003	4,298,782	4,153,162

Risk management objectives

The Board is charged with the overall responsibility of establishing and monitoring the Group's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by the Group. The Group does not enter into or trade financial instruments for speculative purposes.

The main risks that the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

The principal risks arising from financial instruments are described below.

a) Credit risk

Credit risk is the risk that a counterparty with whom the Group transacts will fail to discharge an obligation or commitment that it has entered into with the Group.

Management of credit risk

The Group applies credit checks, using recognised data providers, on all new accounts, and credit insurance up to a maximum of £700,000 in aggregate is in place for new accounts of the Installation division.

Generally, the Group has a long-standing relationship with key customers, which assists with credit risk management.

The Group's maximum exposure to credit risk is:

	2012 £	2013 £	2014 £	2015 £
Trade receivables – current	3,585,695	3,546,570	4,015,491	4,548,820
Other receivables – current	211,255	105,927	103,248	6,953
Cash and cash equivalents	1,117,533	1,059,396	2,029,064	1,882,403
	4,914,483	4,711,893	6,147,803	6,438,176

Cash and cash equivalents consist of cash in hand and balances with banks. To reduce the risk of counterparty default the Group deposits its funds in approved high quality banks.

Trade receivables past due but not impaired are analysed as follows:

2015

	Total £	Less than 1 month £	Less than 3 months £	More than 3 months £
Not impaired:				
Neither past due nor impaired	1,744,479	1,744,479	—	—
Past due but not impaired	2,804,341	—	2,128,860	675,481
	4,548,820	1,744,479	2,128,860	675,481
Impaired assets	298,355	—	—	298,355
Impairment provision	(298,355)	—	—	(298,355)
Total	4,548,820	1,744,479	2,128,860	675,481

2014

	Total £	Less than 1 month £	Less than 3 months £	More than 3 months £
Not impaired:				
Neither past due nor impaired	1,696,738	1,696,738	—	—
Past due but not impaired	2,318,753	—	1,782,425	536,328
	4,015,491	1,696,738	1,782,425	536,328
Impaired assets	202,087	—	—	202,087
Impairment provision	(202,087)	—	—	(202,087)
Total	4,015,491	1,696,738	1,782,425	536,328

2013

	Total £	Less than 1 month £	Less than 3 months £	More than 3 months £
Not impaired:				
Neither past due nor impaired	1,334,203	1,334,203	—	—
Past due but not impaired	2,212,367	—	1,757,949	454,418
	3,546,570	1,334,203	1,757,949	454,418
Impaired assets	224,898	52	88,471	136,105
Impairment provision	(224,898)	(52)	(88,471)	(136,105)
Total	3,546,570	1,334,203	1,757,949	454,418

b) *Liquidity risk*

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages that risk as follows:

- Preparing adequate forward-looking cash flow analysis
- Maintaining high levels of cash on deposit

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the expected maturity date.

	Less than 1 year £	Between 1 and 2 years £	Between 2 And 5 years £
As at 31 May 2013			
Trade payables	1,606,594	—	—
Other payables	9,988	—	—
Accruals	1,200,725	—	—
Deferred consideration	100,000	—	—
Invoice discounting advances	346,786	—	—
Loans payable	692,839	71,904	459,167
Net obligations under finance leases	19,664	—	—
	3,976,596	71,904	459,167
As at 31 May 2014			
Trade payables	2,188,307	—	—
Other payables	13,438	—	—
Accruals	806,899	—	—
Invoice discounting advances	421,506	—	—
Loans payable	449,429	69,809	349,394
	3,879,579	69,809	349,394
As at 31 May 2015			
Trade payables	2,339,497	—	—
Other payables	5,345	—	—
Accruals	568,788	—	—
Invoice discounting advances	385,452		
Loans payable	499,809	69,809	284,462
Net obligations under finance leases	8,432	410	—
	3,807,323	70,219	284,462

c) Market risk

Market risk for the Group is limited to interest rate risk, which is the risk that interest rates on borrowings will fluctuate. In the main, the Group borrows at variable rates. A 1% change in interest rates would have the following effect on reported profits:

	Year ended 31 May		
	2013	**2014**	**2015**
	£	**£**	**£**
Change in profit – increase or decrease	10,000	10,000	8,000

d) Borrowings at amortised cost

Bank loans and invoice discounting facility advances are secured by a debenture over the Group's assets, including trade receivables in the case of invoice discounting facility advances. Interest rates are variable. Bank loans bear interest at a rate of 3% above LIBOR. Interest on invoice discounting facility advances is charged at 2.85% over 3 month LIBOR.

23. Operating leases

The Group leases both property and motor vehicle assets under operating leases. Charges to profit or loss are disclosed in note 7.

Future minimum lease payments under non-cancellable operating leases are as follows:

	2013 Land and buildings £	**2014 Land and buildings £**	**2015 Land and buildings £**
– Within one year	119,000	119,000	119,000
– In two to five years	476,000	476,000	476,000
– After five years	355,833	236,833	117,833
	950,833	831,833	712,833

In addition, the Group has entered a rolling lease at a rent of £30,400 per annum

Plant and machinery

	2013 Motor vehicles £	**2014 Motor vehicles £**	**2015 Motor vehicles £**
– Within one year	452,946	602,562	535,615
– In two to five years	388,474	168,166	597,710
– After five years	—	—	—
	841,420	770,728	1,133,325

24. Related party transactions

Ultimate controlling party

The controlling party is NK Jackson by virtue of his majority shareholding (100% since October 2014).

Compensation for key management personnel

Compensation is disclosed at note 12.

Transactions with key management personnel

		Year ended 31 May		
		2013	**2014**	**2015**
		£	**£**	**£**
a)	Purchase of SFMP (Group) Limited (see note 20)	—	—	200,000
b)	Sale of Remote Video Response Company Limited subgroup (see note 4) for nil consideration	—	—	—
	The sale took place on 1 June 2014 and was to a member of key management personnel			
c)	Satisfaction of obligation following exercise of an option to purchase shares from a minority shareholder	—	—	499,997
	In March 2013, a member of key management personnel entered into a call option agreement to purchase 21,212 ordinary shares in Fire and Security (Group) Limited from a minority shareholder for a consideration not exceeding £500,000. A provision of the agreement, to which Fire and Security (Group) Limited was not a party, was that the member of key management personnel could procure Fire and Security (Group) Limited to buy back the shares. The repurchase of shares took place in October 2014 for a consideration of £499,997.			
d)	Borrowing from entities controlled by a member of key management personnel	628,356	374,400	430,000
	Borrowings are interest-free, unsecured and on demand.			
e)	Repayment of borrowings from key management personnel	502,010	—	—
	Borrowings are interest free, unsecured and on demand			
f)	Sale of Havenhall Services Limited (see note 4) for nil consideration to entity controlled by a member of key management personnel	—	—	—

The sale took place on 1 June 2015.

25. First-time adoption of IFRS

Exemption from full retrospective application of IFRS

Business combinations

The Group has elected to apply IFRS prospectively for business combinations from the date of transition to IFRS. Accordingly it has not restated the accounting for the acquisitions of subsidiaries that occurred before 1 June 2012.

Reconciliations of equity and net income from UK GAAP to IFRS

Reconciliation of equity	At 31 May 2012 £	2013 £	2014 £	2015 £
As reported under UK GAAP	1,344,070	1,013,430	1,721,068	2,069,866
Measurement and recognition differences:				
i. Impairment of goodwill	—	44,501	89,002	126,118
ii. Business combination costs expensed	—	—	—	(115,410)
iii. Loss on disposal of discontinued operation	—	—	(107,053)	(807)
iv. Business combination under predecessor value method	—	—	—	(96,399)
Income tax effects of above	—	(5,726)	(9,272)	(16,471)
v. Other differences	(402,210)	(407,138)	(407,138)	(442,296)
As reported under IFRS	941,860	645,067	1,286,607	1,524,601

Reconciliation of total comprehensive income	2013 £	At 31 May 2014 £	2015 £
As reported under UK GAAP	658,015	707,638	848,795
Measurement and recognition differences:			
i. Impairment of goodwill	44,501	44,501	37,116
ii. Business combination costs expensed	—	—	(115,410)
iii. Loss on disposal of discontinued operation	—	(107,053)	106,246
Income tax effects of above	(5,726)	(3,546)	(7,199)
v. Other differences	(1,880)	—	(35,158)
As reported under IFRS	694,910	641,540	834,390

Notes

i. Goodwill is not amortised under IFRS;

ii. IFRS does not permit the capitalization of acquisition expenses;

iii. IFRS requires that discontinued operations are separately identified and that gains and losses on such operations are recognised at the point at which they are classified as discontinued.

iv. The predecessor value method requires the excess of consideration paid over the book values of net assets acquired to be eliminated against equity. UK GAAP required the recognition of goodwill;

v. Other items include the impairment of goodwill at transition date of £417,013. An assessment was carried out at the transition date under IAS 36 and it was concluded that the goodwill balance should be impaired down to £258,076. In addition the balance includes the recognition of net deferred tax assets of £14,803 at 1 June 2012, 2013 and 2014 (£41,701 at 31 May 2015) and additional bad debt provisions net of corporation tax for the year ended 31 May 2015 of £63,936.

26. Post balance sheet event

In October 2015 the Group purchased the business and certain assets of Swift Alarm Supplies Limited for £120,000 cash consideration. A purchase price allocation exercise has not yet been performed.

27. Interests in subsidiaries

The subsidiaries held by the Group at 31 May 2015 (all wholly owned) were as follows:

Company	Principal activity
Subsidiary undertakings	
Swift Fire and Security Group Plc	Electronic fire and security installation, service and maintenance
Swift Fire and Security (National) Limited	Electronic fire and security installation, service and maintenance
Swift Fire and Security (Northern) Limited	Electronic fire and security installation, service and maintenance
Swift Fire & Security Limited	Dormant
Swift Fire and Security (Electrical Engineers) Limited	Dormant
Swift Integrated Systems Limited	Dormant
Swift Fire Suppression Systems Limited	Dormant
Protecting What Matters Limited	Dormant
Swift Keyholding and Response Limited	Dormant
SFMP (Group) Limited	Holding company
Swift Fire & Mechanical Products Limited	Fire Fighting equipment and fire risk assessment
Havenhall Services Limited	Fire fighting equipment and fire risk assessment

All entities were incorporated in England & Wales

28. Non-statutory financial information

This financial information does not constitute statutory accounts. In accordance with section 435 of the Companies Act 2006, the directors confirm that:

i) statutory accounts for the three years ended 31 May 2015 have been delivered to the Registrar of Companies;

ii) unqualified auditor's reports have been made on those accounts by Cowgill Holloway LLP, and those audit reports did not contain any statement under section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns), or section 498(3) (failure to obtain necessary information and explanations).

SECTION C – MARLOWE PLC

The Company was incorporated on 14 January 2016 under the Companies Act 2006 with a financial year end of 30 March.

Since the date of its incorporation, the Company has not yet commenced operations and it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document, and no separate historical financial information on the Company is presented in this document.

Refer to paragraph 2.2(a) of Part VI of this document for details on the Company's transactions from 14 January 2016 to 26 February 2016.

Refer to paragraph 9 of Part VI of this document for details on the Merger pursuant to which the Company will merge with MHL.

PART V – UNAUDITED PRO FORMA INFORMATION

PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited *pro forma* statement of net assets for the Enlarged Group based on the statement of financial position for Marlowe as at 26 February 2016 and for Swift Group as at 31 May 2015 together with other adjustments described in the notes below. It has been prepared on the basis set out in the notes to illustrate the impact of the Merger, the Admission, the Placing and the Acquisition, as if they had occurred at 26 February 2016.

The unaudited consolidated *pro forma* statement of net assets is compiled on the basis set out in Part V of this document from the (i) unaudited balance sheet of Marlowe plc at 26 February 2016 based on the narrative set out in relation to the historical financial information on Marlowe plc contained in section C of Part IV of this document; (ii) unaudited interim balance sheet of Marlowe Holdings Limited as at 30 September 2015 set out in Annexure 2 of the document; and (iii) the audited balance sheet of Swift Group at 31 May 2015, as set out in the historical financial information on Swift Group contained in section B of Part IV of this document. The unaudited consolidated *pro forma* statement of net assets takes no account of trading activity or other transactions since the respective dates.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part V.

	Marlowe plc as at 26 February 2016 £ Note 1	Swift as at 31 May 2015 £ Note 2	Net proceeds from Subscription £ Note 3	Merger £ Note 4	Acquisition of Swift Group £ Note 5	Pro forma net assets of the Enlarged Group £ Note 6
Non-current assets						
Goodwill	—	145,465	—	—	11,475,399	**11,620,864**
Property, plant and equipment	—	854,367	—	6,000	—	**860,367**
Deferred tax assets	—	41,182	—	—	—	**41,182**
	—	1,041,014	—	6,000	11,475,399	**12,522,413**
Current assets						
Inventories		473,310	—	—	—	**473,310**
Trade and other receivables		4,745,650	—	21,000	—	**4,766,650**
Cash and cash equivalents	50,000	1,882,403	2,399,000	8,293,000	(8,500,000)	**4,124,403**
	50,000	7,101,363	2,399,000	8,314,000	(8,500,000)	**9,364,363**
Current assets classified as held for sale	—	225,641	—	—	—	**225,641**
Total assets	50,000	8,368,018	2,399,000	8,320,000	2,975,399	**22,112,417**
Non-current liabilities						
Borrowings	—	(354,271)	—	—	—	**(354,271)**
Finance leases	—	(410)	—	—	—	**(410)**
Other liabilities	—	—	—	—	(1,000,000)	**(1,000,000)**
	—	(354,681)	—		(1,000,000)	**(1,354,681)**
Current liabilities						
Trade and other payables	—	(4,975,563)	—	(10,000)	—	**(4,985,563)**
Borrowings	—	(885,261)	—	—	—	**(885,261)**
Finance leases	—	(8,432)	—	—	—	**(8,432)**
Tax liabilities	—	(276,497)	—	—	—	**(276,497)**
	—	(6,145,753)	—	(10,000)	—	**(6,155,753)**
Liabilities associated with current assets held for sale		(342,983)	—	—	—	**(342,983)**
Total liabilities	—	(6,843,417)	—	(10,000)	(1,000,000)	**(7,853,417)**
Net assets	50,000	1,524,601	2,399,000	8,310,000	1,975,399	**14,259,000**

Notes

1. The net assets of Marlowe as per the narrative set out in Section C of Part IV of this document.
2. The net assets of Swift Group as at 31 May 2015 have been extracted without adjustment from the historical financial information contained in Section B of Part IV of this document.
3. The adjustment represents the receipt by the Company of the Placing of £3,000,000, net of the fees and expenses of the Placing and Admission expected to be approximately £601,000 (excluding VAT).
4. The net assets of MHL as at 30 September 2015 have been extracted without adjustment from the unaudited interim balance sheet of MHL as at 30 September 2015 contained in Annexure 2 of this document.
5. The Acquisition will be accounted for under the acquisition method of accounting whereby Marlowe will for accounting purposes be treated as the acquirer. The unaudited *pro forma* statement of net assets does not include any fair value adjustments which may be identified prior to preparing the first set of financial statements for the Enlarged Group under the acquisition method.
6. This column comprises the sum of the preceding columns and represents the *pro forma* net assets of the Enlarged Group as at 26 February 2016 assuming the Merger, the Admission, the Placing and the Acquisition had occurred on that date.
7. Apart from the items described above, no other adjustments have been made, for Marlowe, MHL or the Swift Group, to reflect any issues of equity, trading, expenditure, changes in working capital, changes in debt or other movements subsequent to their respective balance sheet dates set out above.
8. The *pro forma* net asset statement does not constitute statutory accounts within the meaning of section 435 of the Act.

PART VI – ADDITIONAL INFORMATION

1. RESPONSIBILITY

To the best of the knowledge of the Directors, Proposed Director and the Company (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 makes no omission likely to affect the import of such information. The Directors, the Proposed Director and the Company, whose names, functions and business addresses are set out on page 9 of this document, accept responsibility, both individually and collectively, for the information contained in this document.

2. MARLOWE PLC

2.1 Incorporation

(a) Marlowe plc was incorporated in England on 14 January 2016 with registered number 09952391 as a public company with limited liability under the Act.

(b) Marlowe plc will be, following the Merger and the Acquisition, the holding company of the following subsidiary companies:

Company No.	Company Name	Country of Incorporation	Percentage of Ownership
05792132	Fire & Security (Group) Limited	UK	100
01609444	Swift Fire and Security Group plc	UK	100
05239777	Swift Fire & Security (National) Limited	UK	100
05969657	Swift Fire & Security (Northern) Ltd	UK	100
07526930	SFMP (Group) Limited	UK	100
08321912	Swift Fire & Mechanical Products Limited	UK	100
03897573	Swift Fire Suppression Systems Limited	UK	100
08352394	Protecting What Matters Limited	UK	100
09626808	Swift Monitoring Centre Limited	UK	100
09673581	Swift Connect Monitoring Limited	UK	100
06310438	Swift Holdings Ltd	UK	100
06163307	Swift Fire & Security Limited	UK	100
06400926	Swift Fire & Security (Electrical Engineers) Limited	UK	100
03787999	Swift Integrated Systems Limited	UK	100
08550514	Swift Keyholding and Response Ltd	UK	100
09975667	Marlowe 2016 Limited	UK	100

The registered office of Marlowe plc is Fifth Floor, 55 King Street, Manchester M2 4LQ.

(c) The principal activity of the Enlarged Group will be to build a business-to-business service group through further strategic acquisitions. The Board has identified a number of companies which they believe are complementary to the business of the Swift Group and, if acquired, could enhance the market position of the Swift Group.

2.2 Share Capital and interests

(a) Marlowe plc was incorporated with an issued share capital of £50,000 represented by 1 ordinary share of £0.50 and 99,999 redeemable preference shares of £0.50 each. No alterations in the issued share capital of Marlowe plc have taken place since incorporation.

(b) The issued share capital of Marlowe plc as at the date of this document is set out below:

	Issued
Ordinary shares of £0.50 each	1
Redeemable preference shares of £0.50 each	99,999

(c) The Company passed resolutions at a general meeting on 27 February 2016 to:

(i) authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot equity securities up to:

(i) in connection with the Merger, an aggregate nominal amount of £7,292,499 (approximately 69.17 per cent. of the Enlarged Share Capital) provided that the authority shall expire immediately following Admission or, if later, on the date 6 months after the passing of the resolution;

(ii) in connection with the Subscription, an aggregate nominal amount of £1,500,000 (approximately 14.23 per cent. of the Enlarged Share Capital) provided that the authority shall expire on the date 6 months after the passing of the resolution or, if earlier, the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after the authority conferred by the resolution has expired;

(iii) in connection with the Consideration Shares, an aggregate nominal amount of £1,750,000 (approximately 16.60 per cent. of the Enlarged Share Capital) provided that the authority shall expire on the date 6 months after the passing of the resolution;

(iv) an aggregate nominal amount of £3,514,166.50 (approximately 33.33 per cent. of the Enlarged Share Capital) provided that the authority shall expire on the date 18 months after the passing of the resolution or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after the authority conferred by the resolution has expired; and

(v) in connection with the growth shares more particularly described in paragraph 15 of Part I above, an aggregate nominal amount equal to 15% of the entire issued share capital of the Company from time to time, but only in exchange for redeemable B shares of £0.01 in the capital of Marlowe 2016 in accordance with the growth share agreements to be entered into with certain individuals in respect of those redeemable B shares, provided that the authority shall expire on the fifth anniversary of the resolution.

(ii) authorise the Directors, such authority to expire on the date 18 months after the passing of the resolution or, if earlier, at the conclusion of the Company's next annual general meeting, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry, to allot equity securities for cash pursuant to the authority referred to in paragraph 2.2(c)(i) above as if section 561 of the Act did not apply to that allotment, the power being limited to the aggregate nominal amounts described in paragraphs 2.2(c)(i)(ii), 2.2(c)(i)(iii) and 2.2(c)(i)(v) above, and, otherwise an aggregate nominal amount of £1,265,100 (approximately 12 per cent. of the Enlarged Share Capital); and

(iii) authorise, with effect from Admission, the Company until 18 months after the passing of the resolution or, if earlier, the date of the Company's next annual general meeting, to make market purchases of the Ordinary Shares provided that the maximum aggregate number of Ordinary Shares that may be purchased is 2,108,499 (approximately 10 per cent. of the Enlarged Share Capital), the minimum price that may be paid per Ordinary Shares is £0.50 and the maximum price that may be paid per Ordinary Share is as calculated by reference to the price of the Ordinary Shares at the relevant date.

2.3 **Growth shares**

Marlowe 2016 issued the B Shares to the B Shareholders on 27 February 2016 (subject to Admission in the case of the Proposed Director). Please see paragraph 15 of Part I above for further details.

3. DIRECTORS' AND PROPOSED DIRECTOR'S INTERESTS

3.1 The current directorships and partnerships of the Directors and the Proposed Director and the directorships and partnerships held by them over the previous five years are as follows:

Name	Directorships and Partnerships
Charles Antony Lawrence Skinner (55)	Restore Plc Document Control Services Limited Stapledon Holdings Limited Wansdyke Security Limited London Tool Hire Limited Sargents Trading Limited Edge Equipment Hire Limited Restore Shred Limited Harrow Green Limited Relocom Limited South Coast Tool Hire Limited File And Data Storage Limited IT Efficient Limited Magnum Docstore Limited Magnum Secure Limited Filebase Ltd Keymorr Imaging Services Limited Preview Services (UK) Ltd Restore Scan Limited Marlowe Holdings Limited Crimson UK Ltd A.A.R.M.S. Ltd ITP Group Holdings Ltd International Technology Products (UK) Ltd Office Green Ltd Takeback Ltd Ansa Building Services Limited* Peter Cox Limited* Restore (Wansdyke) Ltd* Restore Group Holdings Limited* Wansdyke 1 Limited* Wansdyke 2 Limited* Datacare Business Systems Limited* Formsafe Limited* Hs123 Limited* Restore (Scotland) Limited* Thoroughshred Limited* Brunswick Document Management Limited* Interior Crafts Limited* Anderson Office Moves Ltd.* Corporate Purchase And Facilities Limited* Exclusive Group Limited* Harrow Green Group Limited* Drawlin Limited* Atix Limited* Papersafe UK Limited Restore (Spur) Limited Diamond Relocations Limited **indicates no longer a director or partner*
Alex Peter Dacre (28)	Canaird River Company Limited Langwell Family Partnership Marlowe 2016 Limited

Name	Directorships and Partnerships
	Marlowe Holdings Limited Pinkies London Limited* **indicates no longer a director or partner*
Derek O'Neill (52)	Sandridge Associates Limited Impellam Group plc Coterie Biomed Limited Oakley Lorien Limited Aston Trio Limited Trio Square Limited Signature Quality Refurbished Homes Limited Lorien Limited* Lorien Resourcing Limited* Lorien Engineering Limited* Lorien Engineering Solutions Limited* Marlowe Holdings Limited **indicates no longer a director or partner*
Nigel Jackson (60)	Swift Connect Monitoring Ltd Swift Monitoring Centre Ltd Swift Keyholding & Response Ltd Protecting What Matters Ltd Swift Fire & Security (Electrical Engineers) Ltd Swift Integrated Systems Limited Swift Fire & Security Ltd Swift Fire & Security (Northern) Ltd Swift Holdings Ltd Swift Fire & Mechanical Products Ltd SFMP (Group) Ltd Swift Fire Suppression Systems Ltd Fire & Security (Group) Ltd Swift Fire & Security (National) Ltd Swift Fire & Security (Group) Plc Boundary Industrial Doors Ltd Fire & Security Distribution Ltd* Peoplesafe Ltd* Keyholding & Response Limited* Nigel Jackson Ltd Limefell Contracting Ltd Boundary Gate & Barrier (Contracts) Ltd Alarm Response & Keyholding Ltd* Boundary Gate & Barrier (Holdings) Ltd Havenhall Services Limited* Premier Business Support Services Ltd Remote Video Response Centre Limited* Video Receiving Centre Limited* RVRC Properties Limited* **indicates no longer a director or partner*
Peter Gaze (64)	Caribbean Investment Holdings Limited Waterloo Investment Holding Limited Hawley Group LtdMarlowe Holdings Limited Apastron Holdings Limited Aphelion Holdings Limited Bakerloo Investments Limited BB Holdings Group Limited

Name	Directorships and Partnerships
	Belize Hotels Limited Belize Leisure Holdings Limited Belize Leisure Limited BHI (BVI) Limited BHI Services Limited Blue Haven Development Limited Blue Haven Marina Limited Blue Haven Properties Limited Blue Haven Resorts Limited Blue Haven Services Limited Boleyn Investment Holdings Limited Caribbean Investment Holdings Limited Cromwell Holdings Limited Enhancement Limited Flying Lion Limited Greta Corporation Hawley Group Limited Island Development Company Limited Jaculum Holdings Limited Kenard Investments Limited Leeward Waterfront Limited Libero Holdings Limited Marlowe 2016 Limited Marlowe Holdings Limited Mertone Limited S.A.* Nebulae Holdings Limited Nutshell Limited Parr Holdings Limited Periastron Holdings Limited Private Investments Limited Prometeus Holdings Limited Reef Development Company Limited Rosewood Enterprises Limited* Springwood Investment Limited* Strawberry Limited* Sun Reef Development Company Limited The Villa Hotel Limited Three Lions Investments Limited Trafalgar Capital Holdings Limited Waterloo Capital Holdings Limited Waterloo Investment Holdings Limited Waterloo Hospitality Limited Waterloo Hotel Management Limited Waterloo Limited

**indicates no longer a director or partner*

3.2 Derek O'Neill was a director of New World Payphones Communications Limited, New World Payphones Holdings Limited, New World Payphones Holdings (Germany) Limited and New World Payphones Limited (''the NWP Group'') between 26 June 1997 and 31 May 2002. The NWP Group was placed into administrative receivership by its bank on 24 April 2002 when the only trading company within the NWP Group, New World Payphones Limited (''NWP Tradeco''), lost its major customer. The estimated total deficiency to the creditors of NWP Tradeco as at the date of the administrative receivership was £33.4 million. No action was taken against Mr O'Neill or any of the other NWP directors in respect of their conduct as directors of the NWP Group.

3.3 Nigel Jackson was a director of Vision Gate & Barrier Ltd ("VGB") between 16 November 2009 and 28 January 2013. VGB went into creditors voluntary liquidation on 27 September 2013, following a period of poor performance including as a result of the managing director not being able to dedicate time to the business for family reasons, and a number of employees setting up in competition with the business. The estimated total deficiency to the creditors of VGB as at the date of the creditors voluntary liquidation was £194,235. No action was taken against Mr Jackson in respect of his conduct as a director of VGB.

3.4 None of the Directors or the Proposed Director save as disclosed in paragraphs 3.1, 3.2 or 3.3 above:

(a) is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document; or

(b) has any unspent convictions for any indictable offences or has been declared bankrupt or has made any voluntary arrangement with his creditors; or

(c) has been a director of a company at the time of or within the twelve months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration or voluntary arrangement of that company or any composition or arrangement with its creditors generally or any class of creditors; or

(d) has been a partner in a partnership at the time of or within the twelve months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership; or

(e) has had any asset which has been subject to receivership or has been a partner in a partnership at the time of or within the twelve months preceding an asset of the partnership being subject to a receivership; or

(f) has been subject of any public criticisms by any statutory or regulatory authorities 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.

3.5 The interests of the Directors and the Proposed Director, all of which are beneficial save where otherwise stated, in the securities of the Company as at 26 February 2016 (the last practicable date prior to the publication of this document) and on the issue of the Merger Shares, the Subscription Shares and the Consideration Shares are as follows:

Director	**Number of Ordinary Shares as at the date of this document**	**Percentage of issued share capital as at the date of this document**	**Number of Ordinary Shares on Admission**	**Percentage of the Enlarged Share Capital on Admission**
Charles Skinner	0	0	408,333	1.9%
Alex Dacre	1	100	3,503,334	16.6%
Derek O'Neill	0	0	666,667	3.2%
Nigel Jackson	0	0	3,500,000	16.6%
Peter Gaze	0	0	450,625	2.1%

3.6 Immediately following the issue of the Merger Shares, the Subscription Shares and the Consideration Shares, no persons (other than the Directors and the Proposed Director whose interests are set out in paragraph 3.5 above and as set out below), will be interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

	Ordinary Shares	**Percentage**
Lord Ashcroft KCMG PC[1]	9,313,933	44.17%

3.7 The voting rights of the Shareholders set out in paragraphs 3.5 and 3.6 above do not differ from the voting rights held by other Shareholders

1 Ordinary Shares to be owned by Lord Ashcroft KCMG PC will be registered in the name of Talisman Holdings Limited. This number will increase if the underwriting arrangement described in paragraph 6(c) below is called upon.

3.8 No Director or Proposed Director or any member of a Director or Proposed Director's family has a related financial product referenced to Ordinary Shares.

3.9 Save as disclosed in this document and so far as the Directors and the Proposed Director are aware, there are no persons who, directly or indirectly, jointly or severally, exercise or could exercise control over Marlowe plc.

3.10 Since 31 May 2015, the following dealings with related parties have taken place:

(a) SFMP (Group) Ltd, a subsidiary of Swift, transferred the entire issued share capital of Havenhall Services Limited to Havenhall Engineering Ltd for nominal consideration. The Proposed Director is connected to the sole shareholder of Havenhall Engineering Ltd.

(b) Swift acquired the entire issued share capital of Swift Holdings Ltd from the Proposed Director for nominal consideration.

(c) Various members of the Swift Group have traded with entities in which the Proposed Director has been a shareholder or director since 31 May 2015, namely Boundary Gate & Barrier (Contracts) Limited, Video Receiving Centre Limited, Alarm Response & Keyholding Limited and Premier Business Support Services Limited. Agreements between Swift and those entities to regulate the respective trading relationships were put in place on 23 February 2016. For the avoidance of doubt, the Proposed Director is no longer a shareholder or director of any of the companies listed in this paragraph 3.10(c) (other than members of the Swift Group).

3.11 The Swift Group has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given since 31 May 2015 regarding related party transactions.

4. UK TAXATION

4.1 General

The following statements are intended to apply only as a general guide to current UK tax law and to the current practice of HM Revenue & Customs and are not a substitute for prospective subscribers obtaining individual advice from their tax advisers. They are intended to apply only to shareholders who are resident or ordinarily resident in the UK and UK domiciled for UK tax purposes, who hold Ordinary Shares as investments and who are the beneficial owners of the Marlowe plc Shares. The statements may not apply to certain classes of shareholder such as dealers in securities. Prospective subscribers for or purchasers of Ordinary Shares, in particular, those who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Ordinary Shares or who are subject to tax in a jurisdiction other than the UK should consult their own tax advisers.

4.2 Dividends

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it makes.

(a) Individuals

An individual shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a notional tax credit which may be set off against his total income tax liability on the dividend. Such an individual shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the gross dividend) which will be regarded as the top slice of the individual's income. The tax credit will be equal to 10 per cent. of the "gross dividend" (i.e. the tax credit will be one-ninth of the amount of the dividend).

Generally, a UK resident individual shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to any credit for or any repayment from HM Revenue and Customs in respect of any part of the tax credit. A UK resident shareholder who is liable to income tax at the basic rate will be subject to income 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 dividend. A UK resident individual shareholder liable to income tax at the higher rate or additional rate will be subject to income tax on the gross dividend at 32.5 per cent. and 37.5 per cent respectively but will be able to set the tax credit off against part of this liability. The effect of that set off of the tax credit is that such a shareholder will have to account for additional tax equal to 22.5 per cent. and 27.5 per cent respectively of the gross dividend (giving an overall effective tax rate of 25 per cent. and approximately 30.6% respectively of the gross dividend).

With effect from 6 April 2016 the dividend tax credit system described above will be abolished and replaced with a tax-free dividend allowance of £5,000 per year. From April 2016 the rates of income tax on dividend income will change to 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

(b) Companies

A corporate shareholder resident in the UK for tax purposes will not normally be subject to corporation tax on any dividend received from the Company. Such corporate shareholders will not be entitled to any credit or payment from HM Revenue and Customs in respect of the tax credit attaching to any dividend paid by the Company.

(c) Non-residents

Shareholders resident outside the UK will not generally be entitled to any credit or payment from HM Revenue & Customs in respect of the tax credit attaching to any dividend paid by the Company.

(d) Pension Funds

UK pension funds will not be entitled to any creditor payment from HM Revenue and Customs in respect of the tax credit attaching to any dividend paid by the Company.

4.3 Capital Gains

A disposal of Ordinary Shares by a shareholder who is either resident or ordinarily resident in the UK for tax purposes, or is not UK resident but carries on a trade, profession or vocation in the UK through a permanent establishment, branch or agency and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency, may, depending on the shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of the taxation of capital gains. A shareholder who is an individual and who has ceased to be resident or ordinarily resident in the UK for tax purposes for a period of less than five years and who disposes of the Ordinary Shares during that period may also be liable on his return to the UK to any tax on any capital gain realised (subject to any available exemption or relief). Clearance has been received from HM Revenue and Customs under section 138 of the Taxation of Chargeable Gains Act 1992 ("TCGA") confirming that the anti-avoidance provisions in section 137(1) TCGA should not have effect in respect of the MHL Shareholders who receive Ordinary Shares upon completion of the Merger.

4.4 Stamp duty and stamp duty reserve tax

No UK stamp duty should be payable on the issue of Ordinary Shares and no UK stamp duty or stamp duty reserve tax should be payable on transactions in shares traded on AIM where the shares are not also listed on a recognised stock market.

The conveyance or transfer on sale of the Ordinary Shares outside the CREST system will generally be subject to ***ad valorem*** stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest £5). Stamp duty is normally the liability of the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the Ordinary Shares. However, where within six years of the date of the agreement, an instrument of transfer is executed and duly stamped, the SDRT liability will be cancelled and any SDRT which has been paid will be repaid. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares.

Where Ordinary Shares are issued or transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty (in the case of a transfer only to such persons) or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares or, in the case of an issue to such persons, the issue price of the Ordinary Shares. Clearance service providers may opt, under certain circumstances, for the normal rates of stamp duty and SDRT to apply to an issue or transfer of Ordinary Shares into, and to transactions within, the service instead of the higher rate applying to an issue or transfer of the Ordinary Shares into the clearance system and the exemption for dealings in the Ordinary Shares whilst in the system.

Under the CREST system for paperless share transfers, deposits of Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise usually at the rate of 0.5 per cent. of the value of the consideration given. Paperless transfers of Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT from the purchaser of the Ordinary Shares on relevant transactions settled within the system.

The above statements are intended as a general guide to the current position. Certain categories of person, including market makers, brokers, dealers and persons connected with depositary arrangements and clearance services, are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

5.1 Memorandum of Association

The Company's Memorandum of Association contains no objects and consequently the objects of the Company are unlimited.

5.2 Articles of Association

The Articles of Association adopted on incorporation of the Company will continue to remain in force after Admission. The Articles of Association contain provisions, ***inter alia***, to the following effect:

(a) Objects

The Articles of Association contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Act, the Company's objects are unrestricted.

(b) Voting rights

Subject to any special terms as to voting, upon which any shares may for the time being be held (as to which there are none at present except as regards the Redeemable Shares), on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly appointed representative shall have one vote (other than in the case of a proxy appointed by multiple members, who may have (on a show of hands) more than one vote) and on a poll every member present in person or by a representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

(c) Rights attaching to the Redeemable Shares

The Redeemable Shares carry no right to a dividend or to participate in the profits or assets of the Company other than on a return of capital on winding-up, in which case, the assets of the Company available for distribution among the members will first be applied in repaying to the holder the amount paid up on the Redeemable Shares.

Holders of the Redeemable Shares are not entitled to notice of or to vote at any general meeting of the Company unless a resolution is to be proposed at such a meeting to wind up the Company or which alters the rights attaching to the Redeemable Shares.

The Company may redeem the Redeemable Shares at their nominal amount at any time.

(d) Variation of rights

If at any time the capital of the Company is divided into different classes of shares (which it is not as at the date of this document except as regards the Redeemable Shares), all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(e) Alteration of capital

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value and subdivide all or any of its shares into shares of a smaller nominal value.

Subject to and in accordance with the provisions of the Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

(f) Transfer of shares

A member may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form or in such other form as may be approved by the Directors and (2) in the case of uncertificated shares, through a relevant system in accordance with the Uncertificated Securities Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. The Directors may in their absolute discretion refuse to register a transfer of any share:

(i) held in certificated form which is not fully paid, provided that dealings in the shares are not prevented from taking place on an open and proper basis;

(ii) that is subject to a notice concerning the disclosure of interests (and certain circumstances apply); and

(iii) that is in favour of more than four persons jointly.

In the case of uncertificated shares the Directors may only refuse to register a transfer in accordance with the Uncertificated Securities Regulations. Subject to the above, the Articles of Association contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles of Association relating to the deposit of instruments for transfer have been complied with.

(g) Dividends

The Company may by ordinary resolution in general meeting declare dividends provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

Subject to the rights of persons, if any, holding shares with special dividend rights (as to which there are none at present except as regards the Redeemable Shares), all dividends shall be apportioned and paid ***pro rata*** according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.

All dividends unclaimed for a period of 12 years after the payment date for such dividend shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend. The Directors may at their discretion make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas Shareholders.

(h) Suspension of rights

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 793 of the Act and is in default in supplying to the Company within 14 days (or such longer period as may be specified in such notice) the information thereby required, then (unless the Directors otherwise determine) such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25 per cent of the issued shares of that class (calculated exclusive of any treasury shares of that class), the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

(i) Return of capital

Subject to the provisions of the Act and any other relevant statutes and any special rights attached to any class of shares, on a winding-up or other return of capital, the holders of Ordinary Shares are entitled to share in any surplus assets *pro rata* to the amount paid up on their Ordinary Shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A liquidator may, with the sanction of a special resolution, also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

(j) Pre-emption rights

There are no rights of pre-emption under the Articles of Association in respect of transfers of issued Ordinary Shares. In certain circumstances, the Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing Shareholders on a *pro rata* basis before allotting them to other persons.

(k) Shareholder meetings

Annual general meetings should be held in accordance with the Act. Other general meetings may be called whenever the Directors think fit or when the Act so requires. Two members present in person or by proxy (or, being a corporation, present by a duly authorised representative), at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings or a meeting at which it is proposed to pass a resolution requiring special notice are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held.

Other general meetings are to be called on 14 days' notice in writing exclusive of the day on which notice is served or deemed to be served and of the day on which the meeting is to be held. Notice is to be given to all members on the register at the close of business on a day determined by the Directors, such day being not more than 21 days before the day that the notice of meeting is sent.

The Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered into the register in order to have the right to attend and vote at the meeting. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote instead of him/her, and that a proxy need not be a member.

(I) Directors

Save as provided in the Articles of Association or by the terms of any authorisation given by the Directors, a Director shall not vote as a Director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he (or any person connected with him) has any interest (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) and which conflicts or may conflict with the interests of the Company and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

The Directors may authorise a Director to be involved in a situation in which the Director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company and may impose such terms or conditions on the grant of such authorisation as they think fit and in doing so will act in such a way, in good faith, as they consider will be most likely to promote the success of the Company.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters namely:

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

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

(iii) the granting of an indemnity or provision of funding pursuant to the Articles of Association unless the terms of such arrangement confer upon such director a benefit not generally available to any other Director; or

(iv) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate; or

(v) any other company in which he or any person connected with him is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in all circumstances); or

(vi) 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; or

(vii) the purchase and/or maintenance of any insurance policy for the benefit of the Directors or for the benefit of persons including the Directors.

Fees may be paid out of the funds of the Company to Directors who are not managing or executive Directors at such rates as the Directors may from time to time determine.

Any Director who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director, may be paid such additional remuneration as the Directors or any committee authorised by the Directors may determine.

The Directors (including alternate directors) are entitled to be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

A Director may hold any other office or employment with the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any other such office or employment, nor shall any such contract, arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or any person connected with him is in any way interested (whether directly or indirectly) be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any benefit realised from any such contract, arrangement, transaction or proposal by reason of such director holding that office or of the fiduciary relationship thereby established, if the director has disclosed his interest in accordance with the Act.

The remuneration and other terms and conditions of appointment of a Director appointed to any executive office or employment under the Company shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors or by any committee appointed by the Directors, and may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or by any combination of such modes.

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two.

(m) Borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount remaining undischarged of all moneys borrowed by the Enlarged Group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to three times the adjusted capital and reserves of the Enlarged Group, as calculated in accordance with the Company's articles of association.

6. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business (1) are or may be material and have been entered into by the Company or any other member of the Enlarged Group within the two years immediately preceding the date of this document; or (2) have been entered into by the Company or any other member of the Enlarged Group at any time before the date of this document where those contracts contain provisions under which the Company or any of its subsidiaries has an obligation or entitlement which is or may be material to the Company or any other member of the Enlarged Group as at the date of this document:

(a) The Acquisition Agreement

The Company is to acquire Swift pursuant to the Acquisition Agreement conditional *inter alia* on Admission. The consideration to be paid on Completion pursuant to the Acquisition Agreement will be £8.5 million payable in cash on Completion, £1 million in cash on 31 May 2016 and the allotment of the Consideration Shares valued at the Issue Price (equal to £3.5 million). The Company is protected against movements in the Swift's working capital between 31 October 2015 and Completion by a 'locked box' mechanism pursuant to which the Seller indemnifies the Company and the Swift Group in relation to any value extracted from the Swift Group by the Seller or certain persons connected to him.

The Seller gives warranties customary in a transaction of this nature on both the signing of the Acquisition Agreement and Completion, subject on both occasions to any matters fairly disclosed by him and subject to certain customary limitations on the Company's right to claim for breach. The Seller indemnifies the Company, Swift and its subsidiaries in respect of a small number of issues highlighted by the Company during its due diligence process. The Seller indemnifies the Company, Swift and its subsidiaries in relation to any tax which has not been paid or provided for appropriately. The Seller is to be subject to certain restrictive covenants about his commercial activities for periods of three years and in some instances a further two years following Completion subject to certain other existing commercial activities.

Should Admission, and therefore Completion, not occur in certain circumstances within the Company's control, the Company has agreed to pay the Seller £150,000 plus VAT in respect of costs incurred by the Seller.

(b) The Introduction Agreement

An agreement dated 29 February 2016 between (1) the Company, (2) MHL, (3) Cenkos, (4) the Directors and (5) the Proposed Director pursuant to which Cenkos agrees to facilitate Admission. Pursuant to this agreement, the Company, the Directors and the Proposed Director give certain warranties and indemnities to Cenkos about the Enlarged Group.

(c) The Underwriting Agreement

An agreement dated 17 February 2016 between the Company and Talisman Holdings Limited pursuant to which Talisman Holdings Limited agrees to underwrite the Subscription of 2,298,000 of the Subscription Shares at the Issue Price.

(d) Nomad and Broker Engagement Letter

An agreement dated 26 February 2016 and made between the Company and Cenkos pursuant to which the Company has appointed Cenkos to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. Subject to certain customary rights of Cenkos to terminate the agreement with immediate effect (such as on a material breach of the AIM Rules by the Company), the agreement is terminable upon not less than three months' prior written notice by either the Company or Cenkos. In return for Cenkos' services under the agreement, the Company has agreed to pay Cenkos an annual fee (exclusive of VAT) (such fee to be reviewed annually). Additionally, the Company has agreed to pay all costs and expenses incurred by Cenkos in connection with its appointment. Under the agreement, the Company has given certain customary warranties, undertakings and indemnities to Cenkos in connection with its appointment as the nominated adviser and broker to the Company for the purposes of the AIM Rules. The agreement is governed by English law.

7. EMPLOYEES

As at 31 May 2015 Swift and its subsidiaries had 228 employees, and as at the date of this document the Swift Group has 271 employees.

As at 31 March 2015 MHL had 0 employees, and as at the date of this document it has 5 employees, who will become employees of the Company on completion of the Merger. The Company has never had any employees.

8. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

8.1 Alex Dacre has entered into a service agreement with the Company dated 29 February 2016 subject to termination upon 6 months' notice by either party. The agreement provides for an annual salary of £50,000, a company car and other benefits including private medical insurance. The agreement will become effective on Completion.

8.2 Derek O'Neill is to provide his services to the Company through his personal service company, Signature Quality Refurbishment Homes Limited, pursuant to a supply of services agreement dated 29 February 2016 subject to termination upon 6 months' notice by either party. The agreement provides for an annual charge of £30,000 plus VAT (if applicable) and the reimbursement of certain expenses. The agreement will become effective on Completion.

8.3 Charles Skinner entered into a letter with the Company dated 29 February 2016 governing the terms of his appointment as a non-executive director of the Company. The letter is subject to termination upon one month's notice by either party. The agreement provides that Charles will not receive any remuneration in respect of his appointment. The agreement will become effective on Completion.

8.4 It is proposed that the Proposed Director enter into a service agreement with the Company subject to termination upon 9 months' notice by either party. The agreement will provide for an annual salary of £100,000, a company car and other benefits including private medical insurance.

8.5 Peter Gaze entered into a letter with the Company dated 29 February 2016 governing the terms of his appointment as a non-executive director of the Company. The letter is subject to termination upon one month's notice by either party. The agreement provides for an annual remuneration of £35,000 in respect of his appointment. The agreement will become effective on Completion.

8.6 There are no service agreements in existence between the Directors and any member of the Enlarged Group which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

9. THE MERGER

9.1 In accordance with the provisions of Part VII of the IBCA, MHL will merge with the Company, so that the Company will be the surviving company resulting from the Merger and all rights and obligations of MHL will vest in the Company.

9.2 The Merger Plan was approved by the directors of MHL on 24 February 2016 and by the directors of the Company on 27 February 2016.

9.3 In accordance with section 84(5)(1) of the IBCA, a resolution of the MHL Shareholders to approve the Merger Plan is to be proposed to the Special General Meeting to be held on 22 March 2016.

9.4 The Merger Plan includes the following:

(a) MHL and the Company are the constituent companies and the Company shall be the surviving company;

(b) immediately prior to the Merger the issued and outstanding share capital of MHL will be 14,584,998 authorised shares of 50 pence all of which have been fully paid. The MHL Shares carry an entitlement to receive notice of meetings of shareholders of MHL and vote in respect of the Merger; and

(c) on completion of the Merger, the MHL Shares will be treated as cancelled and each MHL Share will be converted into one Ordinary Share.

9.5 The Merger Plan is conditional on:

(a) the resolution proposed to the Special General Meeting to approve the Merger being passed;

(b) the articles of merger, being an agreement to be entered into between MHL and the Company to effect the Merger, having been submitted to the Registrar of International Business Companies of Belize; and

(c) the issue by the Registrar of International Business Companies of Belize of a certificate that the articles of merger has been so registered.

9.6 The Merger Plan will become effective on the date when the articles of merger is registered with the Registrar of International Business Companies of Belize and the certificate of merger to be issued by the Registrar of International Business Companies of Belize on registration will be prima facie evidence that all requirements of the IBCA have been complied with in respect of the Merger.

9.7 It is currently anticipated that the articles of merger will be submitted to the Registrar of International Business Companies of Belize on or around 30 March 2016.

9.8 On completion of the Merger, the MHL Shares will be treated as having been cancelled and the Company will allot Ordinary Shares to each registered MHL Shareholder at the merger ratio (being one Ordinary Share for each MHL Share held).

9.9 The consequences of the Merger include:

(a) the Company, as the surviving company, will have all rights and privileges, immunities, powers, objects and purposes of MHL;

(b) property of every description, including choses in action and the business of MHL, will immediately vest in the Company; and

(c) the Company will be liable for all claims, debts, liabilities and obligations of MHL.

9.10 The Merger shall not affect:

(a) any conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due of MHL, and no cause existing against MHL or any member, director, officer or agent of MHL shall be released or impaired by the Merger;

(b) any proceedings, whether civil or criminal, pending at the date of the Merger by or against MHL or against any member, director, officer or agent of MHL,

but:

(c) the proceedings may be enforced, prosecuted, settled or compromised by or against the Company or against the relevant member, director, officer or agent of the Company; and

(d) in respect of any pending claim, the Company may be substituted in the proceedings for the Company.

9.11 On completion of the Merger, the Registrar of International Business Companies of Belize will strike MHL off the Register of International Business Companies of Belize provided that, in accordance with an agreement to be entered into between the Company and the Registrar of International Business Companies of Belize pursuant to section 87(2)(b) of the IBCA, the Company will appoint the Registrar as its agent for service of process in Belize in respect of proceedings for the enforcement of any claim, debt, liability or obligation of MHL or in respect of proceedings for the enforcement of the rights of a dissenting member of MHL against the Company.

9.12 Should an MHL Shareholder wish to dissent to the Merger and exercise his right to be paid the fair value of his MHL Shares, they must follow the process set out in the Circular.

10. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Enlarged Group will, from the date of Admission, be sufficient for its present requirements (that is for at least twelve months from such date).

11. SIGNIFICANT CHANGE

11.1 Save as disclosed in paragraph 5 of Part I there has been no significant change in the financial or trading position of the Swift Group since 31 May 2015, being the end of the last financial period for which financial information has been published.

11.2 Save for the changes in share capital as set out in paragraph 2.2 of this Part VI, the contingent liabilities assumed by the Company under the material contracts as set out in paragraph 6 of this Part VI, and the expenses of the Company referred to in paragraph 14 of this Part VI, (all of which have caused a significant change in the financial position of Marlowe due to the Company being a newly established company which has not commenced trading), there has been no significant change in the financial or trading position of Marlowe since 30 September 2015, being the date of the last interim unaudited financial statements of MHL set out in Annexure 2.

12. CONSENT

12.1 Grant Thornton UK LLP has given and not withdrawn its written consent to the inclusion of its accountants' report in Section A of Part IV of this document in the form and context in which it appears.

12.2 Cenkos has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

13. LITIGATION

There are no active, pending or threatened legal or arbitration proceedings against, or being brought by, any member of the Enlarged Group which are having or may have or have had during the 12 months preceding the date of this document, a significant effect on the Enlarged Group's financial position.

14. EXPENSES

It is estimated that the total expenses payable by the Company in connection with the Merger, the Subscription, the Acquisition and Admission will amount to approximately £597,000 (excluding VAT) and the net proceeds of the Subscription after deducting costs relating to the Subscription will be approximately £2,995,000.

15. GENERAL INFORMATION

15.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Enlarged Group's Business.

15.2 No persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) have received, directly or indirectly, from the Company in the 12 months preceding the date of this document and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

(a) fees totalling £10,000 or more;

(b) securities in Marlowe plc with a value of £10,000 or more; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

15.3 A copy of this document will be available free of charge at the offices of Cenkos, 6.7.8 Tokenhouse Yard, London EC2R 7AS during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) for at least one month from the date of Admission in accordance with Rule 3 of the AIM Rules.

15.4 Neither the Directors nor the Proposed Director are aware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection, during normal business hours, on any weekday (Saturdays and public holidays excepted) at the Manchester office of Brabners until Admission:

(a) the Memorandum and Articles of Association of the Company;

(b) the material contracts referred to in paragraph 6 above; and

(c) the consent letters referred to in paragraph 12 above.

Dated 29 February 2016

Annexure 1 – Consolidated Financial Statements of Marlowe Holdings Limited for the three years ended 31 March 2015, 31 March 2014 and 31 March 2013

Marlowe Holdings Limited
(formerly named Shellshock Limited)

Financial statements

Year ended 31 March 2015

Marlowe Holdings Limited (formerly Shellshock Limited)

Contents

Marlowe Holdings Limited (formerly Shellshock Limited)

Statement of Comprehensive Income
Year ended 31 March 2015

	Notes	**2015** **UK£000**	2014 UK£000
Administrative expenses	3	**(66)**	(66)
Operating loss		**(66)**	(66)
Financial income	4	**95**	81
Profit before taxation	5	**29**	15
Taxation		**–**	–
Net profit for the year		**29**	15
Total comprehensive income for the year		**29**	15
Net profit attributable to the Company's shareholders		**29**	15
Total comprehensive income attributable to the Company's shareholders		**29**	15
Earnings per ordinary share			
Basic and diluted (pence)	6	**0.48**	0.25

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

Marlowe Holdings Limited (formerly Shellshock Limited)

Balance Sheet
At 31 March 2015

	Notes	2015 UK£000	2014 UK£000
Assets			
Current assets			
Cash and cash equivalents	7	**3,156**	3,128
Other receivables	8	**26**	25
		3,182	3,153
Liabilities			
Current liabilities			
Other payables	9	**(21)**	(21)
Net current assets		**3,161**	3,132
Net assets		**3,161**	3,132
Shareholders' equity			
Called up share capital	10	**3,000**	3,000
Retained earnings		**161**	132
Total shareholders' equity		**3,161**	3,132

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

The financial statements on pages 2 to 10 were approved by the Board of Directors and were signed on its behalf by:

PMR Gaze
Director

18 June 2015

Marlowe Holdings Limited (formerly Shellshock Limited)

Statement of Changes in Shareholders' Equity
Year ended 31 March 2015

	Called up share capital UK£000	Retained earnings UK£000	Total shareholders' equity UK£000
Balance at 1 April 2013	3,000	117	3,117
Net profit for the year	–	15	15
Total comprehensive income	–	15	15
Balance at 31 March 2014	3,000	132	3,132
Net profit for the year	–	29	29
Total comprehensive income	–	29	29
Balance at 31 March 2015	**3,000**	**161**	**3,161**

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

Marlowe Holdings Limited (formerly Shellshock Limited)

Statement of Cash Flows
Year ended 31 March 2015

	Notes	2015 UK£000	2014 UK£000
Cash flows from operating activities			
Cash used in operations	11	**(67)**	(67)
Financial income		**95**	81
Net cash generated from operating activities		**28**	14
Net increase in cash and cash equivalents		**28**	14
Cash and cash equivalents at beginning of year		**3,128**	3,114
Cash and cash equivalents at end of year	7	**3,156**	3,128

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

Notes to the Financial Statements
Year ended 31 March 2015

1 Principal accounting policies

General information
Marlowe Holdings Limited (formerly named Shellshock Limited) (the "Company") is a strategic investment company incorporated in Belize (number 50447) in March 2006.

The Company's primary objective is to invest in controlling stakes in one or more unquoted businesses in the business services sector that possess annuity-type recurring revenues, predominantly long term contracts, low capital intensity, some operational complexity, sustainable margins and high barriers to entry. Additionally, the Company's focus is on markets that are fragmented and display the potential for acquisition, consolidation, operational improvements and economies of scale.

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 Company is domiciled in Belize and its registered office is: P.O. Box 1764, 60 Market Square, Belize City, Belize, Central America.

Directors' responsibilities
The following, which should be read in conjunction with the Independent Auditors' Report regarding the respective responsibilities of directors and auditors, is made with a view to distinguishing for shareholders the respective responsibilities of directors and auditors in relation to the financial statements. The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under regulations 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: (a) select suitable accounting policies and then apply them consistently; (b) make judgements and accounting estimates that are reasonable and prudent; (c) state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and (d) 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. The directors are responsible for the maintenance and integrity of the Company's website (www.marloweplc.com). Legislation governing the preparation and dissemination of financial statements may differ between jurisdictions. In the case of each director in office at the date the financial statements are approved, they confirm that: (a) the financial statements have been prepared in accordance with IFRSs as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit of the Company; (b) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Basis of preparation
The financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, taking into account interpretations from the International Financial Reporting Interpretations Committee (IFRIC). The financial statements have been prepared under the historical cost convention as modified in connection with certain financial instruments. The principal accounting policies adopted in the preparation of the financial statements, which have been consistently applied to all the years presented, are set out below.

1 Principal accounting policies (continued)

The preparation of financial statements in conformity with IFRSs requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There has been no impact on the Company on the implementation during the year of new accounting standards and interpretations and the directors do not anticipate that the adoption of new standards and interpretations effective for the year ending 31 March 2016 will have a material impact on the Company.

Functional and presentational currency
All amounts in these financial statements are presented in thousands of UK pounds sterling, the Company's presentation currency, unless otherwise stated. The Company's functional currency is UK pounds sterling.

Financial income
Financial income comprises interest income on short-term deposits. Interest income is recognised on a time-proportion accruals basis using the effective interest rate method.

Taxation
The Company's net profit is not subject to tax by virtue of its status under the International Business Companies Act 1990, of Belize.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and other short-term deposits with original maturities of three months or less. As a result of the short-term maturity of these financial instruments their carrying value is approximately equal to their fair value.

Other receivables
Other receivables comprise accrued income receivable and prepayments. The interest receivable is recognised initially at fair value, and subsequently measured at amortised cost, less provision for impairment. Prepayments are carried at cost less provision for impairment. Prepayments are charged to profit or loss when the services relating to the prepayments are received.

Other payables
Other payables are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost using the effective interest rate method.

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

2 Financial 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.

The Company's short-term deposits bear a fixed interest rate, and thus expose the Company to fair value interest rate risk. The Company does not have formal arrangements to analyse and mitigate its interest rate exposure.

The credit risk is mitigated by placing the deposits in highly liquid securities with short-term maturities, albeit with one financial institution (notes 7 and 12).

Notes to the Financial Statements
Year ended 31 March 2015

2 Financial risk management (continued)

Measurement of fair values
The fair values of assets and liabilities are principally measured and calculated by reference to expected future cash flows associated with the relevant group of assets and/or liabilities discounted at current interest rates for new instruments with similar credit risks and remaining maturity. The carrying values of other receivables and other payables approximate their fair values due to their short maturities.

3 Administrative expenses

	2015	2014
	UK£000	UK£000
Professional services	**63**	65
Other expenses	**3**	1
Total administrative expenses	**66**	66

4 Financial income

	2015	2014
	UK£000	UK£000
Interest income on short-term deposits (notes 7 and 12)	**95**	81
Total financial income	**95**	81

5 Profit before taxation

The directors who served during the period did not receive any remuneration in respect of their services to the Company. The auditors' remuneration was £13,500 (2014: £13,000).

6 Earnings per ordinary share

Basic earnings per ordinary share are based on equity earnings of £29,000 (2014: £15,000) and 6,000,000 ordinary shares of 50 pence each, being the weighted average number of shares in issue during the year. There is no adjustment to be made for diluted earnings per ordinary share.

	Earnings UK£000	**Weighted average number of shares**	**Earnings per ordinary share - pence**
Year ended 31 March 2015	**29**	**6,000,000**	**0.48**
Year ended 31 March 2014	15	6,000,000	0.25

7 Cash and cash equivalents

	2015	2014
	UK£000	UK£000
Short-term deposits	**3,156**	3.128
Total cash and cash equivalents	**3,156**	3,128

Cash and cash equivalents are denominated in UK pounds sterling and currently held on short-term deposit at British Caribbean Bank Limited (note 12). The effective interest rate for the year on the deposits was approximately 3% per annum (2014: 2.58% per annum). At 31 March 2015, the deposits had an average maturity of 21 days (as at 31 March 2014: 30 days).

8 Other receivables

	2015	2014
	UK£000	UK£000
Prepayments	**19**	19
Interest receivable	**7**	6
Total other receivables	**26**	25

The carrying amounts of other receivables are denominated in UK pounds sterling. The fair values of other receivables approximate their book values.

9 Other payables

	2015	2014
	UK£000	UK£000
Accrued liabilities	**21**	21
Total other payables	**21**	21

The carrying amounts of other payables are denominated in UK pounds sterling. The fair values of other payables approximate their book values.

10 Called up share capital

The authorised and issued share capital of the Company at 31 March 2015 and 2014 was as follows:

Ordinary shares of 50 pence each:	**UK£000**
Authorised (50,000,000)	
Issued and fully paid (6,000,000)	**3,000**

At 31 March 2015, Lord Ashcroft, KCMG PC, owned and controlled approximately 74.7% of the issued ordinary shares of the Company.

Notes to the Financial Statements
Year ended 31 March 2015

11 Cash used in operations

	2015	2014
	UK£000	UK£000
Profit before taxation	**29**	15
Financial income	**(95)**	(81)
	(66)	(66)
(Increase) in other receivables	**(1)**	(2)
Increase in other payables	**–**	1
Cash used in operations	**(67)**	(67)

12 Related party transactions

At 31 March 2015, cash and cash equivalents are held on deposit at British Caribbean Bank Limited ('BCBL'), a related party. BCBL is a wholly owned subsidiary of Waterloo Investment Holdings Limited ('WIHL'). Lord Ashcroft, KCMG PC, is a controlling shareholder in both the Company and WIHL. In addition, Messrs. Gaze and Osborne, directors of the Company at 31 March 2015, are also directors of WIHL.

Interest income generated on short-term deposits held in BCBL is disclosed in Note 4. During the year, the Company incurred bank service charges of £375 (2014: £475) with BCBL. At 31 March 2015, interest receivable from BCBL amounted to £7,521 (2014: £6,170).

13 Events after the balance sheet date

In May 2015, the Company carried out a private placing of new ordinary shares of par value 50 pence each, at an issue price of 60 pence each. The new ordinary shares, which rank parri passu with the existing ordinary shares, resulted in the issue of 8,584,999 new ordinary shares (the "Placing Shares") for a total cash consideration of £5,150,998.

Lord Ashcroft, KCMG PC, the Company's majority shareholder, subscribed for 3,333,333 Placing Shares. As a result, Lord Ashcroft owns and controls approximately 53.6% of the issued ordinary shares of the Company.

The Placing Shares were admitted for trading on AIM with effect from 15 May 2015.

Consequential on the above, the name of the Company was changed from Shellshock Limited to Marlowe Holdings Limited; and certain directors resigned and new directors were appointed as set out on page 13.

Independent Auditors' Report to the Shareholders of Marlowe Holdings Limited (formerly named Shellshock Limited)

Report on the financial statements

Our opinion
In our opinion, Marlowe Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

What we have audited
Marlowe Holdings Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in shareholders' equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the 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 financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Company's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report to the Shareholders of Marlowe Holdings Limited (formerly named Shellshock Limited)

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom
18 June 2015

Corporate information

Directors	Alex Dacre (appointed 14 May 2015) Peter Gaze Derek O'Neill (appointed 14 May 2015) Charles Skinner (appointed 14 May 2015) Philip Johnson (resigned 14 May 2015) Philip Osborne (resigned 14 May 2015) each of: 60 Market Square Belize City Belize Central America
Company Secretary and Registered Office	Abner Peralta (appointed 14 May 2015) Philip Osborne (resigned 14 May 2015) 60 Market Square P.O. Box 1764 Belize City Belize Central America
Nominated Adviser (for AIM in the UK)	Cenkos Securities plc 6. 7. 8. Tokenhouse Yard London EC2R 7AS United Kingdom
Registrars	Capita Registrars (Jersey) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE2 3QA Channel Islands

Shellshock Limited

Financial statements

Year ended 31 March 2014

Shellshock Limited

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Shellshock Limited

Statement of Comprehensive Income
Year ended 31 March 2014

	Notes	**2014** **UK£000**	2013 UK£000
Administrative expenses	3	**(66)**	(64)
Operating loss		**(66)**	(64)
Financial income	4	**81**	127
Profit before taxation	5	**15**	63
Taxation		**–**	–
Net profit for the year		**15**	63
Total comprehensive income for the year		**15**	63
Net profit attributable to the Company's shareholders		**15**	63
Total comprehensive income attributable to the Company's shareholders		**15**	63
Earnings per ordinary share			
Basic and diluted (pence)	6	**0.25**	1.05

The accompanying notes form an integral part of these financial statements.

Shellshock Limited

Balance Sheet
At 31 March 2014

	Notes	**2014** **UK£000**	2013 UK£000
Assets			
Current assets			
Cash and cash equivalents	7	**3,128**	3,114
Other receivables	8	**25**	23
		3,153	3,137
Liabilities			
Current liabilities			
Other payables	9	**(21)**	(20)
Net current assets		**3,132**	3,117
Net assets		**3,132**	3,117
Shareholders' equity			
Called up share capital	10	**3,000**	3,000
Retained earnings		**132**	117
Total shareholders' equity		**3,132**	3,117

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 2 to 10 were approved by the Board of Directors and were signed on its behalf by:

PMR Gaze
Director

30 September 2014

Shellshock Limited

Statement of Changes in Shareholders' Equity
Year ended 31 March 2014

	Called up share capital UK£000	Retained earnings UK£000	Total shareholders' equity UK£000
Balance at 1 April 2012	3,000	54	3,054
Net profit for the year	–	63	63
Total comprehensive income	–	63	63
Balance at 31 March 2013	3,000	117	3,117
Net profit for the year	–	15	15
Total comprehensive income	–	15	15
Balance at 31 March 2014	**3,000**	**132**	**3,132**

The accompanying notes form an integral part of these financial statements.

Shellshock Limited

Statement of Cash Flows
Year ended 31 March 2014

	Notes	**2014** UK£000	2013 UK£000
Cash flows from operating activities			
Cash used in operations	11	**(67)**	(65)
Financial income		**81**	127
Net cash generated from operating activities		**14**	62
Net increase in cash and cash equivalents		**14**	62
Cash and cash equivalents at beginning of year		**3,114**	3,052
Cash and cash equivalents at end of year	7	**3,128**	3,114

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
Year ended 31 March 2014

1 Principal accounting policies

General information
Shellshock Limited (the "Company") is a strategic investment company incorporated in Belize (number 50447) in March 2006. Its primary objective is to invest in either one or more quoted or unquoted businesses. The Company's issued share capital is traded on AIM, a market operated by the London Stock Exchange plc in the United Kingdom (ticker symbol SHOK). The Company is domiciled in Belize and its registered office is: P.O. Box 1764, 60 Market Square, Belize City, Belize, Central America.

Directors' responsibilities
The following, which should be read in conjunction with the Independent Auditors' Report regarding the respective responsibilities of directors and auditors, is made with a view to distinguishing for shareholders the respective responsibilities of directors and auditors in relation to the financial statements. The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under regulations 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: (a) select suitable accounting policies and then apply them consistently; (b) make judgements and accounting estimates that are reasonable and prudent; (c) state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and (d) 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. The directors are responsible for the maintenance and integrity of the Company's website (www.shellshocklimited.com). Legislation governing the preparation and dissemination of financial statements may differ between jurisdictions. In the case of each director in office at the date the financial statements are approved, they confirm that: (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, taking into account interpretations from the International Financial Reporting Interpretations Committee (IFRIC). The financial statements have been prepared under the historical cost convention as modified in connection with certain financial instruments. The principal accounting policies adopted in the preparation of the financial statements, which have been consistently applied to all the years presented, are set out below.

The preparation of financial statements in conformity with IFRSs requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There has been no impact on the Company on the implementation during the year of new accounting standards and interpretations and the directors do not anticipate that the adoption of new standards and interpretations effective for the year ending 31 March 2015 will have a material impact on the Company.

Notes to the Financial Statements
Year ended 31 March 2014

1 Principal accounting policies (continued)

Functional and presentational currency
All amounts in these financial statements are presented in thousands of UK pounds sterling, the Company's presentation currency, unless otherwise stated. The Company's functional currency is UK pounds sterling.

Financial income
Financial income comprises interest income on short-term deposits. Interest income is recognised on a time-proportion accruals basis using the effective interest rate method.

Taxation
The Company's net profit is not subject to tax by virtue of its status under the International Business Companies Act 1990, of Belize.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and other short-term deposits with original maturities of three months or less. As a result of the short-term maturity of these financial instruments their carrying value is approximately equal to their fair value.

Other receivables
Other receivables comprise accrued income receivable and prepayments. The interest receivable is recognised initially at fair value, and subsequently measured at amortised cost, less provision for impairment. Prepayments are carried at cost less provision for impairment. Prepayments are charged to profit or loss when the services relating to the prepayments are received.

Other payables
Other payables are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost using the effective interest rate method.

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

2 Financial 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.

The Company's short-term deposits bear a fixed interest rate, and thus expose the Company to fair value interest rate risk. The Company does not have formal arrangements to analyse and mitigate its interest rate exposure.

The credit risk is mitigated by placing the deposits in highly liquid securities with short-term maturities, albeit with one financial institution (notes 7 and 12).

Measurement of fair values
The fair values of assets and liabilities are principally measured and calculated by reference to expected future cash flows associated with the relevant group of assets and/or liabilities discounted at current interest rates for new instruments with similar credit risks and remaining maturity. The carrying values of other receivables and other payables approximate their fair values due to their short maturities.

3 Administrative expenses

	2014 UK£000	2013 UK£000
Professional services	**65**	64
Other expenses	**1**	–
Total administrative expenses	**66**	64

4 Financial income

	2014 UK£000	2013 UK£000
Interest income on short-term deposits (notes 7 and 12)	**81**	127
Total financial income	**81**	127

5 Profit before taxation

The directors who served during the period did not receive any remuneration in respect of their services to the Company. The auditors' remuneration was £13,000 (2013: £13,000).

6 Earnings per ordinary share

Basic earnings per ordinary share are based on equity earnings of £15,000 (2013: £63,000) and 6,000,000 ordinary shares of 50 pence each, being the weighted average number of shares in issue during the year. There is no adjustment to be made for diluted earnings per ordinary share.

	Earnings UK£000	Weighted average number of shares	Earnings per ordinary share - pence
Year ended 31 March 2014	**15**	**6,000,000**	**0.25**
Year ended 31 March 2013	63	6,000,000	1.05

7 Cash and cash equivalents

	2014 UK£000	2013 UK£000
Short-term deposits	**3,128**	3.114
Total cash and cash equivalents	**3,128**	3,114

Cash and cash equivalents are denominated in UK pounds sterling and currently held on short-term deposit at British Caribbean Bank Limited (note 12). The effective interest rate for the year on the deposits was approximately 2.57% per annum (2013: 4.08% per annum). At 31 March 2014, the deposits had an average maturity of 7 days (as at 31 March 2013: 15 days).

8 Other receivables

	2014 UK£000	2013 UK£000
Prepayments	**19**	19
Interest receivable	**6**	4
Total other receivables	**25**	23

The carrying amounts of other receivables are denominated in UK pounds sterling. The fair values of other receivables approximate their book values.

9 Other payables

	2014 UK£000	2013 UK£000
Accrued liabilities	**21**	20
Total other payables	**21**	20

The carrying amounts of other payables are denominated in UK pounds sterling. The fair values of other payables approximate their book values.

10 Called up share capital

The authorised and issued share capital of the Company at 31 March 2014 and 2013 was as follows:

Ordinary shares of 50 pence each:	**UK£000**
Authorised (50,000,000)	
Issued and fully paid (6,000,000)	**3,000**

At 31 March 2014, Lord Ashcroft, KCMG PC, owned and controlled approximately 74.7% of the issued ordinary shares of the Company.

11 Cash used in operations

	2014 UK£000	2013 UK£000
Profit before taxation	**15**	63
Financial income	**(81)**	(127)
	(66)	(64)
(Increase) in other receivables	**(2)**	(2)
Increase in other payables	**1**	1
Cash used in operations	**(67)**	(65)

12 Related party transactions

At 31 March 2014, cash and cash equivalents are held on deposit at British Caribbean Bank Limited ('BCBL'), a related party. BCBL is a wholly owned subsidiary of Waterloo Investment Holdings Limited ('WIHL'). Lord Ashcroft, KCMG PC, is a controlling shareholder in both the Company and WIHL. In addition, Messrs. P.M.R. Gaze and P.T. Osborne, directors of the Company, are also directors of WIHL.

Interest income generated on short-term deposits held in BCBL is disclosed in Note 4. During the year, the Company incurred bank service charges of £475 (2013: £325) with BCBL.

Shellshock Limited

Independent Auditors' Report to the Shareholders of Shellshock Limited

Report on the financial statements

Our opinion
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit and cash flows for the year then ended; and

- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;

This opinion is to be read in the context of what we say below.

What we have audited
The financial statements for the year ended 31 March 2014, which are prepared by Shellshock Limited, comprise:

- Statement of comprehensive income;

- Balance sheet;

- Statement of changes in shareholders' equity;

- Statement of cash flows; and

- related notes.

The financial reporting framework that has been applied in their preparation comprises applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;

- the reasonableness of significant accounting estimates made by the directors; and

- the overall presentation of the financial statements.

Independent Auditors' Report to the Shareholders of Shellshock Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the 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 financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom
30 September 2014

Shellshock Limited

Corporate information

Directors	Peter Michael Reeder Gaze Philip Charles Johnson Philip Thomas Osborne each of: 60 Market Square Belize City Belize Central America
Company Secretary and Registered Office	Philip Thomas Osborne 60 Market Square P.O. Box 1764 Belize City Belize Central America
Nominated Adviser (for AIM in the UK)	Cenkos Securities plc 6. 7. 8. Tokenhouse Yard London EC2R 7AS United Kingdom
Registrars	Capita Registrars (Jersey) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE2 3QA Channel Islands

Shellshock Limited

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Shellshock Limited

Statement of Comprehensive Income
Year ended 31 March 2013

	Notes	2013 UK£000	2012 UK£000
Administrative expenses	3	**(64)**	(64)
Operating loss		**(64)**	(64)
Financial income	4	**127**	113
Profit before taxation	5	**63**	49
Taxation		**–**	–
Net profit for the year		**63**	49
Total comprehensive income for the year		**63**	49
Net profit attributable to the Company's shareholders		**63**	49
Total comprehensive income attributable to the Company's shareholders		**63**	49
Earnings per ordinary share			
Basic and diluted (pence)	6	**1.05**	0.82

The accompanying notes form an integral part of these financial statements.

Shellshock Limited

Balance Sheet
At 31 March 2013

	Notes	2013 UK£000	2012 UK£000
Assets			
Current assets			
Cash and cash equivalents	7	**3,114**	3,052
Other receivables	8	**23**	21
		3,137	3,073
Liabilities			
Current liabilities			
Other payables	9	**(20)**	(19)
Net current assets		**3,117**	3,054
Net assets		**3,117**	3,054
Shareholders' equity			
Called up share capital	10	**3,000**	3,000
Retained earnings		**117**	54
Total shareholders' equity		**3,117**	3,054

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 3 to 11 were approved by the Board of Directors and were signed on its behalf by:

PMR Gaze
Director

19 September 2013

Shellshock Limited

Statement of Changes in Shareholders' Equity

Year ended 31 March 2013

	Called up share capital UK£000	Retained earnings UK£000	Total shareholders' equity UK£000
Balance at 1 April 2011	3,000	5	3,005
Net profit for the year	–	49	49
Total comprehensive income	–	49	49
Balance at 31 March 2012	3,000	54	3,054
Net profit for the year	–	63	63
Total comprehensive income	–	63	63
Balance at 31 March 2013	**3,000**	**117**	**3,117**

The accompanying notes form an integral part of these financial statements.

Shellshock Limited

Statement of Cash Flows
Year ended 31 March 2013

	Notes	2013 UK£000	2012 UK£000
Cash flows from operating activities			
Cash used in operations	11	**(65)**	(62)
Financial income		**127**	113
Net cash generated from operating activities		**62**	51
Net increase in cash and cash equivalents		**62**	51
Cash and cash equivalents at beginning of year		**3,052**	3,001
Cash and cash equivalents at end of year	7	**3,114**	3,052

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
Year ended 31 March 2013

1 Principal accounting policies

General information
Shellshock Limited (the "Company") is a strategic investment company incorporated in Belize (number 50447) in March 2006. Its primary objective is to invest in either one or more quoted or unquoted businesses. The Company's issued share capital is traded on AIM, a market operated by the London Stock Exchange plc in the United Kingdom (ticker symbol SHOK). The Company is domiciled in Belize and its registered office is: P.O. Box 1764, 60 Market Square, Belize City, Belize, Central America.

Directors' responsibilities
The following, which should be read in conjunction with the Independent Auditors' Report regarding the respective responsibilities of directors and auditors, is made with a view to distinguishing for shareholders their respective responsibilities in relation to the financial statements. The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under regulations 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: (a) select suitable accounting policies and then apply them consistently; (b) make judgements and accounting estimates that are reasonable and prudent; (c) state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and (d) 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. The directors are responsible for the maintenance and integrity of the Company's website (www.shellshocklimited.com). Legislation governing the preparation and dissemination of financial statements may differ between jurisdictions. In the case of each director in office at the date the financial statements are approved, they confirm that: (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, taking into account interpretations from the International Financial Reporting Interpretations Committee (IFRIC). The financial statements have been prepared under the historical cost convention as modified in connection with certain financial instruments. The principal accounting policies adopted in the preparation of the financial statements, which have been consistently applied to all the years presented, are set out below.

The preparation of financial statements in conformity with IFRSs requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There has been no impact on the Company on the implementation during the year of new accounting standards and interpretations and the directors do not anticipate that the adoption of new standards and interpretations effective for the year ending 31 March 2014 will have a material impact on the Company.

Notes to the Financial Statements
Year ended 31 March 2013

1 Principal accounting policies (continued)

Functional and presentational currency
All amounts in these financial statements are presented in thousands of UK pounds sterling, the Company's presentation currency, unless otherwise stated. The Company's functional currency is UK pounds sterling.

Financial income
Financial income comprises interest income on short-term deposits. Interest income is recognised on a time-proportion accruals basis using the effective interest rate method.

Taxation
The Company's net profit is not subject to tax by virtue of its status under the International Business Companies Act 1990, of Belize.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and other short-term deposits with original maturities of three months or less. As a result of the short-term maturity of these financial instruments their carrying value is approximately equal to their fair value.

Other receivables
Other receivables comprise accrued income receivable and prepayments. The interest receivable is recognised initially at fair value, and subsequently measured at amortised cost, less provision for impairment. Prepayments are carried at cost less provision for impairment. Prepayments are charged to profit or loss when the services relating to the prepayments are received.

Other payables
Other payables are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost using the effective interest rate method.

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

2 Financial 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.

The Company's short-term deposits bear a fixed interest rate, and thus expose the Company to fair value interest rate risk. The Company does not have formal arrangements to analyse and mitigate its interest rate exposure.

The credit risk is mitigated by placing the deposits in highly liquid securities with short-term maturities, albeit with one financial institution (notes 7 and 12).

Measurement of fair values
The fair values of assets and liabilities are principally measured and calculated by reference to expected future cash flows associated with the relevant group of assets and/or liabilities discounted at current interest rates for new instruments with similar credit risks and remaining maturity. The carrying values of other receivables and other payables approximate their fair values due to their short maturities.

Notes to the Financial Statements
Year ended 31 March 2013

3 Administrative expenses

	2013 UK£000	2012 UK£000
Professional services	**64**	63
Other expenses	**–**	1
Total administrative expenses	**64**	64

4 Financial income

	2013 UK£000	2012 UK£000
Interest income on short-term deposits (notes 7 and 12)	**127**	113
Total financial income	**127**	113

5 Profit before taxation

The directors who served during the period did not receive any remuneration in respect of their services to the Company. The auditors' remuneration was £13,000 (2012: £12,000).

6 Earnings per ordinary share

Basic earnings per ordinary share are based on equity earnings of £63,000 (2012: £49,000) and 6,000,000 ordinary shares of 50 pence each, being the weighted average number of shares in issue during the year. There is no adjustment to be made for diluted earnings per ordinary share.

	Earnings UK£000	**Weighted average number of shares**	**Earnings per ordinary share - pence**
Year ended 31 March 2013	**63**	**6,000,000**	**1.05**
Year ended 31 March 2012	49	6,000,000	0.82

7 Cash and cash equivalents

	2013 UK£000	2012 UK£000
Short-term deposits	**3,114**	3.052
Total cash and cash equivalents	**3,114**	3,052

Cash and cash equivalents are denominated in UK pounds sterling and currently held on short-term deposit at British Caribbean Bank Limited (note 12). The effective interest rate for the year on the deposits was approximately 4.08% per annum (2012: 3.74% per annum). At 31 March 2013, the deposits had an average maturity of 15 days (as at 31 March 2012: 25 days).

Notes to the Financial Statements
Year ended 31 March 2013

8 Other receivables

	2013	2012
	UK£000	UK£000
Prepayments	**19**	19
Interest receivable	**4**	2
Total other receivables	**23**	21

The carrying amounts of other receivables are denominated in UK pounds sterling. The fair values of other receivables approximate their book values.

9 Other payables

	2013	2012
	UK£000	UK£000
Accrued liabilities	**20**	19
Total other payables	**20**	19

The carrying amounts of other payables are denominated in UK pounds sterling. The fair values of other payables approximate their book values.

10 Called up share capital

The authorised and issued share capital of the Company at 31 March 2013 and 2012 was as follows:

Ordinary shares of 50 pence each:	**UK£000**
Authorised (50,000,000)	
Issued and fully paid (6,000,000)	**3,000**

At 31 March 2013, Lord Ashcroft, KCMG PC, owned and controlled approximately 74.7% of the issued ordinary shares of the Company.

11 Cash used in operations

	2013	2012
	UK£000	UK£000
Profit before taxation	**63**	49
Financial income	**(127)**	(113)
	(64)	(64)
(Increase) in other receivables	**(2)**	(2)
Increase in other payables	**1**	4
Cash used in operations	**(65)**	(62)

Notes to the Financial Statements
Year ended 31 March 2013

12 Related party transactions

At 31 March 2013, cash and cash equivalents are held on deposit at British Caribbean Bank Limited ('BCBL'), a related party. BCBL is a wholly owned subsidiary of Waterloo Investment Holdings Limited ('WIHL'). Lord Ashcroft, KCMG PC, is a controlling shareholder in both the Company and WIHL. In addition, Messrs. P.M.R. Gaze and P.T. Osborne, directors of the Company, are also directors of WIHL.

Interest income generated on short-term deposits held in BCBL is disclosed in Note 4. During the year, the Company incurred bank service charges of £325 (2012: £862) with BCBL.

Shellshock Limited

Independent Auditors' Report to the Shareholders of Shellshock Limited

We have audited the financial statements of Shellshock Limited for the year ended 31 March 2013, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholders' equity, the statement of cash flows, 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out in note 1, the directors are responsible for the preparation of the 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 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.

This report, including the opinion, has been prepared for and only for the company's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit and cash flows for the year then ended; and

- have been properly prepared in accordance with IFRSs as adopted by the European Union.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom
19 September 2013

Shellshock Limited

Corporate information

Directors	Peter Michael Reeder Gaze Philip Charles Johnson Philip Thomas Osborne Andrew Stephen Wilson each of: 60 Market Square Belize City Belize Central America
Company Secretary and Registered Office	Philip Thomas Osborne 60 Market Square P.O. Box 1764 Belize City Belize Central America
Nominated Adviser (for AIM in the UK)	Cenkos Securities plc 6. 7. 8. Tokenhouse Yard London EC2R 7AS United Kingdom
Broker (for AIM in the UK)	Fyshe Horton Finney Limited Charles House 148-149 Great Charles Street Birmingham B3 3HT United Kingdom
Registrars	Capita Registrars (Jersey) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE2 3QA Channel Islands

Annexure 2 – Unaudited Interim Financial Statements for Marlowe Holdings Limited for the six months ended 30 September 2015

Marlowe Holdings Limited (''Marlowe'')
Half-Year Results

Marlowe (AIM:MRL), the AIM listed cash shell, today issues its half-year results for the period to 30 September, 2015.

Summary:

- Placing of £5.2m completed in May to pursue investment opportunities; total cash currently available for acquisitions of £8.3m;
- Potential platform and bolt-on acquisition targets identified;
- Strategy fine-tuned to focus on annuity-type recurring asset maintenance services underpinned by the customer's obligation to meet stringent regulatory and legislative requirements;
- Acquisitions team strengthened by new appointments; attractive pipeline of investment opportunities;
- Half-year results show a broadly break-even performance (loss of £2k) for the 6 months to September.

Commenting on progress Alex Dacre, Chief Executive, said:

"Since the appointment of the new Board on 15 May 2015, and the completion of an oversubscribed share placing, we have been encouraged by the progress made in developing Marlowe's buy-and-build growth strategy.

During the period, we have identified attractive potential platform and bolt-on targets in line with our investment strategy. We believe that the targets identified could form the foundations of a dynamic B2B service group, focused on delivering essential annuity-type recurring asset maintenance services underpinned by the customer's obligation to meet stringent regulatory and legislative requirements. These requirements can result in a high level of forward revenue visibility. The targets occupy large, fragmented and operationally complex markets which we believe are poised for consolidation, offer attractive economies of scale and have growing barriers to entry. We look forward to executing our strategy and are confident that significant further progress will be made in the coming months.

Since May, as we have fine-tuned this strategy, we have made key appointments to the acquisitions team and have developed an attractive pipeline of investment opportunities. These represent the kind of deals that members of the Marlowe Board have a proven track record in completing. The markets that we are targeting offer significant scope for further growth through bolt-on acquisitions which can be executed at fair valuations and frequently fall below the radar of private equity or the large US owned multi-nationals who often occupy these types of markets. And, as a UK focused specialist with short lines of communication and the ability to move decisively and quickly, we believe we have a significant competitive advantage.

Finally, I'd like to take this opportunity to thank our shareholders for their continued support. I would only add that I and my fellow directors have, as a demonstration of our commitment to the success of your company, been working without remuneration since the Board's appointment. We look forward to updating shareholders of Marlowe's progress in due course.''

Suspension of shares to trading on AIM

The Company notes the announcement made yesterday concerning the movement in share price and that it is contemplating a potential acquisition which would constitute a reverse takeover under the AIM Rules. As a result, trading in the Company's shares will be suspended until such time as an admission document is published in relation to the potential acquisition or the talks otherwise conclude. The Company will update shareholders with further information in due course. There can be no certainty that these discussions will lead to any transaction completing.

Enquires and further information:

Marlowe Holdings Limited

Alex Dacre, Chief Executive IR@marloweplc.com

Derek O'Neill, Group Finance Director +44 207 248 6700

Cenkos Securities

Nicholas Wells +44 207 397 8920

Summarised income statement (unaudited)

Six months ended September 30	**2015 £000**	**2014 £000**
Interest Income	65	48
Administrative expenses	(67)	(35)
Net profit/(loss) before and after taxation	(2)	13
Earnings per ordinary share (basic and diluted) (in pence)	(0.02)	0.20

Summarised balance sheet

	30 September 2015 (unaudited) £000	**31 March 2015 (audited) £000**
Fixed Assets		
Property, plant and equipment	6	—
Current Assets		
Cash and cash equivalents	8,293	3,156
Other receivables	21	26
Total assets	8,320	3,182
Current liabilities		
Other payables	(10)	(21)
Net assets	8,310	3,161
Shareholders' equity		
Share capital	7,292	3,000
Share premium	859	—
Retained earnings	159	161
Total shareholders' equity	8,310	3,161

Summarised statement of cash flows (unaudited)

Six months ended September 30	**2015 £000**	**2014 £000**
Net cash generated from operating activities	(20)	39
Net cash generated from investing activities	6	—
Net cash generated from financing activities	5,151	—
Net increase in cash for the period	5,137	39
Cash at beginning of period	3,156	3,128
Cash at end of period	8,293	3,167

Statement of Changes in Shareholders' Equity

	Called up share capital £000	**Share premium £000**	**Retained earnings £000**	**Total shareholders' equity £000**
Balance as at 1 April 2015	3,000	—	161	3,161
Net loss for the period	—	—	(2)	(2)
Placing of new shares during the period	4,292	859	—	5,151
Balance as at 30 September 2015	7,292	859	159	8,310