Bilby PLC

Placing and
Admission to Trading
on AIM

Nominated Adviser
and Broker
Charles Stanley Securities

Bilby PLC

6-8 Powerscroft Road
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DA14 5DT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action to take you should consult an independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 who specialises in advising upon investment in shares and other securities.

This document does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom, within the meaning of section 102B of FSMA and has not been approved or examined by and will not be filed with the Financial Conduct Authority, the UK Listing Authority or the London Stock Exchange, but comprises an AIM admission document and has been prepared in accordance with the AIM Rules. A copy of this document has been delivered to the London Stock Exchange as an admission document in respect of the Ordinary Shares, but a copy has not been filed with the Registrar of Companies in England and Wales.

Application has been made for the whole of the ordinary share capital of Bilby Plc in issue to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings on AIM in the Ordinary Shares will commence on 6 March 2015.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority (the "Official List"). 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 by the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UK Listing Authority have themselves examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List.

The whole text of this document should be read. The attention of investors is drawn in particular to the risk factors set out in Part II of this document.

Bilby Plc

(A company incorporated and registered in England and Wales with registered number 9095860)

Placing of 4,310,345 New Ordinary Shares and 2,773,104 Sale Shares at 58 pence per share

Admission to Trading on AIM

Nominated Adviser and Broker

Charles Stanley Securities

The New Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares in issue.

The Company and the Directors, whose names are set out on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Charles Stanley, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as Nominated Adviser and Broker for Bilby Plc and for no one else in connection with the matters described herein and will not be responsible to anyone other than Bilby Plc for providing the protections afforded to customers of Charles Stanley, or for advising them on the contents of this document or any matter referred to herein.

Copies of this document will be available to the public free of charge during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of Bilby Plc at 6-8 Powerscroft Road, Sidcup Kent DA14 5DT for a period of one month following Admission. Copies will also be available for download from the Company's website at www.bilbyplc.com.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, Australia, South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been and will not be registered under the Under States Securities Act of 1933 (as amended) nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, the Ordinary Shares may not, subject to certain exemptions be offered or sold directly or indirectly in or into, or to any national, citizen or resident of the United States, Australia, South Africa, the Republic of Ireland or Japan.

No securities regulatory authority has expressed an opinion about the Ordinary Shares and it is an offence to claim otherwise. While information in this document derived from third parties is obtained from sources which the Company believes to be reliable, such information is not guaranteed as to its accuracy or completeness. An investment in the Company is speculative due to the nature of the Company's business. The ability of the Company to carry out its growth initiatives as described in this document is dependent on the Company obtaining additional capital. There is no assurance that the Company will be able to successfully raise the capital required or to complete each of the growth initiatives described.

FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute forward looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward looking statements. These statements are primarily contained in Parts I to II of this document. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this document. Should one or more of these risks or uncertainties materialise, or should assumptions underlying forward looking statements prove incorrect, actual results may vary materially from those described in document as intended, planned, anticipated, believed, estimated or expected.

The forward looking statements in this document are based on current expectations and intentions and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Certain risks to the Company are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements. These forward looking statements are stated as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority whether as a result of new information, future events or otherwise.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Sangita Shah *(Non-Executive Chairman)* Philip Copolo *(Executive Deputy Chairman)* Darren Dunnett *(Managing Director)* David Ellingham *(Finance Director)* David Johnson *(Non-Executive Director)*
Registered Office	6-8 Powerscroft Road Sidcup Kent DA14 5DT
Company Secretary	David Ellingham
Website	www.bilbyplc.com
Nominated Adviser, Financial Adviser & Broker to the Company	Charles Stanley Securities 131 Finsbury Pavement London EC2A 1NT
Reporting Accountants to the Company	Baker Tilly Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Auditor to the Company	Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors to the Company	Dentons UKMEA LLP One Fleet Place London EC4M 7WS
Solicitors to the Nominated Adviser, Financial Adviser & Broker to the Company	Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB
Financial PR	Hudson Sandler Limited 29 Cloth Fair London EC1A 7NN
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA

PLACING AND ADMISSION STATISTICS

Number of Existing Ordinary Shares before the Placing	25,000,000
Number of New Shares being issued pursuant to the Placing	4,310,345
Number of Sale Shares being sold pursuant to the Placing	2,773,104
Number of Ordinary Shares in issue on Admission	29,310,345
Placing Price	58 pence
Percentage of Enlarged Share Capital represented by New Shares	14.71 per cent.
Percentage of Enlarged Share Capital represented by Sale Shares	9.46 per cent.
Market capitalisation of the Company at Admission at the Placing Price	£17.0 million
Estimated gross proceeds of the Placing receivable by the Company	£2.5 million
Estimated net proceeds of the Placing receivable by the Company	£1.8 million
AIM Symbol	BILB
SEDOL	BV9GHQ0
ISIN Code	GB00BV9GHQ09

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	2 March 2015
Admission becomes effective and dealings in Ordinary Shares expected to commence on AIM	8.00 a.m. on 6 March 2015
CREST accounts credited for Placing Shares in uncertificated form	6 March 2015
Despatch of definitive share certificates (where applicable)	by 20 March 2015

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

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"2006 Act"	the Companies Act 2006, as amended from time to time;
"Admission"	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the London Stock Exchange's rules and guidance notes contained in its "AIM Rules for Companies" publication relating to companies whose securities are traded on AIM, as amended from time to time;
"Articles"	the articles of association of the Company in force on Admission;
"Board"	the board of directors of the Company from time to time;
"certificated" or "in certificated form"	an Ordinary Share which is not in uncertificated form (that is, not in CREST);
"Charles Stanley"	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited;
"City Code"	the UK City Code on Takeovers and Mergers (as amended from time to time);
"Company" or "Bilby"	Bilby Plc, a company incorporated in England with number 9095860 and registered office at 6-8 Powerscroft Road, Sidcup, Kent DA14 5DT;
"Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council in September 2012 (as amended);
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
"Directors"	the current directors of the Company whose names are set out in paragraph 12.1 of Part I of this document;
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA as amended from time to time;
"EIS"	the UK Enterprise Investment Scheme, a scheme from HMRC designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies;
"EMI"	Enterprise Management Incentives;

"Enlarged Share Capital"	the 29,310,345 Ordinary Shares in issue on Admission, comprising the Existing Ordinary Shares and the New Shares;
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registered number 2878738, being the operator of CREST;
"Existing Ordinary Shares"	the 25,000,000 Ordinary Shares in issue before the Placing;
"FCA"	the Financial Conduct Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000 of the UK (as amended), including any regulations made pursuant thereto;
"Group"	the Company together with P&R;
"HMRC"	HM Revenue and Customs of the United Kingdom;
"IFRS"	International Financial Reporting Standards, as adopted by the European Union;
"Lock-in Agreement"	the lock-in and orderly market agreement dated 2 March 2015 between the P&R Shareholders, Charles Stanley and the Company;
"Lock-in Period"	as described in paragraph 12.2 of Part IV of this document;
"Locked-in Shares"	the Ordinary Shares subject to the Lock-in Agreement as described in paragraph 12.2 of Part IV of this document;
"London Stock Exchange"	London Stock Exchange plc;
"Natwest Bank"	National Westminster Bank Plc;
"New Shares"	the 4,310,345 new Ordinary Shares to be issued by the Company to investors pursuant to the Placing;
"Option"	an option in accordance with the Share Option Plan;
"Ordinary Shares"	the ordinary shares of 10p each in the capital of the Company;
"P&R"	P&R Installation Company Limited, a wholly owned subsidiary of the Company;
"P&R Shareholders"	the persons as described in paragraph 3.5 of Part IV of this document;
"Placing"	the conditional placing of the Placing Shares by Charles Stanley Securities, at the Placing Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 2 March 2015, between the Company, the Directors and Charles Stanley relating to the Placing, details of which are set out in paragraph 12.1 of Part IV of this document;
"Placing Price"	58 pence per Placing Share;
"Placing Shares"	the New Shares and the Sale Shares;
"QCA Code"	the corporate governance Code for Small and Mid Size Quoted Companies 2013;
"Registrar"	Neville Registrars Limited, a company incorporated in England with number 04770411 and registered office at Neville House, 18 Laurel Lane, Halesowen B63 3DA;

"Sale Shares"	2,773,104 Ordinary Shares to be placed by Charles Stanley on behalf of the Selling Shareholder pursuant to the Placing Agreement;
"Selling Shareholder"	Philip Copolo;
"Share Dealing Code"	the code on dealing in the Company's securities adopted by the Company that complies with the AIM Rules;
"Share Option Plan"	the Bilby Plc 2015 EMI and unapproved share option plan described in paragraph 7 of Part IV of this document;
"Shareholders"	holders of Ordinary Shares, from time to time;
"Takeover Panel"	the Panel on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"VCT"	a UK Venture Capital Trust, an entity listed on a FCA regulated market, approved by HMRC under its scheme designed to encourage individuals to invest indirectly in a range of small higher-risk trading companies by offering a range of tax reliefs to individuals who invest in the VCT.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

Bilby Plc (the **Company**) has been established as a holding company to provide a platform for strategic acquisitions in the gas heating and general building services industries. Bilby acquired the shares of P&R Installation Company Limited (**P&R**) on 2 March 2015 through a share for share exchange and P&R is now a wholly owned operating subsidiary of Bilby.

P&R is an established and award winning provider of gas heating appliance installation and maintenance services to residential and commercial properties. It has expanded its activities in recent years to incorporate a broader range of domestic and commercial plumbing, electrical and general building repair works.

The Group provides services predominately to local authorities and housing associations across London and South East England. The experienced management team places emphasis on the provision of a high level of service through which P&R has developed long standing relationships with its customers who include the Guinness Partnership, London & Quadrant, Gallions and the Royal Borough of Greenwich.

P&R is a profitable and cash generative business. It achieved an adjusted operating margin[1] of 9.9 per cent. in the year to 31 January 2014 which increased to 14.2 per cent. in the nine months to 31 October 2014. For the year ended 31 January 2014 P&R generated revenue of £9.73 million and in the nine months ended 31 October 2014 P&R reported revenues of £8.67 million. With both long term and rolling contracts and a growing order book, P&R has good visibility of future revenue.

Headquartered in Sidcup, Kent, P&R employs approximately 80 staff. The Group has a clear geographic focus based on London and South East England. The Directors believe that, alongside a strong and experienced management structure, P&R's geographic focus and disciplined approach to tendering for new contract work has helped to achieve above average operating margins compared to its publicly quoted peer group.

The Directors anticipate that continued growth will be underpinned by expanding opportunities in a growing market. The gas heating and general building services industries are benefiting from strong market fundamentals driven by government standards and legislation, such as the Decent Homes Standard, the Right to Repair Scheme and applicable gas safety regulations. Such government policies and initiatives place compulsory obligations leading to potential legal liability requiring local authority and housing associations to meet a minimum standard in all social housing. These obligations fall on housing bodies regardless of budgetary pressures and demands they face in other areas.

There are currently over 1.25 million local authority and housing association properties across London and South East England. For the year ended 31 March 2014 these social housing providers spent over £2.5 billion on the repair, maintenance and supervision of their housing stock.

The Directors believe that there are opportunities to expand the Group's operations through further acquisitions of businesses operating in markets similar to P&R. Through consolidation by way of a 'Buy-and-Build' strategy the Directors believe that they will deliver further and accelerated growth. In particular, many of the larger and potentially significantly profitable social housing maintenance contracts are subject to pre-qualifying conditions which are often based on a minimum level of revenue set above the Group's current level of turnover. As such P&R has been unable to tender for such contracts but with consolidation, the Directors believe that an enlarged group will be able to tender for such contracts.

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[1] Adjusted for: impairment of property, plant and equipment; loss on disposal of property plant and equipment; and redundancy costs

Key aspects of the Group's business include:

- award winning reputation with ongoing and long established customer relationships arising from P&R's high quality service and management expertise;

- substantial level of recurring revenue through multiple long term and rolling contracts with local authorities and housing associations;

- established financial record:

  - 2012 - 2014 revenue CAGR of 13.4 per cent;

  - adjusted operating profit margin of 14.2 per cent. for the 9 months ended 31 October 2014; and

  - strong cash generation enabling the Directors to confirm that Bilby will pay a maiden final dividend in respect to the financial period ending 31 March 2015.

- significant market opportunities:

  - the implementation, by the UK government, of the Decent Homes Standard to ensure that all social housing is provided to a minimum standard;

  - over 1.25 million local authority and housing association dwellings across London and South East England; and

  - and for the year ended 31 March 2014 over £2.5 billion spent on their repair, maintenance and supervision.

- a 'Buy-and-Build' strategy for market consolidation which the Directors believe will enable the Group to tender for certain contract opportunities that it may otherwise have been precluded from due to pre-qualification revenue requirements.

2. HISTORY AND BACKGROUND

In 1977 Deputy Executive Chairman Philip Copolo founded a gas heating services business trading as P&R Installation Company. That company was incorporated as P&R Installation Company Limited in 1997 and is today headquartered in Sidcup, Kent. Since inception P&R has grown steadily and today employs approximately 80 permanent staff. P&R also engages the services of a number of sub-contractors through the management of contracts to both individual contractors and some smaller building services companies.

Over recent years P&R's service offering has evolved to incorporate a broader range of domestic and commercial plumbing, electrical and general building repair services. These wider services were originally awarded to P&R as minor additional jobs alongside its gas heating services. However P&R has established a small team of multi-trade operatives working alongside the gas engineers, which has enhanced P&R's reputation in providing building maintenance services and has resulted in opportunities to tender for specific building services contracts. Today P&R has two operating divisions – gas installation and maintenance services and building maintenance services.

The rise in demand for building maintenance services has been in part due to social housing providers seeking multi-discipline contracts with 'one stop shops' that are able to provide a broad range of building services. Today a number of P&R's current relationships with local authorities and housing associations include multi-trade workstreams for building maintenance services. With its range of services, combined with fast response times and excellent customer service, the Directors believe P&R is well positioned in the building maintenance services market and will continue to see a growth in demand for its services.

3. MARKET OPPORTUNITY

The continued market opportunity for P&R is with local authorities and housing associations in London and South East England. As at 1 April 2014, there were over 1.25 million local authority and housing association dwellings across London and South East England. It is estimated that there are a further 800,000 people living in London who are on social housing waiting lists. The demand for social housing has added pressure for local authorities and housing associations to maintain and improve their current housing stock as well as to build new properties. For the financial year ended 31 March 2014, local authorities and housing associations in London spent *c.* £2.5 billion on repairs, maintenance and supervision of their housing stock.

The gas heating and general building services industries are benefiting from strong market fundamentals driven by government standards and legislation such as the Decent Homes Standard, the Right to Repair Scheme and applicable gas safety regulations. These government policies mean that the work carried out by P&R on local authority and housing association properties are a compulsory requirement regardless of budgetary pressures faced by these bodies.

Decent Homes Standard

The Decent Homes Standard was set by central government in 2000 to improve social housing conditions. It was updated in 2006 to take account of the Housing Act 2004 and included the implementation of the Housing Health and Safety Rating System. The Decent Homes Standard is a technical standard aimed at ensuring all housing:

- is provided to meet the statutory minimum standard for housing;
- is in a reasonable state of repair;
- has reasonably modern facilities and services; and
- has efficient heating and effective insulation.

Any home that does not meet all four criteria will fail and remedial action is required on a responsive basis. Due to this, the vast majority of work carried out by P&R can be considered as compulsory responsive repairs. In March 2013 the Greater London Authority (**GLA**) estimated that over 90,000 council or housing association homes still fell below the Decent Homes Standard.

To help tackle the backlog of improvement works for council homes, the Mayor of London secured £821 million in the 2011-2015 spending round period for London boroughs to improve the condition of *c.* 45,000 homes. However, even after this investment, GLA estimated that London will still have eleven of the twelve local authorities in the country where more than ten per cent. of dwellings do not meet the Decent Homes Standard.

The 2013 Comprehensive Spending Review announced a further £160 million would be made available in 2015-2016 for the national Decent Homes Backlog Programme, targeted on those areas with the largest number of non-decent homes. In recognition of the condition of London's local authority owned stock, the GLA will also invest up to £145 million to bring a further *c.*9,500 homes up to the Decent Homes Standard.

Right to Repair Scheme

The Right to Repair Scheme is legislation introduced by the government in 1994. It enables tenants to have urgent, minor repairs which would affect health or safety, completed quickly and at no cost to them. The scheme sets out a list of repairs which are required to be completed within a certain time period. The repair must cost less than £250 to carry out, with the tenant entitled to compensation if the repair is not completed within the specified time period. Qualifying repairs include:

- unsafe power, lighting sockets or electrical fittings;
- blocked flues to fires or boilers;
- leaking roofs;
- toilets that will not flush;
- blocked sinks, baths or basins;
- leaking or flooding from pipes, tanks or cisterns; and
- loose or broken banisters or handrails.

Although the Right to Repair Scheme covers what are initially and seemingly small jobs, the true cause of the problems will often only be discovered once P&R is on-site. In many cases this has led to a substantial amount of additional work for P&R.

Gas Safety

Gas is a heavily regulated industry and subsequently creates a demand for P&R's gas installation and maintenance services. As a consequence of the Gas Safety (Installation and Use) Regulations 1998 (**Gas Safety Regulations**), landlords have legal responsibilities to their tenants in relation to the gas safety of their properties. By law, landlords have three main responsibilities:

- Maintenance: relevant pipework, appliances and flues must be maintained to the gas safety levels;
- Gas safety checks: an annual gas safety check must be carried out on every gas appliance/flue; and
- Record: a record of the annual gas safety check must be provided to tenants within 28 days of the check being completed or to new tenants before they move in.

Gas Safety Regulations also state that landlords can only use a Gas Safe registered engineer for maintenance and safety checks on gas equipment they own and provide for tenants use in domestic premises. P&R currently has 42 Gas Safe Register qualified engineers.

New build housing market

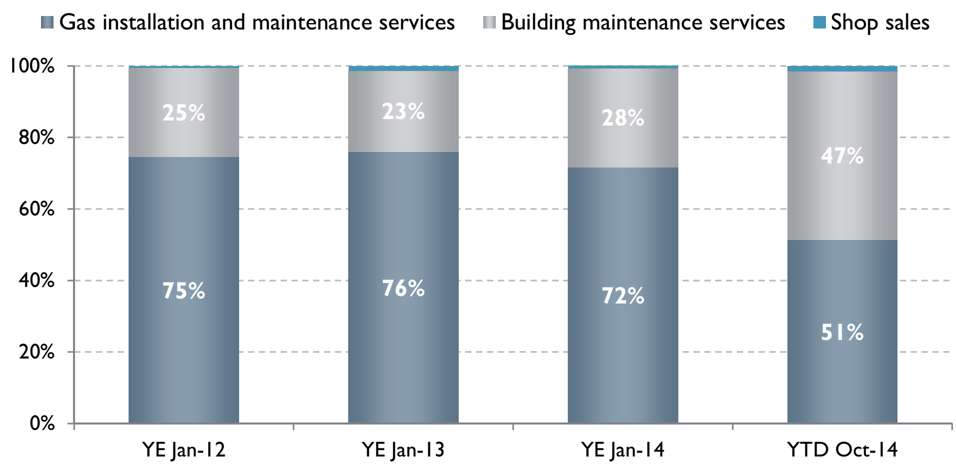
The official projections from the Office of National Statistics forecasts that between 2013 and 2021 there will be an additional 473,000 new households across Greater London. Recognising London's failure to build enough homes, not just over the last ten years but over the last 30 years, the Mayor of London has set the challenge of building more than 42,000 new homes per year for the next 20 years. The resurgence of residential development across London will increase the housing stock of local authorities and housing associations which will require regular maintenance services in the future.

4. BUSINESS

4.1 Services

P&R provides gas installation and maintenance services and building maintenance services to local authorities and housing associations who collectively service over 100,000 domestic and commercial dwellings across London and South East England. These services are predominately delivered to long standing customers, usually local authority and housing associations through multiple and independent, long term and rolling contracts. As a result of market fundamentals and the ability to provide a broad range of services, P&R has seen continued and increasing demand for its building maintenance services. A number of P&R's contracts with local authorities and housing associations are multi-trade building contracts and therefore include workstreams for reactive building maintenance services.

Revenue split by operating segment



Gas installation and maintenance services

P&R provides gas installation and maintenance services through 42 Gas Safe Register operatives. This work is carried out for both domestic and commercial clients. Providing gas installation and maintenance services is a heavily regulated profession and by law all gas engineers must be on the Gas Safe Register.

Gas installation and maintenance services for the Group include:

- servicing and repairs;
- fault finding;
- system upgrades;
- issue of the landlord's safety records;
- meter connections;
- full central heating systems;
- boiler installations; and
- cooker installations.

Building maintenance services

Building maintenance services covers trades including plumbing, electrics and general building maintenance. Building maintenance services are typically carried out by sub-contractors. The use of sub-contractors for these services enables P&R to have a flexible and scalable business model.

Building maintenance services for the Group include:

- internal and external building maintenance;
- domestic and commercial plumbing;
- plastering;
- tiling;
- bathroom plumbing and installation;
- window replacements;
- ground works;
- carpentry;
- painting;
- decorating; and
- roofing.

Shop sales

P&R sell stock to the general public and a small number of account holders from its headquarters in Sidcup, Kent. P&R stock essential plumbing and heating components such as showers, taps, baths, kitchen sinks, and guttering from leading manufacturers including Valliant, Honeywell and Worcester Bosch.

4.2 Employees

The Group currently employs approximately 80 staff including 42 Gas Safe Register qualified operatives. As at 31 October 2014 P&R also had contracts with 42 sub-contractors to help carry out building maintenance services.

All P&R employees and sub-contractors are required to attend company inductions as well as health and safety briefings when starting employment for P&R. In addition, sub-contractors and registered Gas Safe Register engineers maintain training records to demonstrate their previous experience with other companies as well as on-the-job training.

Technical gas qualifications

Due to the skilled nature of gas installation and maintenance services undertaken by P&R, certain certificates and accreditations are required. Meeting all relevant accreditations or qualifications is a pre-requisite to employment. As a heavily regulated industry, Gas Safe Register engineers are required to refresh their registration every five years. Gas Safe Register engineers are also required to sit examinations relevant to their competencies.

Sub-contractors

Building maintenance services, outside of specific plumbing or electrical work, is typically carried out by sub-contractors. The use of sub-contractors enables P&R to have a flexible and scalable business model. P&R operates a formal training process to ensure all sub-contractors are adequately trained to enable them to perform their assigned duties to the required high standard.

4.3 Systems and Controls

To adhere to the requirements as a contractor for both its gas installation and maintenance services and other building maintenance services, P&R has made significant investment in its systems and controls. The implementation of these systems and controls applies to all services in the business which means P&R has been able to ensure a consistently high standard of work.

These systems and controls include:

- **PR Manager** – a bespoke software package that records all activity in connection with gas installation and maintenance services as well as certain planned plumbing works. PR Manager is used to record all activity from the initial call a customer makes through to raising the sales invoice.
- **Data Delve** – primarily used to record gas installation and maintenance services work and dates for compliance, allowing for responsive servicing and maintenance. All planned gas maintenance is sent directly to the engineers on their handheld personal digital assistant.
- **Data Track** – a tracking device that enables P&R to locate all engineer vehicles at any given time.

The Board intends to invest part of the proceeds to be raised through the Placing in further expansion and development of P&R's operational systems as it pursues the planned acquisition strategy described in paragraph 8 below.

4.4 Key Performance Indicators (KPIs)

The Directors believe that the implementation of systems and controls across all services has helped to deliver impressive KPIs and demonstrates a high level of customer satisfaction amongst P&R's key customers. The Directors consider the operational and commercial KPIs to be business critical. P&R continually monitors on a contract by contract basis its KPIs which include:

- customer satisfaction scores;
- completion of contracts as a measure of efficiency, quality and service delivery;
- zero defects;
- fixed first time rates; and
- tender conversion rates.

The Group is being awarded a growing level of work from its clients which the Board attributes specifically to the high level of attainment reached by P&R's KPIs.

5. CUSTOMERS

5.1 Overview

P&R currently provides full maintenance service contracts to housing associations, local authorities, corporates, NHS trusts and wider government bodies covering over 100,000 properties. P&R has an emphasis on winning good quality contracts, which are able to provide sustainable margins.

P&R's contracts typically have a low initial contract value in comparison to their final revenue value. Contracts can initially be for relatively small and simple works, however the true cause of the problems will often only be discovered when P&R is on-site. In some cases, this can be significant and lead to P&R undertaking more extensive and complicated works. Even if this work is significantly more expensive due to government legislation, it is deemed compulsory and therefore must be carried out.

5.2 Contracts

P&R has secured long term and rolling contracts with a number of key customers. This has led to a growing order book which the Directors believe provides comfort in respect of future revenues. Contracts tend to start with a fixed time frame agreed, however in many cases they have continued on a rolling basis. With much of the maintenance work that is carried out by P&R being compulsory in accordance with government standards and legislation, local authorities and housing associations are continually required to attribute funds to the upgrade and improvement of their housing stock.

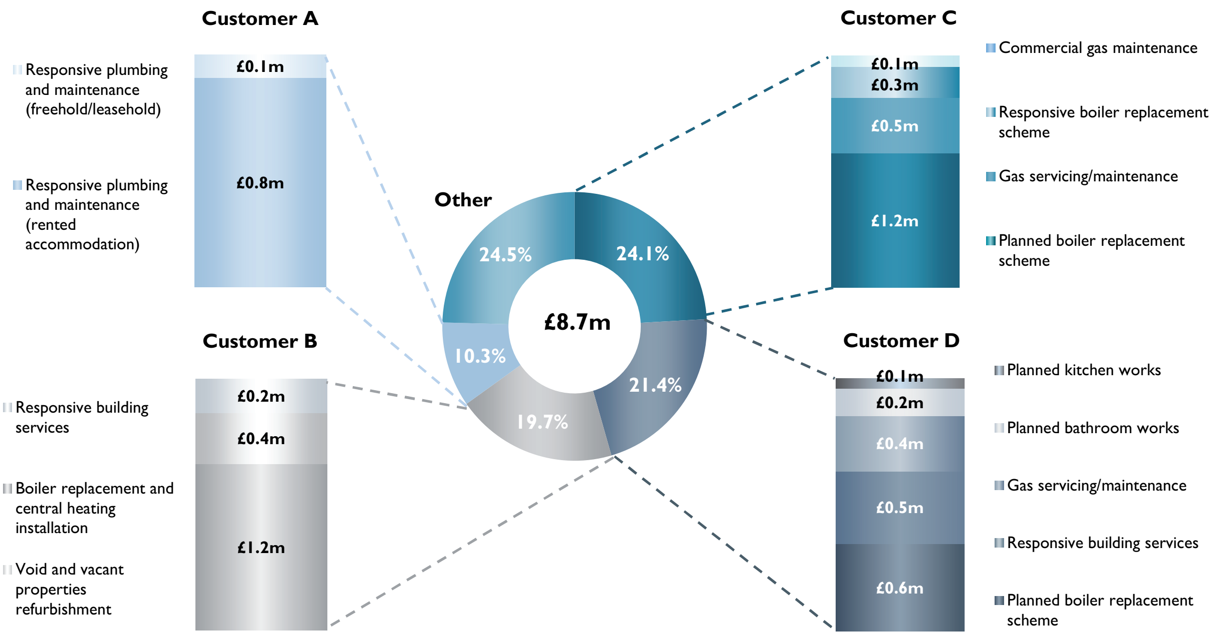
To avoid reliance on individual contracts, P&R looks to hold multiple contracts with each of its customers. These contracts operate independently and relate to the provision of a particular service or project. Under this model should one contract be terminated or not renewed this will not necessarily impact on other contracts for the same customer.

5.3 Key Customers

For the nine months ended 31 October 2014, P&R's top four customers contributed to 75.5 per cent. of its revenue. Across these four customers P&R holds eight separate contracts. Across the eight contracts there are also 14 distinct projects which the Directors believe operate independently. If P&R were to finish work on one project within a contract it would still continue work on the remaining projects. P&R therefore has no reliance on any one single project of work carried out for a customer.

By way of example, P&R holds two contracts for Customer D. One of these contracts is to provide building services whilst the other is to provide interim heating and gas services. Within the building services contract there are three projects: responsive building services, planned bathroom works and planned kitchen works. If P&R were to cease work on one of these projects it would not necessarily affect the requirement to work on the remaining two.

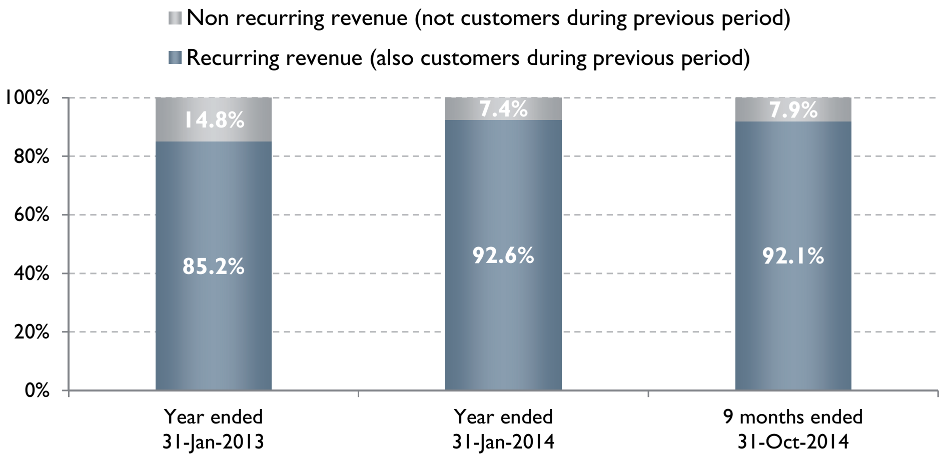
Revenue by Customer and by Project for 9 months ended 31 October 2014



5.4 *Recurring revenue*

P&R enjoys a significant proportion of repeat business from its customers which the Directors believe is an indication of P&R's high quality service. In addition to the growing order book, the high proportion of recurring revenue also provides comfort in respect of future revenues. For the nine months ended 31 October 2014, 92.1 per cent. of revenue was from customers that had been customers in the year ended 31 January 2014. For the year ended 31 January 2014, 92.6 per cent. of revenue was from those that had been customers in the year ended 31 January 2013.

Recurring revenue



6. SALES & MARKETING

P&R secures tender opportunities predominately through its procurement process, referrals from current customers and additional work for current customers.

Procurement process

Tender opportunities are secured through P&R's procurement process. The Directors are closely involved in the tender process using their extensive knowledge of costings and have developed a bespoke costing model to run estimated costs of potential contracts.

Referrals from current customers

P&R receives opportunities to tender for new customer contracts through referrals and recommendations as a result of the high standard of work delivered to its current customers.

Additional work for current customers

Through the high standard of work and its long standing customer relationships P&R receives follow on work and additional contract opportunities from its current customers often on a no-tender basis.

Other

P&R enjoys a high profile in South East London through advertising in the Yellow Pages and by the visibility of its vehicles in the area.

7. COMPETITION

P&R's direct competition is primarily from privately owned regional organisations that are focused on providing building and gas heating services to the social housing sector. These include for example BSW Limited, Lakehouse, Swale Heating, Smith & Byford and T Brown.

Currently, the Directors believe that the larger service providers such as, Breyer, Mears, Mitie, Morgan Sindall Property Services and Wilmott Dixon, who can satisfy pre-qualification revenue requirements, have become increasingly reliant on quality sub-contractors to fulfill a number of their contracts with social housing providers. P&R currently performs sub-contract work for Mears and Morgan Sindall Property Services. This demonstrates an opportunity for P&R to be employed as sub-contractor for some of the larger service providers. It is the Directors' intention to continue certain sub-contract work for some of these larger providers.

It should be noted that P&R achieves above average operating margins compared to its publicly quoted competitors. The Directors believe that this is down to a lean management structure, Director and management expertise, a disciplined approach to tendering and a geographic focus that has allowed careful management of P&R's cost base from a centralised location.

8. STRATEGY

The Directors believe that the Group will benefit from the continued demand for social sector housing in London and South East England as well as the statutory obligations for local authorities and housing associations to provide housing that reaches a minimum standard. To take advantage of the demand and opportunities, the Group's strategy is to grow the business both organically and through strategic acquisitions.

Organic growth

The Group aims to win quality long term contracts with sustainable margins, which offer predictable contracted revenue. The Group places emphasis upon maintaining a high level of service. The Directors believe that this will ensure the Group continues to receive additional and supplementary work as well as referrals from its current customers.

Strategic acquisitions

To accelerate growth, the Group would like to access larger tender contract opportunities. To access these opportunities the Group must build critical revenue mass in order to pass pre-qualification revenue requirements. The Directors have identified a selection of acquisition/merger opportunities as part of a 'Buy-and-Build' strategy. All potential acquisition targets must meet focused acquisition criteria based around: service synergies, revenue size, geographic focus, management team, margins, cash flows and forward order book.

9. SUMMARY FINANCIAL INFORMATION

The following information is extracted from the Historical Financial Information on the Group set out in Part III of this document. The summary financial information below should be read in conjunction with the information set out in Part III of this document.

	Year ended 31 January 2013 £'000 Audited	*Year ended 31 January 2014 £'000 Audited*	*9 months ended 31 October 2013 £'000 Unaudited*	*9 months ended 31 October 2014 £'000 Audited*
Revenue	8,460	9,733	7,568	8,666
Gross profit	2,220	2,519	2,033	2,281
Operating profit	451	858	730	1,230
Adj. operating profit(1)	572	961	791	1,236
Profit before tax	418	831	710	1,214
Adj. profit before tax(1)	539	934	771	1,220

(1) Adjusted for: impairment of property, plant and equipment; loss on disposal of property plant and equipment; and redundancy costs

10. CURRENT TRADING, RECENT DEVELOPMENTS AND PROSPECTS

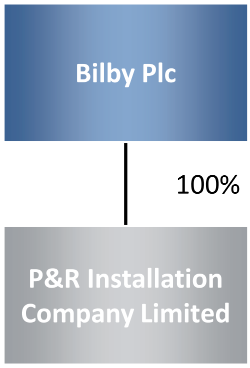
Since the date of its incorporation, being 20 June 2014, save for the matters described herein, Bilby has not yet commenced operations and has no material assets or liabilities, and therefore no financial statements for Bilby have been prepared as at the date of this document and there has been no significant change in the financial position of Bilby.

The financial information for P&R for the nine month period ended 31 October 2014 is set out in Part III of this document. There has been no significant change in the financial or trading position of P&R since 31 October 2014, the date to which financial information set out in Part III of this document was prepared.

Current trading for P&R is in line with the Board's expectations. The Board continues to implement the Group's strategy as set out in paragraph 8 of Part I of this document and remains confident about the future prospects of the Group.

11. GROUP STRUCTURE

Bilby Plc is the holding company of P&R Installation Company Limited.



Although P&R is currently the only subsidiary of Bilby, the Directors intend to implement a 'Buy-and-Build' strategy to deliver further growth.

12. DIRECTORS AND SENIOR MANAGEMENT

12.1 Directors

Philip John Copolo *(age 61) – Executive Deputy Chairman*

Mr Copolo founded the business in 1977, incorporated P&R in 1997 and has built up the business for 37 years. He takes an active role in the management of P&R and is a qualified gas engineer by trade. Mr Copolo has over 40 years' experience managing building maintenance services and is well known through the industry. He applies his experience to new client and tender opportunities and will take the lead on the Group's acquisition strategy.

Darren Peter John Dunnett *(age 48) – Managing Director*

Mr Dunnett has worked at P&R for 21 years. Mr Dunnett oversees the financial, personnel, procurement and IT functions at P&R's head office. He is dedicated to the continued growth of the Group both in terms of geographical coverage and increasing the quality of service provided to both corporate and residential clients.

David Thomas Ellingham *(age 61) – Finance Director*

Mr Ellingham is a Fellow of the Chartered Association of Certified Accountants, he is responsible for identifying complementary targets for the 'Buy-and-Build' strategy and brings a wealth of experience in merger and acquisitions. Mr Ellingham has experience acting as an executive director for various quoted companies.

Sangita Vadilal Manilal Shah *(age 48) – Non-Executive Chairman*

Mrs Shah has relevant executive and non-executive experience that makes her appropriate for the role of Chairman. She is a board director of Swindon Town Football Club Limited and of Global Reach Technology Limited and acts as a senior consultant to blue chip public and private sector clients including HM Cabinet Office and HSBC.

David Edward Johnson *(age 54) – Non-Executive Director*

Mr Johnson has had a long and successful career in the investment sector with a number of leading city investment houses including Sun Life Assurance, Henderson Crosthwaite, Investec Securities and Panmure Gordon. He joined Chelverton Asset Management in 2014 where he has responsibility for the group's private equity investments.

12.2 P&R Senior Management

Leigh Copolo – *Managing Director*

Mr Leigh Copolo became a partner in a plumber's merchant with Mr Philip Copolo and Mr Dunnett. The merchant was initially opened to serve the plumbing department of P&R and with experience and knowledge of a new working sector, the merchant grew to serve all aspects of P&R. In 2007, the merchant was incorporated into P&R. In 2009, Mr Leigh Copolo was appointed as a director of P&R. His main duties include the overall control of operatives and stock levels. He continually seeks to improve P&R and is an integral part of the organisation.

Andrew Lobel – *General Manager*

Mr Lobel has 15 years' experience working in the gas industry. He spent 11 years working for the major gas contractor Carillion Plc rising to become managing director for the South of England. Mr Lobel is involved with the planning and programming of annual servicing and has excellent gas safety awareness. He also holds a law degree.

Dave Richardson – *Operations Director*

Mr Richardson has worked at P&R for over 17 years and is now the operations director. He has brought considerable success to the Group such as P&R winning for three years consecutively the coveted "Best Specialist Contractor Award" issued by a major London borough.

Warren Edwards – *Contracts Manager*

Mr Edwards joined P&R in 2011, originally being employed to oversee the building and renovations of the new offices in Sidcup, Kent. After the completion of the renovations, Mr Edwards was placed in the position of plumbing supervisor. When P&R branched out into carrying out building maintenance services he became the head of the department. Mr Edwards has overseen the development of building maintenance services from two operatives up to 65 today.

Warren Oliver – *Contracts Manager*

Mr Oliver began his career with P&R as a plumber and worked for 15 years in this role. As the Group grew and the gas installation and maintenance services increased to a significant size, Mr Oliver took on the role of contracts manager for P&R.

13. CORPORATE GOVERNANCE

There is no required corporate governance regime in the UK for AIM companies. Although the Corporate Governance Code does not apply to companies quoted on AIM, the Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of its Shareholders.

The QCA has published the QCA Code, a set of corporate governance guidelines for AIM companies, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Board has adopted the QCA Code with effect from Admission, so far as it is practicable having regard to the size and current stage of development of the Group.

Set out below is a description of the Company's corporate governance practices.

The Board

The Board will meet regularly and will be responsible for strategy, performance, approval of any major capital expenditure and the framework of internal controls.

The Board is responsible for establishing and maintaining the Group's system of internal financial controls and importance is placed on maintaining a robust control environment. To provide effective internal financial control the Board has established appropriate procedures which include the following:

- a monthly management reporting process to enable the Board to monitor the performance of the Group;
- the Board will adopt and review a comprehensive annual budget for the Group. Monthly results will be examined against the budget and deviations will be closely monitored by the Board;
- the Board is responsible for maintaining and identifying major business risks faced by the Group and for determining the appropriate courses of action to manage those risks; and
- full consolidated management information will be prepared on a regular basis, at least half yearly.

The Board recognises, however, that such a system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss. The effectiveness of the system of internal financial control operated by the Group will therefore be subject to regular review by the Board in light of the future growth and development of the Company and adjusted accordingly.

The Board has delegated specific responsibilities to the committees referred to below.

Audit Committee

The Audit Committee consists of two non-executive Directors, Sangita Shah and David Johnson and one executive Director David Ellingham and is chaired by Sangita Shah. The duties of the Audit Committee are to: consider the appointment, re-appointment and terms of engagement of, and keep under review the relationship with, the Company's auditors, to review the integrity of the Company's financial statements, to keep under review the consistency of the Company's accounting policies and to review the effectiveness and adequacy of the Company's internal financial controls. In addition, it will receive and review such reports as it from time to time requests from the Company's management and auditors. The Audit Committee will meet at least three times a year and external auditors may be required to attend meetings.

Remuneration Committee

The Remuneration Committee consists of two non-executive Directors, Sangita Shah and David Johnson and one executive Director Philip Copolo and is chaired by Sangita Shah. It is expected to meet not less than twice a year. The Remuneration Committee has responsibility for reviewing and determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives, directors and other key employees and specific remuneration packages for executive directors, including pension rights and compensation payments. It is also to be responsible for making recommendations for grants of options under the Share Option Plan described in paragraph 16 of this Part 1 below.

The remuneration of non-executive Directors is a matter for the Board and no Director may be involved in any discussions as to his or her own remuneration.

14. THE SHARE DEALING CODE

The Company has adopted the Share Dealing Code which governs dealings by the Directors and employees (as well as certain relevant persons) in the Company's securities and which is appropriate for a company whose shares are admitted to trading on AIM (in order to, *inter alia*, ensure compliance with Rule 21 of the AIM Rules).

15. DIVIDEND POLICY

The Directors' intention is to implement a progressive dividend policy subject to the discretion of the Board and subject to the Group having distributable reserves. Based on their expectations of current and future trading and track record of business, the Directors intend to pay a maiden final dividend in respect to the financial period ending 31 March 2015.

16. SHARE INCENTIVE ARRANGEMENTS

The Directors recognise the need to attract, incentivise and retain employees and the importance of ensuring that all employees are well motivated and able to identify closely with the profitability of the Group. To this end, on 2 March 2015 the Company established the Bilby Plc 2015 EMI and unapproved share option plan (the **Share Option Plan**), details of which are set out in paragraph 7.1.1 of Part IV of this document. Under the Share

Option Plan, the Company can grant both tax-approved EMI options and unapproved options over up to ten per cent. of its issued Ordinary Share capital to certain executive Directors and employees of the Group.

Options over 1,612,067 Ordinary Shares have been granted before and are conditional on, Admission. Details of such Options are set out in paragraph 7 of Part IV of this document. These Options are exercisable at the Placing Price and will become exercisable on the third anniversary of their grant.

The Options issued to Darren Dunnett are exercisable at the Placing Price and will vest on 6 March 2018. Of these Options, half are subject to a performance condition based on a total Shareholder return over that period.

It is anticipated that further Options will be granted under the Share Option Plan to further incentivise employees.

17. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The P&R Shareholders holding, in aggregate, 100 per cent. of the Existing Ordinary Shares and 75.8 per cent. of the Enlarged Share Capital, have undertaken to the Company and Charles Stanley (subject to certain limited exceptions) following Admission not to dispose of the Ordinary Shares held by each of them on Admission (the **Locked-in Shares**) or any other shares which may accrue to them as a result of their holding of Ordinary Shares (or any interest in them or in respect of them) at any time prior to the date 12 months from the date of Admission (the **Lock-in Period**).

Furthermore, each of the P&R Shareholders has also undertaken to the Company and Charles Stanley not to dispose of the Locked-in Shares for the period of 12 months following the expiry of the Lock-in Period otherwise than pursuant to certain orderly market provisions.

Further details of these arrangements are set out in paragraph 12.2 of Part IV of this document.

18. REASONS FOR THE PLACING AND USE OF PROCEEDS

At this stage in development, the Directors believe the Group has grown in size and has established a wide range of services and a satisfied customer base.

The Directors believe that Admission is a key step for the Group to:

- provide working capital to fund the continued operations of the Group through a phase of expected rapid growth;
- provide a platform and access to capital should further financing be required for future acquisitions and expansion of the business;
- provide capital for development costs to help maintain above average operating margins compared to its publicly quoted peer group;
- enhance the Group's profit and standing in target markets; and
- attract, retain, and incentivise future and existing employees.

The net proceeds from the Placing receivable by the Company are expected to be approximately £1.8 million.

19. DETAILS OF THE PLACING

Pursuant to the Placing Agreement, Charles Stanley has conditionally placed 7,083,449 Placing Shares on behalf of the Company and the Selling Shareholder at the Placing Price. The Placing comprises the issue of up to 4,310,345 New Shares by the Company and the sale of up to 2,773,104 Sale Shares by the Selling Shareholder. The New Shares will be created in accordance with the 2006 Act. The New Shares to be issued by the Company pursuant to the Placing will represent approximately 14.71 per cent. of the Enlarged Share Capital and will raise approximately £2.5 million gross of expenses (approximately £1.8 million net of expenses excluding VAT) for the Company. On Admission, the Company will have a market capitalisation of approximately £17.0 million.

The Placing is not being underwritten.

The New Shares will be issued credited as fully paid and the Sale Shares will be sold and transferred credited as fully paid and the New Shares will rank *pari passu* in all respects with all Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares issued and to be issued are expected to commence on 6 March 2015.

Further details of the Placing Agreement is set out in paragraph 12.1 of Part IV of this document.

20. ADMISSION, SETTLEMENT AND DEALING

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 6 March 2015.

The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary computerised share transfer and settlement system. The system allows shares and other securities to be held in registered electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and written forms of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares held in uncertificated form following Admission will take place within the CREST system.

For further information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0)20 7849 0000.

21. EIS AND VCT STATUS

EIS

The Board have received provisional assurance from HMRC that it would be able to authorise the Company to issue certificates under section 204(1) of the UK Income Tax Act 2007 in respect of Ordinary Shares issued to individuals, following receipt of a properly completed EIS 1 form within the prescribed time limit stipulated in section 205(4) of the UK Income Tax Act 2007.

The continuing status of the Ordinary Shares as qualifying for EIS purposes will be conditional on the qualifying conditions being satisfied throughout the relevant period of ownership. Neither the Company nor the Directors give any warranty, representation or undertaking that any investment in the Company by way of EIS shares will remain a qualifying investment for EIS purposes.

EIS eligibility is also dependent on a Shareholder's own position and not just that of the Group. Accordingly, prospective investors should take their own advice in this regard.

VCT Scheme

The Board have received provisional assurance from HMRC that the Company may be regarded as "qualifying holdings" under Chapter 4, Part 6 of the UK Income Tax Act 2007 for the purposes of investment by VCTs.

The continuing status of the Ordinary Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on the Ordinary Shares being held as a "qualifying holding" for VCT purposes throughout the period of ownership.

Neither the Company nor the Directors give any warranty, representation or undertaking that any VCT investment in the Company will remain a qualifying holding.

The Group has not received, in the 12 months immediately prior to the Placing, any investments (including under the EIS or from VCTs) pursuant to a measure approved by the European Commission as compatible with Article

107 of the Treaty on the Functioning of the European Union in accordance with the principles laid down in the current Community Guidelines on State Aid to promote Risk Capital Investments in Small and Medium Sized Enterprises. Accordingly, the Placing will not cause the annual maximum of £5 million that can be raised from such sources to be exceeded

22. TAXATION

Information regarding UK taxation with regard to the Admission and Placing is set out in paragraph 11 of Part IV of this document. That information is intended only as a general guide to the current tax position under UK law. If you are in any doubt as to your tax position, you should contact an independent professional adviser.

23. FURTHER INFORMATION

Where information has been sourced from third-party external sources, this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by such third-parties, no facts have been omitted which would render this information inaccurate or misleading

Your attention is drawn to Parts II to IV (inclusive) of this document and the definitions. In particular you are advised to carefully consider the Risk Factors contained in Part II of this document. You are advised to read the whole of this document.

PART II

RISK FACTORS

In addition to all other information set out in this document, the following specific risk factors should be considered carefully by potential investors in evaluating whether to make an investment in the Group. The investment described in this document may not be suitable for all of its recipients. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the UK.

You should carefully consider the risks described below and ensure that you have read this document in its entirety before making a decision to invest in the Group.

Prospective investors should be aware that an investment in the Group is speculative and involves a high degree of risk. In addition to the other information contained in this document, the Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to make an investment in the Group. If any of the risks described in this document actually occurs, the Group may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Group. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Group. In particular, the Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority.

1. RISKS SPECIFIC TO THE GROUP'S ACTIVITIES

Dependence on key executives and personnel

The Group's future performance is substantially dependent on the continued services and performance of its Directors and senior management and its ability to attract and retain suitably skilled and experienced personnel.

Although certain key executives and personnel have entered, or will subject to Admission enter, into service agreements or letters of appointment with the Group, there can be no assurance that the Group will retain their services. The loss of the services of any of the key executives or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group.

Ability to recruit and retain skilled personnel

The Group believes that it has the appropriate incentivisation structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Group. However, any difficulties encountered in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group. The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed.

Significant shareholder

Following Admission, 52.0 per cent. of the Enlarged Share Capital will be held by Philip Copolo. Philip Copolo may, therefore, be able to exercise significant influence over the Group's corporate actions and activities and the outcome in general of matters pertaining to the Group, including the appointment of the Group's board of directors and the approval of significant change of control transactions. This control may in the future have the effect of making certain transactions more difficult without the support of Philip Copolo and may have the effect of delaying or preventing an acquisition or other change in control of the Group.

The Group is dependent on the success of its business strategy

The value of an investment in the Group is dependent, *inter alia*, upon the Group achieving the aims set out in this document. Although the Group has a focused strategy, there can be no guarantee that its objectives will be achieved or that the Group will achieve the level of success that the Directors expect.

Furthermore, the Group may decide to change aspects of its strategy described in this document. The Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated costs and expenses or technological changes. The Group's longer term growth will depend on its ability to continue to provide a service offering and level of professional expertise which is at least in line with market needs.

Growth management

The Directors believe that further expansion via acquisition will be required in the future to capitalise on the anticipated increase in demand for the Group's services. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Acquisition risk

As part of the Group's strategy it will seek potential acquisition targets to help expansion. In identifying potential acquisition targets, the Group would make every effort to ensure appropriate due diligence is carried out, but acquisitions would necessarily leave the Group exposed, at least to some degree, to any operational failings of the target company. Any payment for such target company with Ordinary Shares would also dilute the interests of Shareholders. In addition, merger and acquisition activity, including the difficulties involved in integrating companies, businesses or assets, may divert financial and management resources from the Group's core operations and prospects. In addition, no assurance can be given that any companies or businesses acquired will achieve levels of profitability that will justify the investment the Group makes in them. Furthermore, any new acquisitions may divert resources, including the attention of the Group's management team. The Group may also carry out opportunistic acquisitions that are not in line with its stated acquisition strategy, and there is no assurance that any acquisitions will be made at all. In addition, there can be no assurance that any acquisitions will successfully achieve their aims, and any acquisitions that are unsuccessful, or do not proceed according to plan, may result in impairment charges.

Reliance on key customers

P&R's top four customers, contributed to 75.5 per cent. of revenue for the 9 months ended 31 October 2014. The loss of a major customer, as opposed to an individual contract with that customer or a number of customers, would adversely impact upon the performance of the business. All of these customers have long standing relationships with P&R.

Potential requirement for further investment

Any future acquisitions may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds, if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group was unable to comply with the terms of the relevant debt facility agreement. If the Group is unable to obtain additional capital on acceptable terms, or at all, or to refinance current terms it may be forced to curtail or abandon such planned acquisition opportunities, expansion, activity and/or business development. The above could have a material adverse effect on the Group.

Major incident negatively impacting upon reputation and/or exposing inadequate internal health and safety regimes

A significant part of the Group's activities involves providing services to residents which are funded by local authority and other public bodies. Any service failure or operational incident in any part of the Group could negatively impact upon the reputation of the Group and its operations and financial performance. The negative impact of this on the Group's activities may be increased by the nature of its activities and the profile of its direct or indirect customers, specifically publicly funded bodies and social housing residents.

The nature of the businesses conducted by the Group will involve exposure to health and safety risks for both employees and third parties. This will require the adoption and maintenance of rigorous operational and occupational health and safety procedures. This is critical to the success of all areas of its business. Any health and safety failure which results in a major or significant health and safety incident may be costly for the Group in terms of potential liabilities incurred as a result. Furthermore, such a failure could generate significant adverse publicity and have a negative impact on the Group's reputation and its ability to win new business, which in turn could adversely affect the operating, financial and share price performance of the Group. The markets in which the Group operates are subject to numerous health and safety and other regulations. Changes to, and increases in, regulation may adversely affect the Group.

Reputation

The Group's reputation, in terms of the service it provides, the way in which it conducts its business and the financial results which it achieves, are central to the Group's future success. The Group currently operates through P&R's brand which represents its public face. Should the reputation of P&R's brand suffer, fairly or otherwise, future performance of the Group could be significantly impaired. Failure to meet the expectations of the customers, suppliers, employees and shareholders and other business partners may have a material adverse effect on the Group's reputation.

Change of Government policy

The Group will be dependent on the UK Government's policy with regard to expenditure on improving social housing and to public expenditure levels in general. The Group will be dependent on the policies and expenditure levels of its local government customers which follow their own strategies within the context of UK Government policy. The UK Government and local authorities may decide in future to change their priorities and programmes, including reducing present or future spending and investment where the Group would expect to compete for work. Any reduction in such Government investment and funding, or delays in implementing new funding, would be likely to affect adversely the Group's future revenues and profitability. In addition, there may be future changes in the structure of Government and local authorities which could have a material adverse effect on the Group's businesses.

Failure to meet quality thresholds, failure to complete or loss of major contracts

The work undertaken and services provided by the Group could be subject to quality measures imposed by customers and clients. In the event that the Group fails to achieve the quality measures imposed upon it, it is subject to the risk that payments due under contracts for work undertaken may not be recovered in full or will not be recovered at all. In turn, this could have an adverse impact on the future profitability of the Group and could damage its reputation thereby adversely affecting its ability to secure future business, or to secure future business on terms acceptable to it or cause the termination of existing contracts. Even if amounts disputed under a contract are recovered in whole or in part, it remains a risk that the time to recover such amounts will be longer than anticipated and, where payments are delayed, cash flow may be adversely affected, which in turn may adversely affect the financial condition of the business and prospects of the Group.

Fluctuations of revenues, expenses and operating results

The revenues, expenses and operating results of the Group could vary significantly from period to period as a result of a variety of factors, some of which are outside of its control. These factors include general economic conditions, adverse movements in interest rates, increased competition, changes in regulation, conditions specific to the social services market and spending on social housing maintenance and refurbishment. In response to a changing competitive environment, the Group may elect from time to time to make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on the Group's revenues, results of operations and financial condition. Despite the current strength of the order book and order pipeline of the Group, there is no guarantee that these orders and expected orders will be converted into sales which could have a material adverse effect upon the Group's profitability, cash flow and ability to meet market expectations of the Group's sales, profitability and cash flow.

Liability to customers

The Group's liability is uncapped under the terms of a number of its key customer contracts and in some cases the Group has given customers uncapped indemnities. The Directors consider this to be typical of the marketplace. The Group has in place various insurance policies typical for a business of this type.

Changes in political climate

Some of the local authority regions in which the Group operates may incur a change of political standing. Changes in such regions could result in additional costs being incurred in relation to existing contracts and/or impact on the ability of the Group to realise revenues or margin from such existing contracts or to win new contracts in such regions. This could adversely impact on the Group's future profitability or prospects.

Competition

The Group has a number of competitors. These competitors may announce new services, or enhancements to existing services, that better meet the needs of customers or changing industry standards. There is always the possibility that customers could terminate their contracts or elect not to renew rolling contract terms if they perceive that the Group's competitors offer more favourable contractual terms or services.

Litigation

Whilst the Group has taken, and intends 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 Group, the Directors cannot preclude the possibility of litigation being brought against the 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 Group will prevail in any such litigation. Any litigation, whether or not determined in the Group's favour or settled by the Group, may be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations.

2. GENERAL RISKS

Economic conditions

The Group could be affected by unforeseen events outside its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Group could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Group may operate.

Market risks

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's services and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

Financial, accounting, management, and other information and support IT systems

The efficient operation and management of the businesses of the Group, whether in whole or in part, depends on the proper operation and performance of financial, accounting, management and other information and support IT systems (such as payroll management and invoicing). A significant performance failure of any of such systems could lead to loss of control over critical business information and/or systems, (such as contract costs, invoicing or payroll management) resulting in an adverse impact on the ability of the business to operate effectively and/or fulfill its contractual obligations which may in turn lead to a loss of custom, revenue, and profitability.

3. RISKS ASSOCIATED WITH THE ORDINARY SHARES

General investment/market risks

A number of factors outside the Company's control could impact on its performance and the price of its Ordinary Shares, including investor sentiment and local and international stock market conditions. Shareholders should recognise that the price of shares may fall as well as rise and that the market price of the Ordinary Shares may not reflect the underlying value of the Company.

AIM risks

AIM securities are not admitted to the Official List. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List.

The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. 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 authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the UK.

Volatility

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Group, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Equity market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Group's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Placing Price.

Illiquidity

There will have been no public trading market for the Ordinary Shares prior to Admission. The Ordinary Shares may therefore be illiquid in the short to medium term and, accordingly, an investor may find it difficult to sell their Ordinary Shares, either at all or at an acceptable price. Further, the Group can give no assurance that an active trading market for the Ordinary Shares will develop or if such a market develops, that it will be sustained. The free float of the Company following Admission will be limited in light of the Lock-in Agreement and this may also have an impact on liquidity. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop below the Placing Price. Any investment in the Ordinary Shares should be viewed as a long term investment.

Dilution of Shareholders' interests as a result of additional equity issues

The Group may need to raise additional funds in the future to finance the expansion of its operations and/or the Group may elect to issue Ordinary Shares as consideration for acquisitions. If additional funds are raised through the issuance of new equity of the Group other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced. An additional offering of Ordinary Shares by the Company could have an adverse effect on the market price of the Group's shares as a whole.

Dividend policy

There can be no assurance as to the level of future dividends (if any). The ability of the Group to pay dividends on the Group's Ordinary Shares is a function of its profitability and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid. The declaration, payment and amount of any future dividends of the Group are subject to the discretion of the Directors, and will depend on, among other things, the Group's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid. At present, the Group's dividend policy is that the Directors intend to introduce a progressive dividend policy and intend to pay a maiden dividend in respect to the financial period ending 31 March 2015.

EIS and VCT status

The Group has received provisional approval from HMRC in respect of the qualifying status of the company for EIS and VCT purposes explained more fully in paragraph 21 of Part 1 of this document.

The provisional approval relates only to the qualifying status of the Company and its shares and does not guarantee that it will apply to a subscription of Ordinary Shares by any particular VCT or investor seeking EIS reliefs. The continuing availability of EIS relief and the status of the relevant Placing Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on the Group continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making their investment under EIS and, for VCT purposes, throughout the period the Ordinary Shares are held as a "qualifying holding". Neither the Directors, the Group nor the Group's advisers give any warranties or undertakings that any relief under EIS or that VCT qualifying status will be available in respect of the Placing, or that in due course such relief or status will not be withdrawn.

Circumstances may arise where the Directors believe that the interests of the Group are not best served by acting in a way that preserves the EIS or VCT qualifying status. In such circumstances, the Group cannot undertake to conduct its activities in a way designed to preserve any such relief or status.

Should the law regarding the EIS or VCTs change then any relief or qualifying status previously obtained may be lost.

Any person who is in any doubt as to their taxation position should consult their professional taxation adviser in order that they may fully understand how the rules apply in their individual circumstances.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Group. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to in this Part II crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

PART III

HISTORICAL FINANCIAL INFORMATION

The Company was incorporated and registered in England and Wales on 20 June 2014 with an accounting reference date of 30 June. The Company's accounting reference date was changed to 31 March on 19 December 2014. The Company acquired P&R Installation Company Limited by way of a share for share exchange on 2 March 2015.

Save for the transaction stated above, as at the date of this document, the Company has not commenced operations and has no material assets or liabilities. Accordingly, no historical financial information has been prepared in connection with the Company.

The Company will prepare statutory accounts from the date of incorporation to 31 March 2015.

Historical Financial Information of P&R Installation Company Limited in respect of the three years and nine months ended 31 October 2014 is provided in Part III of this document.

HISTORICAL FINANCIAL INFORMATION OF P&R INSTALLATION COMPANY LIMITED FOR THE THREE YEARS AND NINE MONTHS ENDED 31 OCTOBER 2014

SECTION A: ACCOUNTANTS' REPORT

The following is the full text of a report on P&R Installation Company Limited from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Bilby PLC.

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The Directors
Bilby Plc
6-8 Powerscroft Road
Sidcup
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DA14 5DT

2 March 2015

Dear Sirs,

P&R Installation Company Limited ("the Company")

We report on the financial information of P&R Installation Company Limited set out in Part III of the Admission Document dated 2 March 2015 ("Admission Document") of Bilby Plc. This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the financial information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed the financial information for the nine months ended 31 October 2013 and accordingly we do not express an opinion thereon.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume 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 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The Directors of Bilby Plc are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union as described in Notes 1 and 2 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document a true and fair view of the state of affairs of P&R Installation Company Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347.

A list of the names of members is open to inspection at the registered office 25 Farringdon Street, London EC4A 4AB

SECTION B: HISTORICAL FINANCIAL INFORMATION OF P&R

STATEMENT OF COMPREHENSIVE INCOME

	Notes	*Year ended 31 January 2012 £'000 Audited*	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*9 months to 31 October 2013 £'000 Unaudited*	*9 months to 31 October 2014 £'000 Audited*
Continuing Operations						
Revenue	5	7,567	8,460	9,733	7,568	8,666
Cost of Sales		(5,258)	(6,240)	(7,214)	(5,535)	(6,385)
Gross Profit		**2,309**	**2,220**	**2,519**	**2,033**	**2,281**
Administrative Expenses	7	(1,585)	(1,769)	(1,661)	(1,303)	(1,051)
Operating profit	8	**724**	**451**	**858**	**730**	**1,230**
Finance cost	10	(24)	(33)	(27)	(20)	(16)
Profit before taxation		**700**	**418**	**831**	**710**	**1,214**
Tax charge	11	(169)	(125)	(228)	(200)	(269)
Profit after tax		**531**	**293**	**603**	**510**	**945**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period attributable to the owners of the Company		**531**	**293**	**603**	**510**	**945**
Earnings per share attributable to the owners of the company						
Basic and diluted (pence)	26	0.53	0.29	0.62	0.51	0.92

STATEMENT OF FINANCIAL POSITION

	Notes	At 31 January 2012 £'000 Audited	At 31 January 2013 £'000 Audited	At 31 January 2014 £'000 Audited	At 31 October 2014 £'000 Audited
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,158	1,051	908	481
Current assets					
Inventories	14	74	79	320	392
Trade and other receivables	15	1,144	1,482	1,644	2,404
Cash and cash equivalents	16	41	218	97	506
		1,259	**1,779**	**2,061**	**3,302**
Total assets		**2,417**	**2,830**	**2,969**	**3,783**
EQUITY AND LIABILITIES					
Non-current liabilities					
Borrowings	17	405	215	178	–
Obligations under finance leases	18	136	107	28	14
Deferred Tax	25	–	–	19	19
		541	**322**	**225**	**33**
Current liabilities					
Borrowings	17	80	48	120	84
Trade and other payables	19	896	1,392	921	998
Corporate tax	11	171	123	209	290
Obligations under finance leases	18	139	159	105	44
		1,286	**1,722**	**1,355**	**1,416**
Total liabilities		**1,827**	**2,044**	**1,580**	**1,449**
Equity					
Share capital	20	1	1	1	1
Retained earnings		589	785	1,388	2,333
Total equity attributable to the owners of the company		**590**	**786**	**1,389**	**2,334**
Total equity and liabilities		**2,417**	**2,830**	**2,969**	**3,783**

STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the company		
	Share capital £'000	*Retained earnings £'000*	*Total equity £'000*
Balance at 1 February 2011	**1**	**545**	**546**
Comprehensive Income:			
Profit for the year	–	531	531
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	531	531
Transactions with owners recognised directly in equity:			
Dividends	–	(487)	(487)
Total transactions with owners recognised directly in equity	–	(487)	(487)
Balance at 31 January 2012 – Audited	**1**	**589**	**590**
Comprehensive Income:			
Profit for the year	–	293	293
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	293	293
Transactions with owners recognised directly in equity:			
Dividends	–	(97)	(97)
Total transactions with owners recognised directly in equity	–	(97)	(97)
Balance at 31 January 2013 – Audited	**1**	**785**	**786**
Comprehensive Income:			
Profit for the year	–	603	603
Other comprehensive income	–	–	–
Total comprehensive income for the year	–	603	603
Transactions with owners recognised directly in equity:			
Dividends	–	–	–
Total transactions with owners recognised directly in equity	–	–	–
Balance at 31 January 2014 – Audited	**1**	**1,388**	**1,389**

STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the company		
	Share capital £'000	*Retained earnings £'000*	*Total equity £'000*
Balance at 31 January 2013 – Audited	1	785	786
Comprehensive Income:			
Profit for the period	–	510	510
Other comprehensive income	–	–	–
Total comprehensive income for the period	–	510	510
Transactions with owners recognised directly in equity:			
Dividends	–	–	–
Total transactions with owners recognised directly in equity	–	–	–
Balance at 31 October 2013 – Unaudited	**1**	**1,295**	**1,296**
Balance at 31 January 2014 – Audited	1	1,388	1,389
Comprehensive Income:			
Profit for the period	–	945	945
Total comprehensive income for the period	–	945	945
Transactions with owners recognised directly in equity:			
Dividends	–	–	–
Total transactions with owners recognised directly in equity	–	945	945
Balance at 31 October 2014 – Audited	**1**	**2,333**	**2,334**

STATEMENT OF CASH FLOWS

	Notes	*Year ended 31 January 2012 £'000 Audited*	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*9 months to 31 October 2013 £'000 Unaudited*	*9 months to 31 October 2014 £'000 Audited*
Net cash generated from operations	21	**444**	**696**	**64**	**124**	**369**
Cash flow from investing activities						
Interest paid		(24)	(33)	(27)	(20)	(16)
Purchases of property, plant and equipment		(243)	(22)	(26)	(18)	(18)
Proceeds on disposal of property plant and equipment		6	3	6	3	376
Net (cash used)/generated from investing activities		**(261)**	**(52)**	**(47)**	**(35)**	**342**
Cash flow from financing activities						
Dividends paid		(487)	(97)	–	–	–
Repayment of bank loans		(24)	(25)	(89)	(68)	(314)
New bank loans		–	–	154	154	104
Repayment of Director loans		–	(198)	(30)	(22)	(4)
New Director loans		221	–	–	–	–
Capital element of finance lease payments		(134)	(147)	(173)	(135)	(88)
Net cash used in financing activities		**(424)**	**(467)**	**(138)**	**(71)**	**(302)**
Net (decrease)/increase in cash and cash equivalents		**(241)**	**177**	**(121)**	18	409
Cash and cash equivalents at beginning of period		282	41	218	218	97
Cash and cash equivalents at end of period		**41**	**218**	**97**	**236**	**506**

1. Basis of preparation

P&R Installation Company Limited is incorporated and domiciled in the UK and its registered office address is 6-8 Powerscroft Road, Sidcup DA14 5DT.

The historical financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively, "IFRS"), International Financial Reporting Interpretation Committee (IFRIC) interpretations, and with those parts of the Companies Act 2006 applicable to Company's reporting under IFRS as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (" IFRS as adopted by the EU").

The Company has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as they have been adopted by the European Union, that are relevant to its operations and effective for accounting periods beginning on 1 February 2014.

The historical financial information has been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies.

The preparation of the historical financial information requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions or estimates are significant to the financial information are disclosed in note 4.

The functional and presentational currency of the company is Pounds Sterling (£).

2. Summary of significant accounting policies

The principal accounting policies adopted are set out below.

2.1 Going concern

The historical financial information has been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, based on the continued support of its directors and the Company's bankers. The directors have prepared projections for the period to 31 March 2017. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the Company as regards to current expected revenues and its cost base.

The directors therefore consider it appropriate to continue to prepare the historical financial information on a going concern basis. The historical financial information do not include any adjustments that may be necessary in the event that adequate funding was not made available.

2.2 Operating profit

Operating profit is stated before finance costs.

2.3 Dividends

The Company has a policy of paying dividends to be paid to shareholders in accordance with the amount recommended by the Directors. If the Directors believe the dividends are justified by the profits of the Company available for distribution, they also pay interim dividends. Dividends are recognised when they become legally payable. In the case of interim dividends, this is when dividends are paid. In the case of final dividends, this is when the dividends are approved by the shareholders at the Annual General Meeting.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2.5 Retirement benefit costs

The Company operates a defined contribution scheme for the benefit of its employees. Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated to write off the cost of the assets, net of anticipated disposal proceeds, over the expected useful lives of the assets concerned as follows:

Freehold property	2% on Freehold building cost
Leasehold improvements	5% on Leasehold improvement cost
Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance
Plant and equipment	25% reducing balance
Freehold land is not depreciated	

Subsequent expenditures are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

2.8 Impairment of property, plant and equipment

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. For assets other than goodwill, where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of comprehensive income, net of any depreciation or amortisation that would have been charged since the impairment.

2.8 Inventories

Raw materials and consumables are measured at the lower of cost and net realisable value. Refer to inventories note for a further breakdown.

Work in progress is measured at the lower of cost and net realisable value. Cost comprises of direct materials and direct labour costs that have been incurred.

2.9 Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

(a) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short term trade and other receivables when the recognition of interest would be immaterial.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that have maturities of three months or less from inception, are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(d) Trade and other payables

Trade payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

(e) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.10 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

(b) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is charged or credited in the statement of comprehensive income except when it relates to items credited or charged directly in equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is calculated at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the statement of financial position date.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised by the Company, net of value added tax, based upon the following:

- Building Services – Building Services contracts range between 2-3 months. During the course of a project an independent surveyor will conduct a monthly review of the work done and agree an incremental payment. The Company thus recognises the revenue of a project gradually and on a monthly basis upon the accreditation of the surveyor. Revenue recognisable in relation to work completed and accredited is recognised as accrued income until invoiced.

- Gas Maintenance – Gas maintenance revenue is recognised when the services have been rendered.

- Trade Counter – Revenue is recognised upon the point of sale of items sold over the trade counter.

2.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals applicable to operating leases are charged to profit or loss on a straight-line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for over the period to the first rent review, so as to spread the benefit received.

2.13 New standards and interpretations

The following standards and amendments and IFRIC interpretations have been issued by the IASB and have been early adopted by the Company in preparing this financial information:

- IFRS 10, 'Consolidated financial statements' and corresponding amendment to IAS 27, 'Consolidated and separate financial statements'. IFRS 10 replaces guidance in IAS 27 regarding the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 11, 'Joint Arrangements'. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures Proportional consolidation of joint ventures is no longer allowed.

- IFRS 12, 'Disclosure of interests in other entities'. Provides disclosure requirements for IFRS 10, IFRS 11 and IAS 28 (Associates) and introduces disclosure requirements for unconsolidated structured entities.

- Amendment to IAS 28, 'Associates and joint ventures'. IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

- IAS 36, 'Impairment of assets'. This amendment removes certain disclosures of the recoverable amount of CGU's which had been included in IAS 36 by the issue of IFRS 13.

The following standards have not been early adopted and are not expected to have a material impact on the Company's results:

- IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces parts of IAS 39 that relate to the classification and measurement of financial instruments. The standard is the first step in the project to replace IAS 39, and the IASB also intends to add new requirements on hedge accounting and impairment. IFRS 9 is expected to be effective for the accounting period to 31 March 2016.

- IFRS 15 'Revenue from contracts with customers' provides a single, principles based five-step model to be applied to all contracts with customers.

  The five steps in the model are as follows:

  - Identify the contract with the customer
  - Identify the performance obligations in the contract
  - Determine the transaction price
  - Allocate the transaction price to the performance obligations in the contracts
  - Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 is effective for accounting periods beginning from 1st January 2017.

3. Financial Risk Management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk Management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in close co-operation with the Company's operating segments. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

3.2 Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates.

(a) Interest rate risk

The Company has exposure to interest rate risk. It has external borrowings at a number of different variable interest rates. The Company is also exposed to interest rate risk on some of its financial assets being its cash at bank balances. Details of actual interest rates incurred during each period can be found in note 22 to this financial information.

The level of interest rates is a key decision in management deciding which provider to use for external borrowings. The Directors believe that interest rate risk is at an acceptable level.

3.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's cash balances and trade receivables balances.

The Company has a number of policies for managing the credit risk of new customers, before standard payment terms and conditions are offered.

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk and therefore only financial institutions with a minimum rating of B are used. Currently all of the Company bank accounts are held with National Westminster Bank (Natwest) which has a Fitch rating of A.

3.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk relates to the Company's prudent liquidity risk management and implies maintaining sufficient cash reserves to meet the Company's working capital requirements. Management monitors rolling forecasts of the Company's liquidity and cash and cash equivalents on the basis of expected cash flow. The maturity of the Company's financial liabilities is disclosed in note 22.

As at 31 October 2014, the Company had positive cash amounts, of £505,617 (31 January 2014: £97,455; 31 January 2013: £217,832; 31 January 2012: £41,453).

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to shareholders. The Company funds its expenditures on commitments from existing cash and cash equivalent balances. There are no externally imposed capital requirements.

Financing decisions are made by the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company's commitments and development plans.

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued share capital and retained profits.

The gearing ratio at each period end is as follows:

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Debt	760	529	431	142
Cash and cash equivalents	41	218	97	506
Net debt	719	311	334	(364)
Equity	590	786	1,410	2,237
Net debt to equity ratio	1.2%	0.4%	0.2%	(0.2%)

4. Critical accounting estimates and judgements

The preparation of historical financial information in conformity with IFRS requires the Company to make certain critical accounting estimates and judgements. In the process of applying the Company's accounting policies, management has decided the following estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognised in the financial information.

Impairment of freehold property

In calculating the impairment value of an asset, management have to make judgements and assumptions which could have a significant risk of causing material adjustment. However when making such judgements management do so in accordance with the requirements of IAS 36 so as to mitigate the risk of a material misstatement. An impairment of the Company's freehold property was recognised in the year to 31 January 2014 and the year to 31 January 2013. Further information can be found in note 13.

Recoverability of trade receivable balances

In each of the periods shown in this historical financial information, there are a small number of customers with a significant trade receivable balance at the period end. Management have not made a provision against any of these receivable balances at any date. Although this is an area of judgement, management are comfortable with this position due to the high credit ratings of the customers involved and the lack of any history of non payment.

5. Revenue

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*9 months to 31 October 2013 £'000 Unaudited*	*9 months to 31 October 2014 £'000 Audited*
Gas maintenance	5,645	6,434	6,986	5,432	4,459
Building services	1,884	1,920	2,682	2,085	4,080
Trade counter	38	106	65	51	127
	7,567	**8,460**	**9,733**	**7,568**	**8,666**

All results in the current and prior periods derive from continuing operations and all revenues are derived from the UK.

6. Segmental Information

Information reported to the Company's Chief Executive for the purposes of resource allocation and assessment of segment performance is focussed on the different revenue streams that exist within the Company. The Company's principal reportable segments under IFRS 8 are therefore as follows:

- Gas maintenance
- Building services
- Trade counter

The Directors assess the performance of the operating segments based on revenues.

Segment revenues and results

Period ended 31 October 2014 – Audited	*Gas maintenance* £'000	*Building services* £'000	*Trade counter* £'000	*Total* £'000
Revenue:				
External sales	4,459	4,080	127	8,666
Cost of sales				(6,385)
Gross profit				2,281
Administrative Expenses				(1,051)
Operating profit				1,230
Finance cost				(16)
Profit before tax				1,214

Period ended 31 October 2013 – Unaudited	*Gas maintenance* £'000	*Building services* £'000	*Trade counter* £'000	*Total* £'000
Revenue:				
External sales	5,432	2,085	51	7,568
Cost of sales				(5,535)
Gross profit				2,033
Administrative Expenses				(1,303)
Operating profit				730
Finance cost				(20)
Profit before tax				710

Year ended 31 January 2014 – Audited	*Gas maintenance* £'000	*Building services* £'000	*Trade counter* £'000	*Total* £'000
Revenue:				
External sales	6,986	2,682	65	9,733
Cost of sales				(7,214)
Gross profit				2,519
Administrative Expenses				(1,661)
Operating profit				858
Finance cost				(27)
Profit before tax				831

Year ended 31 January 2013 – Audited	*Gas maintenance* £'000	*Building services* £'000	*Trade counter* £'000	*Total* £'000
Revenue:				
External sales	6,434	1,920	106	8,460
Cost of sales				(6,240)
Gross profit				2,220
Administrative Expenses				(1,769)
Operating profit				451
Finance cost				(33)
Profit before tax				418

Year ended 31 January 2012 – Audited	*Gas maintenance* £'000	*Building services* £'000	*Trade counter* £'000	*Total* £'000
Revenue:				
External sales	5,645	1,884	38	7,567
Cost of sales				(5,258)
Gross profit				2,309
Administrative Expenses				(1,585)
Operating profit				724
Finance cost				(24)
Profit before tax				700

Gas maintenance services include boiler work and central heating solutions for domestic customers or as part of a corporate contract for housing authorities. Building services relate to plumbing, electrical and building maintenance. Trade counter relates to over the counter sales. All revenues in the current and prior periods derive from the UK.

There are three customers who individually contribute 24 per cent., 14 per cent. and 11 per cent. respectively towards the revenue. (31 January 2014: four contributing 23 per cent., 20 per cent., 16 per cent. and 13 per cent.; 2013: two contributing 40 per cent.and 20 per cent.; 2012: two contributing 38 per cent. and 20 per cent.).

In the year to October 2014, 2 of the customers fell within the gas maintenance segment and the other in building services, (31 January 2014, 3 within gas maintenance and 1 within building services; 31 January 2013, 1 within gas maintenance and 1 within building services; 31 January 2012, 1 within gas maintenance and 1 within building services).

7. Administrative expenses

	Year ended 31 January 2012 £'000 Audited	Year ended 31 January 2013 £'000 Audited	Year ended 31 January 2014 £'000 Audited	9 months ended 31 October 2013 £'000 Unaudited	9 months ended 31 October 2014 £'000 Audited
Computer expenses	50	28	57	45	23
Depreciation and impairment	138	262	157	99	77
Legal and professional	119	139	135	106	108
Printing, postage and stationery	65	60	43	34	27
Travel	105	97	70	55	56
Utilities	149	175	136	106	101
Wages and salaries	872	891	870	682	574
Other	87	117	193	176	85
	1,585	**1,769**	**1,661**	**1,303**	**1,051**

8. Operating profit

Operating profit has been arrived at after charging:

	Year ended 31 January 2012 £'000 Audited	Year ended 31 January 2013 £'000 Audited	Year ended 31 January 2014 £'000 Audited	Period ended 31 October 2013 £'000 Unaudited	Period ended 31 October 2014 £'000 Audited
Staff Costs	3,446	3,779	3,180	2,385	3,116
Redundancy costs	–	41	31	31	–
Depreciation	138	183	132	99	77
Loss on disposal of property, plant and equipment	–	1	47	30	6
Impairment of property, plant and equipment	–	79	25	–	–
Operating lease rentals	–	11	12	9	–
Inventory recognised as an expense	2,232	2,923	4,438	3,712	5,115

The depreciation charge for each period as stated in the table above is disclosed within administration expenses in the statement of comprehensive income.

9. Staff costs

	Year ended 31 January 2012 No. Audited	Year ended 31 January 2013 No. Audited	Year ended 31 January 2014 No. Audited	9 months ended 31 October 2013 No. Unaudited	9 months ended 31 October 2014 No. Audited
The average number of employees (including directors) employed during each period was:					
Management	6	6	6	6	6
Administration	8	8	8	8	8
Operatives	91	89	79	82	65
	105	**103**	**93**	**96**	**79**

	Year ended 31 January 2012 £'000 Audited	Year ended 31 January 2013 £'000 Audited	Year ended 31 January 2014 £'000 Audited	9 months ended 31 October 2013 £'000 Unaudited	9 months ended 31 October 2014 £'000 Audited
The aggregate remuneration of the above employees (including Directors) comprised:					
Wages and salaries	3,049	3,381	2,865	2,149	2,934
Social security costs	315	353	300	225	163
Pension costs	82	45	15	11	19
Redundancy cost	–	41	31	31	–
	3,446	**3,820**	**3,211**	**2,416**	**3,116**

The remuneration of the Directors and other key management personnel of the Company are shown in note 23.

10. Finance costs

	Year ended 31 January 2012 £'000 Audited	Year ended 31 January 2013 £'000 Audited	Year ended 31 January 2014 £'000 Audited	9 months ended 31 October 2013 £'000 Unaudited	9 months ended 31 October 2014 £'000 Audited
Interest payable on bank borrowings and loans	6	8	7	5	4
Interest payable on hire purchase agreements	18	25	20	15	12
	24	**33**	**27**	**20**	**16**

11. Taxation

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*9 months ended 31 October 2013 £'000 Unaudited*	*9 months ended 31 October 2014 £'000 Audited*
Current tax:					
Tax on profits for the year	171	123	209	200	269
Adjustments in respect of prior periods	(2)	2	–	–	–
	169	**125**	**209**	**200**	**269**
Deferred tax:					
Origination and reversal of temporary differences	–	–	(8)	–	–
Adjustments in respect of prior periods	–	–	27	–	–
	–	–	**19**	–	–
Tax charge on profit on ordinary activities	**169**	**125**	**228**	**200**	**269**

The tax assessed in each period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*9 months ended 31 October 2013 £'000 Unaudited*	*9 months ended 31 October 2014 £'000 Audited*
Profit before taxation	700	418	831	710	1,214
Profit before taxation multiplied by the average rate of corporation tax in the UK of 21% (2013: 23%; 2012: 24%)	172	100	191	163	255
Effects of:					
Expenses not deductible for tax purposes	6	3	5	10	4
Depreciation in excess of capital allowances	(7)	9	5	17	4
Change in tax rate	–	2	1	10	6
Deferred tax	–	–	–	–	–
Adjustments to prior periods	(2)	2	27	–	–
Marginal relief	–	(10)	(5)	–	–
Freehold impairment	–	19	4	–	–
	169	**125**	**228**	**200**	**269**

For information on deferred taxation balance sheet balances, see note 25 to this financial information.

From 1 April 2013, the main UK Corporation tax rate reduced from 24 per cent. to 23 per cent.. From 1 April 2014 onwards the corporate tax rate was reduced to 21 per cent. and will be reduced to 20 per cent. from 1 April 2015. The rate reduction to 20 per cent. was substantively enacted on 3 July 2013. The rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

12. Dividends

	Year ended 31 January 2012 £'000 Audited	Year ended 31 January 2013 £'000 Audited	Year ended 31 January 2014 £'000 Audited	9 months ended 31 October 2013 £'000 Unaudited	9 months ended 31 October 2014 £'000 Audited
Interim dividends paid	487	97	–	–	–

The dividend per share for the year ended 31 January 2013 was £97 per share (2012: £487 per share).

13. Property, plant and equipments

	Freehold Property and Land £'000	Leasehold improvements £'000	Computer equipment £'000	Fixtures & fittings £'000	Motor vehicles £'000	Plant & equipment £'000	Total £'000
Cost:							
At 1 February 2011	510	–	180	84	630	–	1,404
Additions	–	193	31	19	229	–	472
Disposals	–	–	–	–	(20)	–	(20)
At 31 January 2012 – Audited	510	193	211	103	839	–	1,856
Additions	–	–	21	–	138	–	159
Impairment	(110)	–	–	–	–	–	(110)
Disposals	–	–	(33)	(55)	(83)	–	(171)
At 31 January 2013 – Audited	400	193	199	48	894	–	1,734
Additions	–	–	26	–	41	–	67
Impairment	(25)	–	–	–	–	–	(25)
Disposals	–	–	–	–	(271)	–	(271)
At 31 January 2014 – Audited	375	193	225	48	664	–	1,505
Additions	–	–	5	–	14	13	32
Disposals	(375)	–	–	–	(35)	–	(410)
At 31 October 2014 – Audited	–	**193**	**230**	**48**	**643**	**13**	**1,127**
Accumulated depreciation:							
At 1 February 2011	24	–	141	65	345	–	575
On disposals	–	–	–	–	(15)	–	(15)
Charge for the year	7	10	17	10	94	–	138
At 31 January 2012 – Audited	31	10	158	75	424	–	698
Impairment	(31)	–	–	–	–	–	(31)
Disposals	–	–	(33)	(55)	(79)	–	(167)
Charge for the year	–	10	20	7	146	–	183
At 31 January 2013 – Audited	–	20	145	27	491	–	683
Disposals	–	–	–	–	(218)	–	(218)
Charge for the year	–	10	19	5	98	–	132
At 31 January 2014 – Audited	–	30	164	32	371	–	597
Charge for the year	–	7	12	3	55	–	77
Disposals	–	–	–	–	(28)	–	(28)
At 31 October 2014 – Audited	–	**37**	**176**	**35**	**398**	–	**646**
Net book value:							
At 31 January 2012 – Audited	**479**	**183**	**53**	**28**	**415**	–	**1,158**
At 31 January 2013 – Audited	**400**	**173**	**54**	**21**	**403**	–	**1,051**
At 31 January 2014 – Audited	**375**	**163**	**61**	**16**	**293**	–	**908**
At 31 October 2014 – Audited	–	**156**	**54**	**13**	**245**	**13**	**481**

Included within freehold property is freehold land at a cost of £170,000 (31 January 2014: £170,000; 31 January 2013: £170,000; 31 January 2012: £170,000), which is not depreciated.

There was an impairment of freehold property during the years ended 31 January 2014 and 31 January 2013. A review of the value of the property was undertaken by the directors in which they considered the actual sales proceeds of the property which was disposed of on 1 August 2014. The impairment of freehold property reflects assessment based on the actual proceeds of the freehold property upon its disposal.

The net book value of property, plant and equipment at 31 October 2014 includes £245,000 (31 January 2014: £293,000; 31 January 2013: £403,000; 31 January 2012: £415,000) in respect of assets held under finance lease contracts which relate to the acquisition of motor vehicles.

14. Inventory

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Raw materials	74	79	286	281
Work in progress	–	–	34	111
	74	**79**	**320**	**392**

15. Trade and other receivables

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Current				
Trade receivables	1,118	1,479	1,255	2,172
Prepayments and accrued income	26	3	389	232
	1,144	**1,482**	**1,644**	**2,404**

The ageing of trade receivables that are past due but not impaired is shown below:

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Between 1-2 months	293	109	276	514
Between 1- 3 months	41	23	50	110
More 3 months	34	21	59	(32)
	368	**153**	**385**	**592**

The above balances are past due at the reporting date, but the Company has not recognised an allowance against trade receivables, as there has not been a significant change in credit quality.

The Company's exposure to credit risk is discussed in note 22 to this historical financial information, including how the Company assesses the credit quality of potential new customers and its policy for providing against overdue invoices.

The average credit period taken on sales of services as at 31 October 2014 is 50 days (31 January 2014: 47 days; 31 January 2013: 64 days; 31 January 2012: 54 days). No interest was charged on overdue receivables during any year.

The Directors believe that the carrying value of trade and other receivables is considered to represent its fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown above. The Company does not hold any collateral as security.

16. Cash and cash equivalents

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Cash and bank balances	**41**	**218**	**97**	**506**

Cash and cash equivalents comprise cash at bank. The carrying amount of these assets is approximately equal to their fair value.

The Company's cash and cash equivalents are held at floating interest rates and are held at Natwest Bank with an A credit rating as assessed by Fitch ratings. The directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

17. Borrowings

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Non-current:				
Bank loans	230	205	178	–
Director's loans	175	10	–	–
	405	**215**	**178**	–
Current:				
Bank loans	24	24	116	84
Director's loans	56	24	4	–
	80	**48**	**120**	**84**

The maturity analysis of borrowings, inclusive of finance charges is included at note 22. All of the loans are denominated in £ sterling.

Bank overdrafts are held at an interest rate of 2.9 per cent. above the Bank of England base rate. All cash at bank balances are denominated in £ sterling. As at the end of all periods, the Company had an unused overdraft facility of £250,000.

Non-current bank loans amounting to £nil as at 31 October 2014, (31 January 2014: £177,958; 31 January 2013: £205,062; 31 January 2012: £229,591), and current bank loans amounting to £83,517 as at 31 October 2014 (31 January 2014: £115,501; 31 January 2013: £23,500; 31 January 2012: £23,500) are secured on related property, plant and equipment are repayable by monthly instalments.

Details of the interest rates charged on the loans are as follows:

- A loan of nil as at 31 October 2014 (31 January 2014: £203,479; 31 January 2013: £228,562; 31 January 2012: £253,091) is at 1.75 per cent. above the Bank of England base rate. The loan was fully repaid when the freehold property was sold in August 2014.

- A loan of £83,517 as at 31 October 2014 (31 January 2014: £89,980; 31 January 2013; £nil; 31 January 2012: £nil) is at 2 per cent. above the Bank of England base rate. The loan is due to be repaid by June 2015.

All director's loans and are interest free with no set repayment date. Director's loans were repaid in the period to October 2014.

18. Obligations under finance leases

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Non-current:				
Minimum lease payments under finance leases	136	107	28	14
Current:				
Minimum lease payments under finance leases	139	159	105	44
	275	**266**	**133**	**58**

Net obligations under finance lease contracts are secured on related property, plant and equipment. The maturity analysis of obligations under finance leases inclusive of finance charges is shown in the following table:

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Gross finance lease liabilities – minimum lease payments:				
No later than 1 year	150	178	119	48
Later than 1 year and no later than 5 years	158	122	31	16
Later that 5 years	–	–	–	–
	308	300	150	64
Future finance charges on finance leases	(33)	(34)	(17)	(6)
	275	**266**	**133**	**58**

The present value of finance lease liabilities is as follows:

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
No later than 1 year	139	159	105	44
Later than 1 year and no later than 5 years	136	107	28	14
Later that 5 years	–	–	–	–
	275	**266**	**133**	**58**

The fair value of the Company's lease obligations is approximately equal to their carrying amount. All lease obligations are denominated in Pound Sterling (£).

It is the Company's policy to lease the majority of its Motor Vehicles. The average lease term is 3 years. For the period ended 31 October 2014, the effective borrowing rate was 2.5 per cent. (31 January 2014: 2.5 per cent., 31 January 2013: 2.5 per cent., 31 January 2012: 2.5 per cent.).

The Company's obligations under finance leases are secured by the lessor's rights over the leased assets.

19. Trade and other payables

	At 31 January 2012 £'000 Audited	*At 31 January 2013 £'000 Audited*	*At 31 January 2014 £'000 Audited*	*At 31 October 2014 £'000 Audited*
Current				
Trade payables	514	986	686	538
Other taxation and social security	312	325	177	412
Other payables	40	46	–	–
Accruals and deferred income	30	35	58	48
	896	**1,392**	**921**	**998**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing.

The Directors consider that the carrying value of trade and other payables approximates their fair value as the impact of discounting is insignificant.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices.

The average credit period taken on trade purchases is 45 days (2013: 45 days; 2012: 45 days).

20. Share capital

	At 31 January 2012 Number 000's and £'000	*At 31 January 2013 Number 000's and £'000*	*At 31 January 2014 Number 000's and £'000*	*At 31 October 2014 Number 000's and £'000*
Allotted, called up and fully paid:				
1,000 ordinary shares of £1 each	**1**	**1**	**1**	**1**

21. Notes to the cash flow statement

	At 31 January 2012 £'000 Audited	At 31 January 2013 £'000 Audited	At 31 January 2014 £'000 Audited	Period ended 31 October 2013 £'000 Unaudited	Period ended 31 October 2014 £'000 Audited
Cash flow from operating activities					
Profit before income tax	700	418	831	710	1,214
Adjustments for:					
Finance cost	24	33	27	20	16
Loss on disposal of tangible assets	–	1	47	30	6
Depreciation	138	183	132	99	77
Impairment	–	79	25	–	–
Movement in receivables	(378)	(338)	(163)	(112)	(760)
Movement in creditors	123	488	(471)	(320)	77
Movement in inventories	(7)	(5)	(241)	(180)	(72)
Tax paid	(156)	(173)	(123)	(123)	(188)
Net cash from operating activities	**444**	**696**	**64**	**124**	**369**

22. Financial instruments

The Company is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Company for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this historical financial information.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies section of this historical financial information.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables
- Borrowings
- Obligations under finance leases

The Company held the following financial assets at each reporting date:

	At 31 January 2012 £'000	At 31 January 2013 £'000	At 31 January 2014 £'000	At 31 October 2014 £'000
Loans and receivables:				
Trade receivables	1,118	1,479	1,532	2,172
Cash and cash equivalents	41	218	97	506
	1,159	**1,697**	**1,629**	**2,678**

The Company held the following financial liabilities at each reporting date:

	At 31 January 2012 £'000	At 31 January 2013 £'000	At 31 January 2014 £'000	At 31 October 2014 £'000
Held at amortised cost:				
Bank loans	254	229	294	84
Directors loans	231	34	4	–
Obligations under finance leases	275	266	133	58
Accruals and deferred income	30	35	58	48
Trade and other payables	554	1,032	686	538
	1,344	**1,596**	**1,175**	**728**

Financial risk management

The Company is exposed through its operations to the following financial risks:

- Interest rate risk
- Credit risk
- Liquidity risk

The Company's policies for financial risk management are outlined below.

Interest rate risk management

The Company's interest rate risk arises from certain of its loan borrowings and its cash at bank balances and overdrafts. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.The Company is also exposed to interest rate risk through its finance lease obligations.

The liquidity and interest rate risk tables shown later on in this note, outline the maturity of interest bearing financial liabilities and also the weighted average effective interest rate, whilst the sensitivity analysis below also gives information on the financial liabilities that suffer from interest rate risk.

The Company is exposed to interest rate risk on some of its financial assets, being its cash at bank balances.The interest rate receivable on these balances at 31 January 2014 was at an average rate of 2.9 per cent. (31 January 2013: 2.9 per cent.; 31 January 2012: 2.9 per cent.).

The Company gives careful consideration to interest rates when considering its borrowing requirements and where to hold its excess cash.The directors believe that interest rate risk is at an acceptable level.

The following table details the Company's sensitivity to a 0.75 per cent. increase in the current interest rate. 0.75 per cent. is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The sensitivity analysis considers the financial asset and liability balances at the period ends which suffer from variable interest rate risk and adjusts the interest rate for a 0.75 per cent. increase and decrease. A positive number below indicates an increase in profit when the interest rate increases.

	At 31 January 2012 £'000	*At 31 January 2013 £'000*	*At 31 January 2014 £'000*	*At 31 October 2014 £'000*
Effect of a 0.75% increase in interest rates	(2)	(2)	(2)	(1)
Effect of a 0.75% decrease in interest rates	1	1	2	1

The Company's policy is to minimise interest charges through active cash management. Interest charged on the Company's borrowings is kept under constant review.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's trade and other receivables and its cash balances. The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Company has an established credit policy under which each new customer is analysed for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

The maximum exposure the Company will bear with a single customer is dependent upon that customer's credit rating, the level of anticipated trading and the time period over which the relationship is likely to run.

Trade and other receivables

The Company is exposed to the risk of default by its customers. At 31 October 2014, the Company had one customer with an outstanding balance over £250,000 (31 January 2014: one, 31 January 2013: two; 31 January 2012: two). The Directors believe that there is no credit risk associated with these customers because there is no history of default by these customers.

There are no other significant concentrations of credit risk at the balance sheet date.

At 31 October 2014, the Company held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the historical financial information, net of any allowances for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No impairment of financial assets has been made at any date shown in this historical financial information. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation.

The Directors manage liquidity risk by regularly reviewing cash requirements by reference to short term cash flow forecasts and medium term working capital projections prepared by management.

The Company maintains good relationships with its bank, which has a high credit rating.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest payable and principal cash flows.

At 31 October 2014	*Weighted average interest rate £'000*	*Less than 1 year £'000*	*Between 1 and 2 years £'000*	*Between 2 and 5 years £'000*	*More than 5 years £'000*	*Total £'000*
Bank loans	2.40%	84	–	–	–	84
Directors loans	–	–	–	–	–	–
Finance leases	2.5%	45	10	4	–	59
Trade and other payables	–	538	–	–	–	538
		667	**10**	**4**	–	**681**

At 31 January 2014	*Weighted average interest rate £'000*	*Less than 1 year £'000*	*Between 1 and 2 years £'000*	*Between 2 and 5 years £'000*	*More than 5 years £'000*	*Total £'000*
Bank loans	2.40%	116	26	78	74	294
Directors loans	–	4	–	–	–	4
Finance leases	2.5%	105	28	–	–	133
Trade and other payables	–	686	–	–	–	686
		911	**54**	**78**	**74**	**1,117**

At 31 January 2013	*Weighted average interest rate £'000*	*Less than 1 year £'000*	*Between 1 and 2 years £'000*	*Between 2 and 5 years £'000*	*More than 5 years £'000*	*Total £'000*
Bank loans	2.40%	24	24	72	109	229
Directors loans	–	24	10	–	–	34
Finance leases	2.5%	159	78	29	–	266
Trade and other payables	–	1,032	–	–	–	1,032
		1,239	**112**	**101**	**109**	**1,561**

At 31 January 2012	*Weighted average interest rate £'000*	*Less than 1 year £'000*	*Between 1 and 2 years £'000*	*Between 2 and 5 years £'000*	*More than 5 years £'000*	*Total £'000*
Bank loans	2.40%	24	24	72	134	254
Directors loans	–	57	165	10	–	232
Finance leases	2.5%	139	88	48	–	275
Trade and other payables	–	554	–	–	–	554
		774	**277**	**130**	**134**	**1,314**

All of the Company's financial assets are receivable within one year.

23. Related party transactions

All related party transactions are as follows:

Directors' loans

The total amount outstanding for Directors' loans as at 31 October 2014 is nil (31 January 2014: £4,391; 31 January 2013: £34,332; 31 January 2012: £231,862). All director loans are due to Mr P Copolo.

No interest was payable on the loans, and there was no set repayment date.

Directors' remuneration

The remuneration of the Directors and other key management personnel of the Company is as follows:

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*Period ended 31 October 2013 £'000 Unaudited*	*Period ended 31 October 2014 £'000 Audited*
The aggregate remuneration comprised:					
Wages and salaries	294	289	342	256	132
Pension contributions	31	28	5	4	–
	325	**317**	**347**	**260**	**132**

Dividends were paid to the following Directors as follows:

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*Period ended 31 October 2013 £'000 Unaudited*	*Period ended 31 October 2014 £'000 Audited*
P Copolo	390	87	–	–	–
D Dunnett	48	10	–	–	–
S Bannister	49	–	–	–	–
	487	**97**	–	–	–

24. Operating Leases

The company enters into non-cancellable operating leases relating to office equipment. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	At 31 January 2012 £'000	*At 31 January 2013 £'000*	*At 31 January 2014 £'000*	*At 31 October 2014 £'000*
No later than 1 year	6	10	11	11
Later than 1 year and no later than 5 years	1	32	25	14
	7	**42**	**36**	**25**

25. Deferred Tax

	Short term timing differences £'000
At 1 January 2011	
Credit/(Charge) to the income statement	–
At 31 January 2012 – Audited	–
Credit/(Charge) to the income statement	–
At 31 January 2013 – Audited	–
Credit/(Charge) to the income statement	(19)
At 31 January 2014 – Audited	**(19)**
Credit/(Charge) to income statement	–
At 31 October 2014 – Audited	**(19)**

The deferred tax balance relates to accelerated capital allowances.

26. Earnings per share

	Year ended 31 January 2012 £'000 Audited	*Year ended 31 January 2013 £'000 Audited*	*Year ended 31 January 2014 £'000 Audited*	*Period ended 31 October 2013 £'000 Unaudited*	*Period ended 31 October 2014 £'000 Audited*
Profit from continuing operations attributable to owners	531	293	624	510	924
Weighted average number of shares in issue	1,000	1,000	1,000	1,000	1,000
Earnings per share (pounds)	0.53	0.29	0.62	0.51	0.92

27. Subsequent events

On 2 March 2015 the Company was acquired by Bilby by way of a share for share exchange.

PART IV

ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENT

The Company and the Directors, whose names and functions are set out in paragraph 12.1 of Part I of this document, accept responsibility, both individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Directors 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 does not omit anything likely to affect the import of such information.

2 THE COMPANY

2.1 The Company was incorporated in England and Wales under the 2006 Act on 20 June 2014 with company number 9095860 as a public limited company. On 9 January 2015 the Company obtained a trading certificate pursuant to section 761 of the 2006 Act entitling it to do business and borrow.

2.2 The registered office of the Company is at 6-8 Powerscroft Road, Sidcup, Kent DA14 5DT. The Company's website which discloses the information required by Rule 26 of the AIM Rules is www.bilbyplc.com. The Company's telephone number is +44 (0) 20 8300 0300.

2.3 The principal activity of the Company is to act as a holding company. It acts as the holding company of the Group, whose principal activities are described more fully in Part I of this document.

2.4 The Company has no administrative, management or supervisory bodies other than the Board, the Remuneration Committee and Audit Committee.

2.5 The Company is governed by its Articles and the principal legislation under which the Company operates is the 2006 Act and the regulations made thereunder.

2.6 For the period covered by the Historical Financial Information at Part III of this document, the current auditors are Baker Tilly UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB and the previous auditors were Harrison Hill Castle & Co, Melbury House 34 Southborough Road, Bickley, Kent BR1 2EB. Each are a member of the Institute of Chartered Accountants in England and Wales.

2.7 The accounting reference date of the Company is 31 March.

2.8 The International Security Identification Number or "ISIN" for the Ordinary Shares is GB00BV9GHQ09.

2.9 The liability of the Shareholders is limited.

2.10 The Company is domiciled in England.

3 SHARE CAPITAL OF THE COMPANY

3.1 The issued fully paid up share capital of the Company before the Placing and as it is expected to be immediately following Admission, is as follows:

Ordinary Shares	*Aggregate nominal value*	*Number of Ordinary Shares*
Before the Placing	£2,500,000	25,000,000
Immediately following Admission and the Placing	£2,931,035	29,310,345

3.2 The Company was incorporated with a share capital of £2.00 divided into two Ordinary Shares of £1.00 each which were fully paid.

3.3 On 8 January 2015, the following shares in the Company were allotted:

(a) 98 ordinary shares of £1 each to the existing shareholders of P&R in pro rata proportions to their existing shareholdings at that time in P&R; and

(b) 50,000 redeemable non-voting preference shares of £1 each to Philip Copolo, following which the share capital of the Company was £50,100 divided into 100 ordinary shares of £1 each and £50,000 redeemable non-voting preference shares of £1 each.

3.4 On 2 March 2015, the Company, Philip Copolo, Darren Dunnett, David Ellingham, Janet Copolo, Leigh Copolo and David Richardson (the **P&R Shareholders**) entered into a share purchase agreement (the **Reorganisation Agreement**) pursuant to which the P&R Shareholders conditionally exchanged their entire holding of shares in P&R in consideration for the issue to them of ordinary shares in the Company. The Reorganisation Agreement is conditional on Admission. On Admission, the number of shares in the Company held by each P&R Shareholder will be equal in pro-rata proportion and class as to the number of shares previously held by each such P&R Shareholder in P&R, and the Company will be the holding company of P&R.

3.5 On 2 March 2015, the Company passed resolutions:

(a) to authorise the directors, for the purposes of section 551 of the 2006 Act to allot relevant securities of the Company conditional upon Admission:

(i) up to an aggregate nominal amount of £2,930,935 in respect of the Reorganisation Agreement and the Placing;

(ii) otherwise than pursuant to paragraph (i) above, up to an aggregate nominal value of £818,815, such authorisation expiring on the date of the next annual general meeting of the Company.

3.6 On 2 March 2015, the Company passed resolutions to subdivide its share capital such that each Ordinary Share of £1 is divided into 10 Ordinary Shares of 10p each.

3.7 On Admission, in accordance with resolutions which have been passed by the Company at a general meeting prior to Admission, the 50,000 issued redeemable non-voting preference shares of £1 each will be redeemed.

3.8 The number of Existing Ordinary Shares is 25,000,000. The Company will, pursuant to the Placing (and in accordance with the terms of the Placing Agreement), allot 4,310,345 New Shares at the Placing Price, conditionally upon Admission. Accordingly, immediately following Admission the issued share capital of the Company will increase to £2,931,035 divided into 29,310,345 Ordinary Shares.

3.9 The New Shares will, following allotment, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions hereafter declared, paid or made on the share capital of the Company.

3.10 The holders of Existing Ordinary Shares will be diluted by the issue of the New Shares. The effect of the issue of the New Shares and the sale of the Sale Shares (assuming that the Placing is fully subscribed by parties who are not holders of Existing Ordinary Shares) will be that holders of Existing Ordinary Shares at the date of this document will own 75.8 per cent. of the Enlarged Share Capital following Admission.

3.11 In addition, the Company has issued Options, details of which are set out in paragraph 7 of this Part IV.

3.12 Save as disclosed in this Part IV, as at the date of this document:

(a) no shares in the capital of the Company or of any member of the Group is under option or is the subject of an agreement, conditional or unconditional, to be put under option;

(b) no shares in the capital of the Company have been issued, or is now proposed to be issued, otherwise than fully paid;

(c) there are no shares in the capital of the Company which do not represent capital;

(d) no person has any preferential subscription rights for any share capital of the Company;

(e) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any shares in the capital of the Company;

(f) the Company does not hold any of its own Ordinary Shares as treasury shares and none of the Company's subsidiaries hold any Ordinary Shares;

(g) the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and

(h) there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

4 ARTICLES OF ASSOCIATION

4.1 The intention of the Company is to carry on business as a holding company.

4.2 The Articles which were adopted by the Shareholders, conditional on Admission, in their current amended and restated form pursuant to a resolution passed at a general meeting of the Company held on 2 March 2015, contain provisions which are summarised below in this paragraph 4.2.

4.2.1 Objects

Pursuant to section 31 of the 2006 Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law.

4.2.2 Limited Liability

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.

4.2.3 Change of Name

The Company may change its name by resolution of the Board.

4.2.4 Share Rights

Subject to the provisions of the 2006 Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

Subject to the provisions of the 2006 Act, and without prejudice to any rights attaching to any existing shares or class of shares, the Board may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder.

4.2.5 Voting rights

Subject to the provisions of the 2006 Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles:

(a) on a show of hands:

(i) every member who is present in person shall have one vote;

(ii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he shall have one vote for and one vote against the resolution; and

(iii) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and

(b) on a poll every member who is present in person or by a duly appointed proxy or corporate representative shall have one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.

No member shall be entitled to vote at any general meeting unless all moneys presently payable by him in respect of shares in the Company have been paid.

4.2.6 Variation of rights

Subject to the provisions of the 2006 Act, if at any time the capital of the Company is divided into different classes of shares, rights attached to any class of shares may be varied or abrogated either with the written consent of the holders of not less than three-quarters 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 those shares.

4.2.7 Transfer of shares

All transfers of shares which are in certificated form may be effected by an instrument of transfer in any usual form or any other form which the Board may approve, and shall be signed by or on behalf of the transferor and, unless the share is a fully paid share, the transferee. The transferor will be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

All transfers of shares which are in uncertificated form shall be effected in accordance with the CREST Regulations.

The Board may, in its absolute discretion and without giving any reason, decline to register the transfer of a certificated share which is not fully paid, provided that, in the case of a class of shares which have been admitted to trading on AIM, the refusal does not prevent dealings from taking place on an open and proper basis. The Board may also decline to register the transfer of a certificated share unless the instrument of transfer (i) is lodged, duly stamped (if stampable), at the place where the register of members of the Company is kept accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (ii) is in respect of only one class of shares; and (iii) is in favour of not more than four transferees.

The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

If the Board declines to register a transfer, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company or the instructions of the Operator (as defined in the CREST Regulations) were received.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the CREST Regulations, the Board may permit title to shares of any class to be evidenced otherwise than by a certificate and title to shares of such class to be transferred by means of a relevant system, and subject to the CREST Regulations may cancel such permission.

4.2.8 Dividends

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of calls shall be treated for these purposes as paid up on the share. Dividends may be declared or paid in any currency. The Board may pay interim dividends if it appears to the Board that they are justified by the financial position of the Company. The Board may also pay at intervals determined by it any dividend at a fixed rate if the financial position of the Company, in the opinion of the Board, justifies the payment.

Where, in respect of any shares, any member or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 793 of the 2006 Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may retain dividends on such shares as described in paragraph 4.2.13 below.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend.

4.2.9 Return of capital

On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payment of its liabilities shall, subject to the rights of the holders of other classes of shares, be applied to the holders of Ordinary Shares equally pro rata to their holdings of Ordinary Shares.

4.2.10 Pre-emption

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

4.2.11 General meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the 2006 Act. The Board may convene general meetings whenever and at such times and places as it shall determine.

An annual general meeting shall be convened by not less than 21 clear days' notice. Subject to the provisions of the 2006 Act, all other general meetings may be convened by not less than 14 clear days' notice.

The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at the meeting. In the case of a meeting convened to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. Subject to the provisions of the 2006 Act, the Articles and to any applicable restrictions, the notice shall be sent to every member and every director and to the auditors. The accidental omission to send a notice, or to send any notification where required by the 2006 Act or the Articles in relation to the publication of a notice of meeting on a website, or to send a form of proxy where required by the 2006 Act or the Articles, to any person entitled to receive the same shall not invalidate the proceedings at that meeting.

A general meeting may be held at more than one place. Its proceedings are valid if the chairman of the meeting is satisfied that electronic or other facilities are available to enable each person present at each place to participate in the business of the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present (the principal place). The Board may, for the purpose of facilitating the organisation and administration of such general meeting, make arrangements, whether involving the issue of tickets (on a basis intended to afford to all members and proxies and others entitled to attend the meeting an equal opportunity of being admitted to the principal place) or the imposition of some random means of selection or otherwise as the Board considers appropriate.

The Board and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction appropriate to ensure the safety and security of those attending the meeting, including a requirement for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. They may also refuse entry to or to eject from the meeting a person who refuses to comply with these arrangements.

No business shall be transacted at any general meeting unless a quorum is present. Subject to the Articles, two persons (present in person or by proxy) entitled to vote upon the business to be transacted at the meeting shall be a quorum. The chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting to another time and place (or indefinitely). Whenever a meeting is adjourned for more than three months or indefinitely, at least seven clear days' notice must be given, and the notice must specify the place, day and time of the adjourned meeting and the general nature of the business to be transacted.

A director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.

A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the 2006 Act, a poll may be demanded by the chairman, at least five members having the right to vote on the resolution, or a member or members representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution, or a member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

4.2.12 Untraced shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any shares of a member, or any shares to which a person is entitled by transmission, who has remained untraced for 12 years immediately prior to the date of the publication of an advertisement of an intention by the Company to make such a disposal.

4.2.13 Requirement to disclose interests in shares

If any member, or any other person appearing to be interested in shares held by such member, shall have been duly served with a notice under section 793 of the 2006 Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of notice, the following sanctions shall apply:

(a) the member shall not be entitled in respect of the default shares or any other shares held by the member to attend and vote either personally or by proxy at any general meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(b) where the default shares represent at least 0.25 per cent. in nominal value of their class the Board may direct that:

(i) any dividend or other money payable in respect of the default shares shall be retained by the Company without any liability to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and

(ii) the member shall not be entitled to transfer any of such shares unless required by the CREST Regulations or by way of an approved transfer, which is a transfer (1) by way of sale of the whole beneficial interest to an unconnected third party, or (2) which results from a sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded, or (3) pursuant to an acceptance of a takeover offer.

The above restrictions shall continue until either the default is remedied or the shares are the subject of an approved transfer. Any dividends withheld shall be paid to the member as soon as practicable after the above restrictions lapse.

4.2.14 Lien

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The board may at any time, either generally or in any particular case, waive any lien that has arisen, or declare any share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends and other moneys payable in respect of it. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

4.2.15 Call on shares

Subject to the terms of issue, the Board may from time to time make calls upon the members in respect of any amounts unpaid on their shares. Each member shall, subject to receiving at least 14 clear days' notice, pay to the Company the amount called on his shares. In the event of non payment, interest shall be payable on the amount unpaid from the day it become due until paid.

4.2.16 Appointment of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than four. Directors may be appointed by the Company by ordinary resolution of shareholders or by the Board. At each annual general meeting any director who has been appointed by the Board since the last annual general meeting, or who held office at the time of the two preceding annual general meetings and did not retire at either of them, or who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for re appointment by the members. A director who retires from office at an annual general meeting, if not re-appointed or deemed under the Articles to be re-appointed at the meeting, shall vacate office at its conclusion. No person other than a director retiring under the Articles shall be appointed a director at any general meeting unless (i) he is recommended by the Board; or (ii) not less than seven nor more than 42 days before the date appointed for the meeting, notice by a member qualified to vote at the meeting (not being the person to be proposed) has been received by the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed.

4.2.17 Removal of directors

The Company may, by ordinary resolution, remove a director before the expiry of his period of office and may by ordinary resolution appoint another person who is willing to act to be a director in his place. If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the board.

4.2.18 Remuneration of directors

The emoluments of any director holding executive office for his services as such shall be determined by the Board, and may be of any description, including admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund. The ordinary remuneration of the directors who do not hold executive office shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board.

Subject thereto, each such director shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. Any director who does not hold executive office and who performs special services which in the opinion of the Board are outside the scope of the ordinary duties of a director may be paid such extra remuneration by way of additional fee, salary, commission or otherwise as the Board may determine. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

4.2.19 Powers of the Board

Subject to the provisions of the 2006 Act and the Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, whether relating to the management of the business of the Company or not and including without limitation the power to dispose of all or any part of the undertaking of the Company. No alteration of the Articles and no such special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed. The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them as directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

4.2.20 Borrowing powers

The Board may exercise all powers of the Company to borrow money and to guarantee, indemnify, mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures, debenture stock and other securities and to give security, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

4.2.21 Directors' interests

The Board may, subject to the procedural requirements set out in the Articles, authorise any matter which would otherwise involve a director breaching his duty under the 2006 Act to avoid conflicts of interest. Where the Board gives such authority, or where any of the situations described in subparagraphs (a) to (d) below applies in relation to a director, the Board may impose upon the relevant director such terms as it may determine and it may revoke or vary such authority at any time. Provided that he has disclosed to the Board the nature and extent of his interest, a director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

(c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested or with which he has such a relationship at the request or direction of the Company; and

(d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment or for any transaction or arrangement or from any interest in any such body corporate.

4.2.22 Restrictions on voting

A director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning any contract or other matter in which he has an interest, but this prohibition shall not apply to any resolution where that interest arises only from one or more of the following matters:

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

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

(c) the giving to him of any other indemnity where all other directors are being offered indemnities on substantially the same terms;

(d) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;

(e) any contract, arrangement, transaction or proposal concerning 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 may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(f) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(g) any contract concerning any other company (not being a company in which the director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(h) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(i) any contract for the benefit of employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not provide to any director as such any privilege or advantage not accorded to the employees to whom the contract relates; and

(j) any contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

A director is entitled to vote on the terms of appointment (including without limitation fixing or varying the terms of appointment) of any director other than his own.

4.2.23 Indemnity of officers and insurance

Subject to the provisions of the 2006 Act but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director, secretary or other officer (excluding an auditor) of the Company or of an associated company shall be indemnified by the Company against any liability incurred by him in the actual or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, and any director of a company that is a trustee of an occupational pension scheme for employees of the Company or of an associated company may be indemnified by the Company against liability incurred in connection with the Company's activities as trustee of the scheme.

Also, subject to the provisions of the 2006 Act, the Board may purchase and maintain for the benefit of any person who holds or has held a relevant office insurance against any liability incurred by him in respect of any act or omission in the discharge of his duties or in the exercise of his powers or otherwise in relation to his holding of a relevant office, and for this purpose relevant office means that of director, secretary or other officer (excluding an auditor) or employee of the Company or an associated company or any predecessor in business of the Company or an associated company or a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of the Company or an associated company.

4.3 OTHER REGULATORY MATTERS

4.3.1 Disclosure of interests in shares

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

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

4.3.2 Takeovers

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

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

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

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

5 DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

5.1 Details of the Directors and their functions in the Company are set out in paragraph 12.1 of Part I of this document. Each of the Directors can be contacted at the principal place of business of the Company at 6-8 Powerscroft Road, Sidcup, Kent DA14 5DT.

5.2 The interests (all of which are beneficial) of the Directors and their immediate families (within the meaning set out in the AIM Rules) in the share capital of the Company at the date of this document and immediately prior to Admission.

Director	*Number of Existing Ordinary Shares*	*Percentage of Existing Share Capital*	*Number of Ordinary Shares immediately following Admission*	*Percentage of Enlarged Share Capital*
Philip Copolo	18,000,000	72.0%	15,226,896	52.0%
Darren Dunnett	2,500,000	10.0%	2,500,000	8.5%
David Ellingham	2,500,000	10.0%	2,500,000	8.5%
Sangita Shah	–	–	25,862	0.1%

5.3 In addition to the interests disclosed in paragraph 5.2 above, the Company is aware of the following persons who will, immediately following Admission, hold, directly or indirectly, voting rights representing three per cent. or more of the Enlarged Share Capital of the Company to which voting rights are attached:

	Number of Existing Ordinary Shares	*Percentage of Existing Share Capital*	*Number of Ordinary Shares immediately following Admission*	*Percentage of Enlarged Share Capital*
Amati Global Investors	–	–	2,154,310	7.3%
Miton Asset Management	–	–	1,724,138	5.9%
Leigh Copolo	1,500,000	6.0%	1,500,000	5.1%

5.4 So far as the Directors are aware, save as disclosed in paragraphs 5.2 and 5.3 above, there are no persons who, immediately following the Placing, will, directly or indirectly, be interested in three per cent. or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

5.5 The Ordinary Shares held by the Shareholders set out in paragraphs 5.2 and 5.3 above rank pari passu with all other existing Ordinary Shares and, in particular, have no different voting rights than other existing Shareholders. Following the Placing, neither the Directors nor any major Shareholders will have different voting rights to other Shareholders.

5.6 The Directors who have been granted Options (as described in paragraph 7 below) are listed in paragraph 7.13.

5.7 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors, nor are there any outstanding loans or guarantees provided by the Directors to or for the benefit of the Company.

5.8 Save as otherwise disclosed in this document, none of the Directors nor any members of their respective families, nor any person connected with the Directors (within the meaning of section 252 of the 2006 Act) has any holding, whether beneficial or otherwise, in the share capital of the Company or any of its subsidiaries.

5.9 In addition to being directors of the Company, the Directors hold or have held directorships of the companies and/or are or were partners of the partnership specified opposite their respective names below within the five years prior to the date of this document:

Name	*Current directorships/partnerships*	*Previous directorships/partnerships*
Philip Copolo	P&R Installation Company Limited Call Alert (UK) Limited Drummond Time-Share Limited Rosemary Time-Share Limited Bilby Oldco plc White Tip plc	None
Darren Dunnett	P&R Installation Company Limited Bilby Oldco plc White Tip plc	None
David Ellingham	Victory 2005 Limited Ellingham Holdings Limited World Cricket Masters Limited Pride Life Limited P&R Installation Company Limited	E-Matchday Programmes Limited E-Programmes Limited Ellingham Associates Limited Foreign Currency Compared Limited FX Compared Limited Profile Media Group plc RNHG Limited Sales and Marketing Management Limited Yakeley Associates Architects Limited
Sangita Shah	SHSS Partnership LLP Odyssean Enterprises Ltd Swindon Town Football Company Limited Zypha Technologies Limited Global Reach Technology Limited Forward Industries, Inc.	Dieselmist Holdings Limited (in liquidation) Dieselmist International Limited Intelligent Fuel Technology Limited Playa Developments Limited Prolific Partners Limited (dissolved) Something Corporation plc (dissolved)
David Johnson	None	None

5.10 Save as disclosed in paragraphs 5.11 and 5.12 below, as at the date of this document, no Director has:

(a) any unspent convictions in relation to indictable offences;

(b) been declared bankrupt or been subject to any individual voluntary arrangement;

(c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or partnership voluntary arrangement whilst he was a partner of that partnership or within 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any asset or been a partner in any partnership which had an asset placed in receivership whilst he was a partner of that partnership or within the 12 months after he ceased to be a partner of that partnership; or

(f) been subject to any public criticisms by any statutory or regulatory authorities (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5.11 David Ellingham was a director of Yakeley Associates Architects Limited, which was placed into liquidation in 1993. He was also a director of Profile Media Group plc which was put into administration in 2008.

5.12 Sangita Shah was a director of Dieselmist Holdings Limited which was placed into liquidation in 2012.

6 SELLING SHAREHOLDER

6.1 Subject to Admission occurring, the Shareholder set out at paragraph 6.2 below (the **Selling Shareholder**) is selling the Sale Shares.

6.2 The following table sets out the interests of the Selling Shareholder and their connected persons before the Placing and as they are expected to be immediately following completion of Admission and the Placing (assuming that the Placing is fully subscribed) and Admission:

	Before the Placing		*Immediately following Admission and the Placing*	
Selling Shareholder	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of the Enlarged Share Capital*
Philip Copolo	18,000,000	72.0%	15,226,896	52.0%

6.3 The business address of the Selling Shareholder is 6-8 Powerscroft Road, Sidcup, Kent DA14 5DT.

7 BILBY PLC SHARE OPTION PLAN

7.1 Overview

7.1.1 On 2 March 2015 the Company adopted the Share Option Plan to incentivise certain of its employees and Directors.

7.1.2 The Share Option Plan provides for the grant of both tax-approved Enterprise Management Incentives (EMI) options and unapproved options.

7.1.3 Pursuant to the Share Option Plan, the Company has granted options (**Options**) over 1,612,067 Ordinary Shares to five of the Group's employees and Directors. These Options are exercisable at the Placing Price and will become exercisable on the third anniversary of their grant.

7.1.4 The principal features of the Share Option Plan are outlined below.

7.2 Administration

The Share Option Plan will be administered by the Remuneration Committee in accordance with its rules.

7.3 Participation and grant of options

7.3.1 The Remuneration Committee may grant Options to acquire Ordinary Shares to any employee and director of the Group. In the case of tax-approved EMI options, full-time working requirements must be met which means that the employee must be required to work 25 hours a week or, if less, 75 per cent. of the employees' working time. Employees who have a material interest in the Company also cannot be granted EMI Options. A material interest is either beneficial ownership of, or the ability to control directly or indirectly, more than 30 per cent of the ordinary share capital of the Company.

7.3.2 The first grant of Options can be made within 42 days following the adoption of the Share Option Plan. Thereafter, Options may be granted within 42 days following the announcement of the Company's interim or final results for any period or the month after a person becomes an employee of the Group. In exceptional circumstances, Options may be granted at other times.

7.3.3 No consideration will be payable for the grant of an Option.

7.4 Exercise Price

7.4.1 The Remuneration Committee determines the exercise price of Options before they are granted. The exercise price will not be less than the nominal value of a share if the shares are to be subscribed.

7.5 Exercise and lapse of Options

7.5.1 Vesting

(a) Options can only be exercised on dates determined by the Remuneration Committee at the date of grant. They may also be subject to any performance conditions imposed by the Remuneration Committee at grant.

(b) The last date for exercise of an Option will be the day before the tenth anniversary of its grant.

(c) Each Option is personal to the Option holder and any transfer, assignment, charge, pledge or other disposal of or dealing with the Option will cause it to lapse.

7.5.2 Cessation of Employment

(a) In the case of death, an Option holder's personal representatives may, to the extent that any performance target have been met, exercise his option within 12 months after the date of death.

(b) Options will remain exercisable, to the extent that any performance target have been met, for a period of six months if the option holder is a "good leaver", for example if they leave by reason of retirement, ill health, injury, disability or redundancy. The Company also has the discretion to determine when an Option holder will be considered to be a "good leaver".

(c) In such circumstances the Remuneration Committee is entitled to waive any performance targets that must be met for the Option to become exercisable.

(d) An Option holder who leaves for a reason other than one specified above will normally forfeit his unexercised Options.

7.5.3 Takeovers

(a) In the event of a takeover, scheme of arrangement, change of control or voluntary winding up of the Company, Options become, to the extent that any performance target have been met, immediately exercisable. In such circumstances the Remuneration Committee is entitled to waive performance targets.

(b) If the Options are not exercised within an appropriate period, generally 90 days, of the relevant event, they lapse. There is a provision allowing for the roll-over of Options provided that such roll-over satisfies the conditions of the EMI code in the case of EMI Options.

7.6 Rights attaching to Ordinary Shares

Ordinary Shares allotted or transferred on the exercise of an Option will rank *pari passu* with Ordinary Shares of the same class then in issue (except in respect of entitlements arising prior to the date of the allotment). The Company will apply to the London Stock Exchange for the newly issued Ordinary Shares to be admitted to listing and trading on AIM.

7.7 Plan limits

7.7.1 The number of new Ordinary Shares that may be issued or are issuable pursuant to Options granted, or awards made, under all of the discretionary share plans operated by the Company, including any grant of Options made under the Share Option Plan, may not, in any ten year period, exceed ten per cent of the number of shares in issue from time to time.

7.7.2 Ordinary Shares transferred from treasury to satisfy Options will count as newly issued shares for these purposes.

7.7.3 Options which have lapsed or been surrendered will not count towards these dilution limits.

7.8 Variation of share capital

In the event of any variation of share capital by way of capitalisation, rights issue, consolidation, sub-division or reduction of share capital or other variation, the exercise price and the number of Ordinary Shares comprised in subsisting options may be adjusted as determined to be appropriate. Where an Option has been exercised before the variation of share capital the number of shares which may be issued or transferred to an Option holder pursuant to that exercise may be adjusted in such manner as deemed appropriate.

7.9 Pension status

None of the benefits which may be received under the Share Option Plan will be taken into account when determining any pension or similar entitlements.

7.10 Tax

Where a tax liability arises on the exercise of an Option, the Company may make deductions from payments due to the Option holder to meet such liability. If such payments are insufficient, the option holder must pay the Company the balance of the liability before Ordinary Shares are allotted or transferred to him. Alternatively, the Company may sell as many of the Option holder's Ordinary Shares as are necessary to cover the liability. The Option holder may be required to bear the cost of any secondary National Insurance Contributions.

7.11 Amendment

The Remuneration Committee may make amendments to the rules of the Share Option Plan.

However, the provisions governing eligibility requirements, equity dilution, individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of eligible employees or option holders without the prior approval of Shareholders in a general meeting of the Company (except for minor amendments to benefit the administration of the Share Option Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Share Option Plan or for the Company).

7.12 Termination

No Options may be granted under the Share Option Plan after the tenth anniversary of its adoption.

7.13 Options granted to Directors and Senior Management

The following Directors and Senior Management have been granted the following Options over Ordinary Shares:

Option holder	*Position*	*Date of grant*	*Number of Ordinary Shares subject to Option*	*Options exercisable from*	*Exercise price per share*
Darren Dunnett	Managing Director	6 March 2015	439,655[1]	6 March 2018	58 pence
Warren Oliver	Contracts Manager	6 March 2015	293,103	6 March 2018	58 pence
Andy Lobel	General Manager	6 March 2015	293,103	6 March 2018	58 pence
Warren Edwards	Contracts Manager	6 March 2015	293,103	6 March 2018	58 pence

1 The exercise of 50% of Mr Dunnett's 439,655 Options are subject to a performance condition based on a total Shareholder return over the period up to 6 March 2018.

8 DIRECTORS' SERVICE AGREEMENTS

8.1 Philip Copolo

Mr Copolo is employed by the Company in the role of executive director. Six months' notice is required to be given by either party on termination, save in cases where summary dismissal of Mr Copolo is warranted. The Company can elect to pay in lieu of notice. His duties and obligations extend to complying with the AIM Rules. His annual salary is £104,000. He has access to a pension scheme with Scottish Life. He is also entitled to private medical insurance. Mr Copolo is entitled to company sick pay of 90 working days in a 12 month period. Intellectual property and confidentiality provisions are included as are restraint of trade provisions. Mr Copolo has given certain non-compete and non-poaching and non solicitation covenants covering six months, 12 months and 12 months respectively, post termination.

8.2 Darren Dunnett

Mr Dunnett is employed by the Company in the role of executive director. Six months' notice is required to be given by either party on termination, save in cases where summary dismissal of Mr Dunnett is warranted. The Company can elect to pay in lieu of notice. His duties and obligations extend to complying with the AIM Rules. His annual salary is £104,000. He has access to a pension scheme with Scottish Life.

He is also entitled to private medical insurance. Mr Dunnett is entitled to company sick pay of 90 working days in a 12 month period. Intellectual property and confidentiality provisions are included as are restraint of trade provisions. Mr Dunnett has given certain non-compete and non-poaching and non-solicitation covenants covering six months, 12 months and 12 months respectively, post termination.

8.3 David Ellingham

Mr Ellingham is employed by the Company in the role of finance director. Six months' notice is required to be given by either party on termination, save in cases where summary dismissal of Mr Ellingham is warranted. The Company can elect to pay in lieu of notice. His duties and obligations extend to complying with the AIM Rules. His annual salary is £60,000 and he is required to devote the majority of his time to the Company. He has access to a pension scheme with Scottish Life. Mr Ellingham is entitled to company sick pay of 90 working days in a 12 month period. Intellectual property and confidentiality provisions are included as are restraint of trade provisions. Mr Ellingham has given certain non-compete and non-poaching and non-solicitation covenants covering six months, 12 months and 12 months respectively, post termination. Ellingham Holdings Limited, a company wholly controlled by Mr Ellingham, will receive £75,000 ex. VAT for services provided to the Company in connection with, and conditional upon, Admission.

8.4 Sangita Shah

Mrs Shah entered into a letter of appointment to act as non-executive chairman dated 19 December 2014. The appointment is effective from the date of the letter and is terminable by either party giving three months notice. It is anticipated that the Board will meet at least 10 times per annum. The letter provides for a fee of £35,000. Odyssean Enterprises Limited, a company wholly controlled by Mrs Shah, will receive £15,000 ex. VAT for services provided to the Company in connection with, and conditional upon, Admission.

8.5 David Johnson

Mr David Johnson entered into a letter of appointment to act as non-executive director dated 19 January 2015. The appointment is effective from the date of the letter and is terminable by either party giving three months notice. It is anticipated that the Board will meet at least 10 times per annum. The letter provides for a fee of £30,000.

8.6 The aggregate remuneration paid or payable by any company in the Group (including benefits in kind) to the Directors during the year ended 31 January 2014 was £347,000. The aggregate estimated remuneration paid or payable to the Directors by any company in the Group for the current financial year ended 31 March 2015 under the arrangements in force is expected to amount to £345,586.

8.7 Save as disclosed above, there are no existing or proposed service contracts between any Director and the Company or any other company in the Group and there are no existing or proposed service contracts between any Director and the Company or any company in the Group.

8.8 Save as disclosed in this paragraph 8, no Director has a service agreement with the Company that has been entered into or varied within six months prior to the date of this document or which is a contract which expires or which is determined by the Company without payment of compensation (other than statutory compensation) after more than one year.

8.9 Save for any benefits due during the notice period under the relevant agreement with the Director referred to above and for any payments to the executive directors on termination in lieu of notice, no benefits upon termination are payable by the Company or any company in the Group to any Director.

9 SIGNIFICANT INVESTMENTS

Save as disclosed in this document, there have been no significant investments by any member of the Group since 31 October 2014 (being the date to which the financial information is set out in Part III of this document).

10 EMPLOYEES

10.1 As at 31 October 2014 the Group had 79 employees as follows, all of whom are located in the Company's registered office:

Activity	*Number of Employees*
Operatives	65
Administration	8
Management	6

10.2 None of the employment contracts relating to the key management referred to in paragraph 12 of Part I of this document, contain a right to benefits (other than those due during the notice period under the contract) upon termination.

11 TAXATION

The comments in this section are intended as a general guide for UK resident Shareholders as to their tax position under United Kingdom law and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The comments apply to Shareholders who are resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatments of non-UK residents) who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them.

Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

The position of Shareholders who are officers or employees of the Company is not considered in this section; such Shareholders may be subject to an alternative tax regime and should therefore seek tax advice specific to their individual circumstances. The position of UK resident but non domiciled individuals claiming the remittance basis of taxation is not considered in this section. The tax position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. Any Shareholder who has any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay.

11.1 Taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant Shareholder give rise to a liability to UK taxation on chargeable gains. Shareholders will normally be subject to UK taxation of chargeable gains, unless such holders are not resident in the UK.

If a shareholder who is a UK individual or a trustee of a UK trust disposes of all or some of his Ordinary Shares, a liability to Capital Gains Tax may arise. The extent of the tax liability on any gains which may arise will depend on the availability of the annual CGT exemption and any other tax relief such as existing capital losses.

A UK resident corporate Shareholder holding shares as an investment will be subject to corporation tax on any gain arising, subject to potential mitigation by indexation allowance and losses available for relief. An exemption from corporation tax on any such gain may be available if the corporate Shareholder holds at least 10 per cent. of the Company's ordinary share capital.

11.2 Taxation of dividends

Under current United Kingdom legislation, no tax is required to be withheld from dividend payments by the Company.

(a) Individuals

Shareholders (other than a company) receiving a dividend from the Company also receive a notional tax credit in respect of the dividend of an amount equal to one-ninth of the amount of the net dividend (which is 10 per cent, of the sum of the dividend and the tax credit). The liability to United Kingdom income tax is calculated on the gross dividend income (i.e. the net dividend received plus the notional 10 per cent., tax credit).

Individual Shareholders whose income is within the basic rate tax band will be subject to dividend income tax at the rate of 10 per cent., so that (after taking into account the notional 10 per cent. credit) such Shareholders will have no further liability to income tax on that dividend income.

Individual Shareholders who are subject to the higher rate of income tax will be subject to dividend income tax at 32.5 per cent. After allowing for the 10 per cent., notional tax credit, a higher rate taxpayer suffers an effective rate of 25 per cent, on the net dividend received.

Individual Shareholders who are subject to the additional rate of income tax (broadly, where income exceeds £150,000, after the personal allowance) will be subject to dividend income tax at 37.5 per cent.

After allowing for the 10 per cent., notional tax credit, an additional rate taxpayer suffers an effective rate of 30.55 per cent., on the net dividend received.

Dividends payable to trustees and personal representatives of deceased persons will be subject to dividend income tax at 37.5 per cent.

Shareholders who are not liable to income tax on the dividend income (or any part of it) may not claim payment of the tax credit (or any part of it).

(b) Companies

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally expect to be subject to tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are "ordinary share capital" for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent., of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class. United Kingdom resident shareholders (including authorised unit trusts and open ended investment companies) and pension funds are not entitled to claim payment of the tax credit (or any part of it).

11.3 Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The statements below summarise the current position and are intended as a general guide only to stamp duty and SDRT. Special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person who may be liable to stamp duty or SDRT at a higher rate; for example a person or a nominee or agent for a person whose business is or includes the provision of clearance services or issuing depositary receipts.

No stamp duty or SDRT will generally be levied on the issue of Ordinary Shares.

Following the Admission, no stamp duty or SDRT will be payable in respect of any transfer of Ordinary Shares as stamp duty and SDRT were abolished on the transfer of shares listed on a "recognised growth market" (which includes AIM) after 28 April 2014. This applies regardless of whether the transfer is pursuant to a conditional agreement for sale entered into prior to Admission if the condition was satisfied after Admission.

11.4 Inheritance tax

Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax (**IHT**) on the value of any Ordinary Shares held by them. IHT may also apply to individual Shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as business property relief (**BPR**) may apply to Ordinary Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent., for IHT purposes.

11.5 VCT Scheme

The Company has applied for and obtained provisional confirmation from HMRC that the Ordinary Shares will be eligible shares for the purposes of the VCT Scheme. The status of the Ordinary Shares as a qualifying holding for VCT Scheme purposes will be conditional, inter alia, upon the Company continuing to satisfy the relevant requirements.

It is the Directors' intention that the Company will continue to meet the VCT Scheme provisions so that it continues to be a qualifying company for these purposes. However, the Directors cannot give any warranty or undertaking that the Company will continue to meet the conditions, including in the event that the Directors believe that the interests of the Company are not best served by preserving the VCT Scheme status, or as a result of changes in legislation.

11.6 EIS

The Company has applied for and obtained provisional assurance from HMRC that the Ordinary Shares will be eligible for EIS purposes, subject to the submission of the relevant claim form in due course. The obtaining of such provisional assurance and submission of such a claim by the Company does not guarantee EIS qualification for an individual, whose claim for relief will be conditional upon his or her own circumstances and is subject to holding the shares throughout the relevant three year period.

In addition, for EIS relief not to be withdrawn, the Company must comply with a number of conditions throughout the qualifying period relating to those shares.

The following provides an outline of the EIS tax reliefs available to individuals and trustee investors. Any potential investor should obtain independent advice from a professional advisor in relation to their own particular set of personal circumstances.

In summary, EIS relief may be available where a qualifying company issues new shares, the purpose of which is to raise money for a qualifying business activity. The EIS shares must be subscribed for in cash and be fully paid up at the date of issue and must be held, broadly, for three years after they were issued.

EIS income tax relief is available to individuals only – the current relief is 30 per cent., of the amount subscribed for EIS shares to be set against the individual's income tax liability for the tax year in which the EIS investment is made, and is available up to a maximum of £1,000,000 in EIS subscriptions per tax year. This relief can be 'carried back' one tax year. This relief is only available to individuals who are not connected with the Company in the period of two years prior to and three years after the subscription.

Very broadly, an individual is connected with the issuing company if (*inter alia*) he or his associates are employees or directors or have an interest in more than 30 per cent., of the Company's ordinary share capital.

Where EIS income tax relief has been given and has not been withdrawn, any gain on the subsequent disposal of the shares in qualifying circumstances is generally free from capital gains tax. If the shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given. Alternatively, an election can be made to set that loss (less any income tax relief already given) against income of that year.

Individuals and trustees who have realised gains on other assets within one year before or up to three years after the EIS shares are issued, are able to defer a capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the cost of the EIS share subscription.

Deferred gains will become chargeable on a disposal or deemed disposal of the EIS shares. The investor can be connected with the Company (as outlined above) and obtain such capital gains tax deferral relief.

The above is a summary of certain aspects of current law and practice in the UK. Any person who is in any doubt as to his or her tax position and/or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.

12 MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this document or are other material subsisting contracts which relate to the assets and liabilities of the Group:

12.1 Placing agreement

On 2 March 2015, the Company, the Directors, the Selling Shareholder and Charles Stanley entered into the Placing Agreement the principal terms of which are:

(a) the Company and the Selling Shareholder appoints Charles Stanley as its or his agent and Charles Stanley agrees to use its reasonable endeavours to procure subscribers for the New Shares and purchasers for the Sale Shares at the Placing Price;

(b) the obligations of Charles Stanley are conditional, *inter alia*, upon:

(i) the New Shares being admitted as participating securities within CREST upon or immediately following Admission; and

(ii) Admission occurring not later than 8.00 a.m. on 6 March 2015 or such later time and/or date, being no later than 8.00 a.m. on 20 March 2015, as the Company may agree with Charles Stanley;

(c) subject to Admission:

(i) the Company shall pay to Charles Stanley: (A) a corporate finance fee of £153,500; and (B) a commission at the rate of up to 4.0 per cent.;

(ii) the Selling Shareholder shall pay to Charles Stanley a commission at the rate of up to 4.0 per cent. of the value of the number of that Selling Shareholder's Sale Shares at the Placing Price;

(d) subject to certain conditions, the Company shall pay all the costs and expenses (including any applicable VAT) of and incidental to the Placing including the fees and costs of legal advisers incurred by Charles Stanley and printing, filing and distribution charges;

(e) the Company, the Directors and the Selling Shareholder have each given warranties in favour of Charles Stanley. The liability of the Directors and the Selling Shareholder is limited in terms of the amount of the liability save in certain circumstances;

(f) in addition, the Company has given Charles Stanley, its affiliates and their respective directors, officers, employees and agents an indemnity relating to certain losses and liabilities which may be incurred by such persons in the performance by Charles Stanley of its obligations and services rendered pursuant to the Placing and Admission;

(g) Charles Stanley has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including:

(i) in the event of certain force majeure events or other events involving certain material adverse changes relating to the Group; and

(ii) in the event of a material breach by the Company, the Selling Shareholder or any of the Directors of their obligations or warranties in the Placing Agreement.

(h) The Selling Shareholder has agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of their respective Sale Shares.

12.2 Lock-in agreement

On 2 March 2015, the P&R Shareholders entered into an undertaking in accordance with which the P&R Shareholders have undertaken with Charles Stanley and the Company (subject to certain exceptions) not to dispose of any interest in any of their Ordinary Shares until the first anniversary of Admission. The P&R

Shareholders have further undertaken to observe certain orderly market restrictions with respect to the disposal of such Ordinary Shares in the period of 12 months following the first anniversary of Admission.

12.3 Nomad and Broker agreement

On 2 March 2015, the Company, the Directors and Charles Stanley entered into an agreement pursuant to which Charles Stanley has agreed to act as nominated adviser and broker to the Company following Admission as required by the AIM Rules. Charles Stanley shall provide, inter alia, such independent advice and guidance to the Directors of the Company and the Company as they may require from time to time as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules for Companies. The Company has agreed to pay Charles Stanley a retainer fee as well as payment of any disbursements and expenses reasonably incurred by Charles Stanley in the course of carrying out its duties as nominated advisor and broker. The agreement is terminable on three months' notice given by either Charles Stanley or the Company. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to Charles Stanley in relation to the provision by Charles Stanley of its services under the agreement.

12.4 Lease

The registered office of the Company and P&R is 6-8 Powerscroft Road, Sidcup, Kent DA14 5DT (the **Property**). The Property is owned by Philip Copolo and is leased to P&R for a period of 20 years pursuant to a lease from and including 2 March 2015 expiring on and including 1 March 2035. The rent is £50,000 per annum payable in advance on usual quarter days. The rent is subject to review on an "upwards only" basis to open market rent. P&R must pay the premium incurred by Mr Copolo in insuring the Property. Mr Copolo must keep the Property insured against the "insured risks" in its full reinstatement cost plus loss of rent cover. Mr Copolo must reinstate the Property in the event of damage by the insured risks, making up any shortfall. Rent payments may be suspended following damage to the Property by the insured risks. The lease can be terminated by Mr Copolo or P&R *inter alia* if the Property has not been made fit for occupation and use and accessible and the loss of rent period has expired. P&R also has the benefit of uninsured risks provisions and either party can terminate if following damage by an uninsured risk Mr Copolo has chosen not to reinstate the Property.

12.5 NatWest Bank facility agreement

The Group entered into a facility agreement with National Westminster Bank Plc (the **NatWest Bank**) on 7 August 2014 in relation to debt facilities of £104,396, (of which £41,660 of borrowings was outstanding as at the date of this document) and an undrawn overdraft facility of £250,000 (the **Facilities**). The purpose of the Facilities is to assist with the purchase of business insurance for the Group. In connection with the Facilities P&R has granted a debenture over each of the assets in P&R in favour of the Bank to secure the obligations of P&R to the Bank under the Facilities.

13 RELATED PARTY TRANSACTIONS

Save for the Lease and the related party transactions noted in the historical financial information for the Group in Part III of this document, during the period of two years immediately preceding the date of this document, no company in the Group has entered into any related party transactions.

14 WORKING CAPITAL

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

15 LITIGATION

No member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which have had or may have a significant effect on the Group's financial position or profitability during the 12 months preceding the date of this document and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against any member of the Group.

16 NO SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

Save as otherwise disclosed in this document, there has been no significant change in the financial or trading position of P&R since 31 October 2014, the date to which financial information set out in Part III of this document was prepared. There has been no significant change in the financial or trading position of the Company since 20 June 2014, its date of incorporation.

17 INTELLECTUAL PROPERTY

There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business, however, P&R has a key UK trade mark registered for the "P&R" logo.

18 PROPERTY

The Group does not own any property. However, the Group's registered office is owned by Philip Copolo and is leased to P&R pursuant to a lease, further described in paragraph 12.4 of this Part IV.

19 CONSENTS AND OTHER INFORMATION

19.1 Charles Stanley has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear. Charles Stanley may be said to have an indirect material economic interest which may be dependent on the success of the Placing by virtue of its interest in fees payable by the Company under the Placing Agreement.

19.2 The reporting accountants, Baker Tilly Corporate Finance LLP, have given and not withdrawn their written consent to the issue of this document with the inclusion in it of their report contained in Section A of Part III of this document respectively, and references thereto and to their name in the form and context in which they appear.

19.3 Baker Tilly UK Audit LLP of 25 Farringdon Street, London EC4A 4AB are the current auditors of the Group and Harrison Hill Castle & Co of Melbury House 34 Southborough Road, Bickley, Kent BR1 2EB were the auditors of the P&R for the periods relating to the period up to 31 January 2013 set out in Part III of this Document.

19.4 The total costs and expenses payable by the Company in connection with the Admission (including professional fees, commissions, the costs of printing and registrars fees) are estimated to amount to approximately £0.7 million excluding VAT. The net proceeds of the Placing receivable by the Company are expected to be approximately £1.8 million.

19.5 Save as otherwise disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business or profitability.

19.6 Save as otherwise disclosed in this document, there have been no significant authorised or contracted capital commitments of the Group at the date of publication of this document.

19.7 No environmental issues have arisen in the past 12 months which would have had a significant effect on the Company's financial position or profitability.

19.8 Other than as disclosed in this document, no person has (excluding those professional advisers disclosed in this document and trade suppliers):

19.8.1 received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or

19.8.2 entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling either £10,000 or more;

(b) securities in the Company with a value of either £10,000 or more calculated by reference to the expected price of an Ordinary Share at Admission; or

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

19.9 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.10 Ordinary Shares are issued and allotted in registered form under the laws of England and Wales and their currency is Pound Sterling. No admission to listing or trading of the Ordinary Shares is being sought on any stock exchange other than AIM.

19.11 It is expected that CREST accounts will be credited as applicable on the date of Admission. The ISIN of the Ordinary Shares is GB00BV9GHQ09. Share certificates (where applicable) will be dispatched by first class post within 14 days of the date of Admission.

19.12 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

19.13 Charles Stanley is registered in England and Wales as a private company under the Companies Act 1948 to 1981 of Great Britain with number 1903304 and is a member of the London Stock Exchange and is authorised and regulated by the FCA. Its registered office is at 25 Luke Street, London EC2A 4AR, United Kingdom

19.14 The Directors intend to comply with Rule 21 of the AIM Rules relating to Directors' and applicable employees' dealings in Ordinary Shares and to this end, the Company has adopted an appropriate Share Dealing Code.

19.15 The arrangements for payment of the Placing Shares are set out in the placing letters referred to in the Placing Agreement. All monies received from applicants will be held by Charles Stanley prior to delivery of the Ordinary Shares. If any application is unsuccessful or scaled down, any monies returned will be sent by cheque crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be sent by first class post at the risk of the addressee within three days of the completion of the Placing.

19.16 The Placing Price of 58 pence per Ordinary Share represents a premium of 48 pence over the nominal value of 10 pence per Ordinary Share.

19.17 There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

19.18 Save as disclosed in this document, the Directors are unaware of:

19.18.1 any significant trends in production, sales and inventory and costs and selling prices from 31 October 2014 (being the date to which the financial information set out in Part III of this document was prepared) to the date of this document;

19.18.2 any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year; or

19.18.3 any exceptional factors which have influenced the Company's activities.

19.19 There are no mandatory takeover bids outstanding in respect of the Company and no public takeover bids have been made by third parties either in the last financial year or the current financial year of the Company.

19.20 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

20 AVAILABILITY OF ADMISSION DOCUMENT

Copies of the admission document, which will contain full details about the Company and the admission of its securities, will be available from the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of Admission. A copy of this document is also available for download at the Company's website at www.bilbyplc.com.

2 March 2015

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