Bilby PLC

Annual Report & Financial Statements

14 Month period ending 31 March 2015
Company number: 9095860

“AN EXCITING TRANSFORMATION FOR BILBY PLC”

SANGITA SHAH – NON-EXECUTIVE CHAIRMAN

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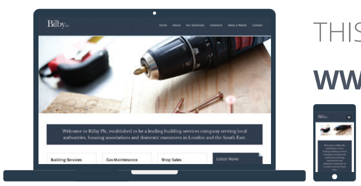


THIS REPORT CAN BE FOUND ONLINE AT:

WWW.BILBYPLC.COM

HIGHLIGHTS

FOR THE FINANCIAL PERIOD
ENDED 31 MARCH 2015

- Successful admission to AIM in March 2015
- Strategy focused on developing two growth sectors
- Extension of Social Housing activities to include additional building services
- Revenues increased from £9.73m (12 months to 31 January 2014) to £14.91m (14 months to 31 March 2015)
- Operating Profit increased from £0.86m for 12 months ending 31 January 2014 to £2.00m for 14 months ended 31 March 2015
- Profit before taxation £1.98m for the 14 month period ending 31 March 2015
- Maiden Dividend per share – 2.32p
- Basic EPS increased from 2.4p (12 months to 31 Jan 2014) to 6.1p (14 months to 31 March 2015)

CHAIRMAN'S STATEMENT

An exciting year culminating in the successful admission to AIM in March 2015

Bilby Plc was 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 2nd March 2015 through a share exchange. P&R is now a wholly owned operating subsidiary of Bilby.

I am delighted to announce an excellent profit performance for the 14 month period to 31 March 2015. We have continued to achieve and maintain our margins in our two core markets, namely gas heating and building services. We are well placed to service the increased demand for the services we provide. We expect our Social Housing revenues to continue to grow through increased activity provided to our existing clients and further contract wins. We continue to provide market-leading service levels for all our clients.

We continue to believe that the opportunities for us in Social Housing remain very strong especially in our targeted geographical locations, namely London and the South East of England. Clients, existing and prospective, require broader solutions to the daily challenges they face. We are well prepared to resolve those challenges on behalf of our clients.

As a newly quoted public company, we are cognisant and fully prepared for the changes that are required for the transition into the public arena. We have set and will continue to set high standards of corporate governance. Furthermore, we will continue to invest resources in our risk management process.

DIVIDEND

The Board is confident of the future opportunities in the markets in which we operate. The Board intends to follow a progressive dividend policy. As such, I am delighted to advise our shareholders that the Board has recommended a maiden final dividend of 2.32p per ordinary share. The dividend is covered over 2.5 times by the basic earnings per share. The Group's dividend policy will be actively reviewed by the Board to ensure shareholders receive an appropriate return whilst ensuring the Group retains sufficient resource to invest for growth.

OUR PEOPLE

I commend all our employees for their dedication, commitment and drive throughout the past fourteen months. They remain professional and loyal. As exemplified by our results, they continue to deliver a first class service to all our clients. Furthermore, we are extremely proud of our apprentice scheme which will certainly provide the training platform to augment our pool of first rate employees in the future.

I look forward to announcing further news during the coming year.

SANGITA SHAH – NON-EXECUTIVE CHAIRMAN 23 JUNE 2015

DEPUTY EXECUTIVE CHAIRMAN'S REVIEW

> Progress in the period has continued to demonstrate the fundamental strengths of Bilby's scalable business model

RESULTS

The Group has achieved a strong result during the 14 month year period to 31 March 2015 in line with market expectations. Turnover was £14.91m (12 months to 31 January 2014: £9.73m) generating an operating profit of £2.00m (12 months to 31 January 2014 £0.86m). When compared to the 12 months to January 2014, gross margins for the period were broadly unchanged at 25.6% (2014: 25.9%), while operating margins increased from 8.8% to 13.4% reflecting not only increased contract activity but also targeted savings on overheads across the business.

Progress in the period has continued to demonstrate the fundamental strengths of Bilby's scalable business model which, supported by P&R's strong reputation and increasing demand in its core London and South East markets, has delivered higher than market margin profitability.

CUSTOMERS AND SERVICES

P&R performed strongly during the period with a number of new contract wins both with existing and new clients.

P&R won significant ongoing maintenance contracts with new clients Hexagon Housing, a housing association with more than 4,000 homes, and Central and Cecil, a sheltered and care housing trust. Based on our strong working relationships with long-term Gallions Housing Association, which manages and owns 7,000 homes in South East London, P&R won a significant further contract for a boiler and systems upgrade programmes in 2014-15, (a key requirement of the Decent Homes Standard).

DEPUTY EXECUTIVE CHAIRMAN'S REVIEW

Following successful completion of a central water tank replacement contract for the London Borough of Lewisham in early 2014, P&R was awarded a further and larger tank replacement contract with the same borough later in 2014.

P&R prides itself on its long-term client relationships, the success of which is evidenced through a number of our clients continuing to extend both the scale of our contracts and the range of our work within them. This is a testament to the growing recognition of our focus on high standards and quality service.

"We are committed to constantly investing in the training and development of our employees"

EXTENDING SERVICE OFFERING

We have continued to extend our service offering to firmly establish the Group's building services division alongside the market-leading gas, plumbing and drainage services on which the business was founded. By bringing the strict operational disciplines required within the gas maintenance divisions into our other building service practice we are successfully achieving strong margins, whilst providing our clients with a wider range of service and in doing so accessing broader contract opportunities.

Evidence of this was winning two major new building services contracts with existing client The Guinness Partnership, a 60,000 home housing association, for whom we have provided gas heating services for a number of years. The new contracts cover kitchen and bathroom replacement and internal and external decorating at properties in Chelsea and Kennington. The contract in Kennington was completed

DEPUTY EXECUTIVE CHAIRMAN'S REVIEW

during the period, with the contract in Chelsea still ongoing and expected be completed by autumn 2015. Additionally we were delighted to win a contract with Kew Gardens, to convert a laboratory into staff restroom facilities and The Royal Borough of Greenwich, where we have started a major contract to work through an urgent programme to rectify wide-ranging damp issues across a number of the borough's housing stock.

MARKETPLACE

With a new Government, we are confident that existing initiatives, such as the Decent Homes Standard and the Right to Repair scheme, will remain a core focus with committed investment maintained.

Notably, even after the Mayor of London secured £821m in the 2011-2015 spending round period for London to improve c. 45,000 homes, London will still have 11 of the 12 UK local authorities where 10% of the housing still does not meet the Decent Homes Standard. This continues to provide Bilby with significant opportunities.

OPERATIONAL INVESTMENT

Over the reporting period Bilby's total headcount increased by approximately 11%, primarily with the hiring of additional inspectors, managers, surveyors and sub-contractors to control standards across our services. This investment will support the continued focus on high quality service set by P&R.

We are committed to constantly investing in the training and development of our employees, ensuring they have the necessary technical skills and are inducted on the latest appliances in the market. Over the period a number of our employees and contractors were put through Gas Accreditation Certification, (ACS) training courses by the Group.

BUY AND BUILD STRATEGY

We maintain the strategy set out following our admission to AIM to expand Bilby's businesses via both organic and acquisitive growth to gain the critical mass required to tender for larger contracts.

We see a number of opportunities for strategic acquisitions in our target geography of London and the South East. All potential acquisition targets continue to be carefully considered and must meet focused acquisition criteria based around: service synergies, revenue, geographic focus, management strength, margins, cash flows and forward order book. We continue to review a number of opportunities and expect to be able to announce progress shortly.

OUTLOOK

In addition to the existing order book of £95m, the Group continues to tender for a number of significant new local authority and social housing contract opportunities. This, combined with our focus on operational excellence and customer satisfaction and a marketplace with significant opportunity, underpins our confidence for the future.

PHIL COPOLO – DEPUTY EXECUTIVE CHAIRMAN 23 JUNE 2015

FINANCIAL REVIEW

OUR PERFORMANCE

The period under review is for a fourteen month trading period and direct comparisons to the 12 months to the 31 January 2014 are not possible. Nevertheless it is pleasing to report revenues for the period to 31 March 2015 were £14.91m compared to £9.73m in the 12 months to 31 January 2014.

This revenue growth has been achieved while maintaining broadly constant gross margins of 25.6% for the period (2014 : 25.9%). A significant proportion of the revenue growth has be derived from the increase in general building services rather than specialist gas services.

Operating profit margin for the year has shown further improvement. Operating margins increased to 13.4% for the 14 months to the 31 march 2015 compared to 8.8% for the 12 months to 31 January 2014. The flotation on AIM came towards the end of the financial period. As a result, we expect the level of central and administration cost will be higher in the current year.

We enjoy long term client relationships with a number of local government organisations and other housing bodies. Cash collection in a high volume, sometimes low value environment when working in the public sector does represent a constant challenge. We did witness some tightening of financial constraints in the period ahead of the May General Election as well as some specific short term administration issues with one of our larger Housing Association clients. As a result the level of trade debtors and accrued income rose significantly towards the end of the financial period, with an adverse impact on working capital and cash

KEY PERFORMANCE INDICATORS

We focus on a range of key indicators to assess our performance. Our performance indicators are both financial and non-financial and ensure that the Group targets its resources around its customers, employees, operations and finance.

Key business drivers are monitored and a comprehensive KPI system is being implemented comprising:

- Value of new contract wins
- Value of contract losses
- Staff retention
- Gross margin
- Customer delivery standards
- Debtor days
- Creditor days

We continuously strive to convert profit into cash. However, cash collection in a high volume, sometimes low value environment working in the public sector represents a daily challenge. Whilst our outstanding debts are secure and will be paid, we continue to monitor the cash collection extremely closely.

DIVIDENDS

As indicated at the time of our admission to AIM, the board proposes to pay a maiden final ordinary dividend of 2.32 pence per share for the financial period ended 31 March 2015, which subject to shareholder approval, will be paid on 28 August 2015 to those shareholders on the register at the close of business on 31 July 2015. The proposed Ordinary dividend was covered in excess of two and a half times by basic earnings per share.

CONCLUSION

The success of the Group is driven by a focus to deliver increased shareholder value. This will be achieved by the following:-

- Increasing revenues, maintaining margins and growing earnings in a sustainable and profitable manner
- Efficient and targeted investment of cash
- Implementing an earnings enhancing buy and build strategy
- Applying a dividend policy which closely tracks earnings growth

We aim to deliver sustainable shareholder value through the implementation of our priorities delivering key financial objectives of improving profitability.

DAVID ELLINGHAM – FINANCE DIRECTOR 23 JUNE 2015

FINANCIAL REVIEW

£m unless otherwise stated	14 Months to 31 March 2015	12 Months to 31 January 2014
Revenue	14.91	9.73
Gross profit	3.81	2.52
Gross margin	25.6%	25.9%
Operating profit	2.00	0.86
Profit before tax	1.98	0.83
Basic EPS	6.1p	2.4p
Dividend per share	2.32p	-
Net Cash	1.77	0.1
Total assets	6.67	2.97

Tax Expense	**2015 £000**	**2014 £000**
Current tax recognised in Income Statement	427	209
Deferred tax recognised in Income Statement	1	(8)
Adjustments in respect of prior periods	-	27
Total tax expenses recognised in Income Statement	428	228

Balance Sheet	**2015 £000**	**2014 £000**
Property Plant and Equipment	524	908
Inventories	347	320
Trade Receivables	2,985	1,255
Prepayments and Accrued Income	1,048	389
Cash and Cash Equivalents	1,770	97
Trade Payables	(1,483)	(921)
Other Current Liabilities	(81)	(225)
Current income tax liabilities	(448)	(209)
Non-Current Liabilities	(77)	(225)
Net Assets	4,585	1,389

MANAGING RISK

Effective risk management is critical to the achievement of our strategic objectives. Controls are integrated into all levels of our business. As a board we continually assess our exposure to risk and seek to ensure that risks are mitigated wherever possible.

The Board assumes the overall responsibility for stewardship of our systems of risk management and internal control. Within the Group, delegated authority levels allow us to assess the level of risk.

There are several levels of responsibility which determine the operational and financial risks.

	RESPONSIBILITIES
THE BOARD	Strategic leadership Setting levels of delegated responsibilities Approval of policies Ascertaining appropriate levels of risk Managing risk
AUDIT COMMITTEE	Reviewing internal controls and system of reporting
REMUNERATION COMMITTEE	Assessing appropriate incentives for the Executive Directors and Senior Management
GROUP MANAGEMENT	Reviewing operating performance Reporting to the Board Ensuring the risk management policy is implemented Managing the operational risks

MANAGING RISK

Fundamentally, Bilby Plc embed the risks inherent in the business within their key business processes. Additionally, as part of the KPI ongoing monitoring system, key risk metrics are being put in place.

- Retention of key staff and directors
- Incentivisation of key staff and directors
- Key man insurance
- Loss of key contracts
- Ongoing service delivery and monitoring of key operating metrics
- Rapid response mechanism
- Ongoing reconnaissance with key accounts
- Financial pricing/margin loss

Prior to bidding for any contract, the board vets and approves all contracts to ensure they are profitable within the acceptable pricing standards set for the company and not likely to be loss making.

Given the indepth market knowledge, contract costings are sufficiently robust to ensure that only the profitable contracts are pursued.

- Ongoing montioring
- Systems Disruption
- DRP systems in place
- Periodic backups undertaken
- Systems review being scheduled
- Non-conformance with regulatory requirements

As an area of key differentiation, Bilby Plc undergoes a rigorous programme to ensure that we conform to the most up to date regulatory and forthcoming requirements.

THE STRATEGIC REPORT WAS APPROVED BY THE BOARD OF DIRECTORS ON 23 JUNE 2015 AND SIGNED ON ITS BEHALF BY:

PHIL COPOLO DEPUTY EXECUTIVE CHAIRMAN

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements for the period ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Principal activities of the Group are the provision of a range of outsourced services to the public and private sectors. The principal activity of the Company is to act as a holding company.

BUSINESS REVIEW

The Company is required to set out a fair review of the business of the Group during the reporting period. The information that fulfils this requirement can be found in the Strategic Report. The results of the Group can be found within the Consolidated Income Statement. Information required to be disclosed in respect of future developments is included within the Strategic Report.

DIVIDEND

The maiden final dividend is proposed to be 2.32p per ordinary share and will be paid on 28 August 2015 to shareholders on the Register of Members on 31 July 2015. This has not been included within the consolidated financial statements as no obligation existed at 31 March 2015.

DIRECTORS

The present membership of the Board is set out with the biographical detail on pages 18 to 19. The beneficial interests of the Directors in the shares of the Company at 31 March 2015 are detailed within the Directors' Remuneration Report on page 17.

AMENDMENT TO ARTICLES OF ASSOCIATION

Directors are appointed by ordinary resolution, or the existing Directors may appoint a person as a Director to either fill a vacancy or as an additional Director provided that the number of Directors does not exceed the maximum permissible. Any person appointed by the Directors must retire at the next AGM but will be eligible for re-election at that meeting.

AGM

The 2015 AGM will be held at the offices of Hudson Sandler, 29 Cloth Fair, London, EC1A 7NN, on 23 July 2015 at 9.30am and a formal Notice of Meeting and Form of Proxy are enclosed.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP were appointed for the period ended 31 March 2015 and have indicated their willingness to continue in office.

CHAIRMAN'S INTRODUCTION

It is my pleasure to announce our inaugural set of results as an AIM-quoted company. 2015 has been a transformational year for Bilby Plc, with the successful admission of our shares to trading on AIM in March. The IPO raised gross proceeds of £2.5m through a placing of new ordinary shares at 58p per share. The shares were placed with a number of institutional and other new investors. The proceeds facilitated the acquisition of P&R Installation Company Limited (P&R) which became the first operating subsidiary of Bilby.

> "We continue to seek opportunities to expand the Group's operations through further strategic acquisitions of businesses operating in markets similar to P&R."

Bilby's strategy is to use the proceeds and the listed platform to capitalise on the significant market opportunity within the gas heating and building services industries, especially in London and the South East.

P&R has continued to maintain a tight strategic focus on providing services predominately to local authorities and housing associations within the region, with a disciplined emphasis on delivering high service levels and customer satisfaction. During 2015 the success of this focused approach has enabled P&R to continue to both win new customers and, through its reputation for high service levels, to extend the services that it provides to existing customers.

Bilby has achieved significant improvement in operating margins over the 14 months to March 2015 up from through increased operational efficiencies P&R's selective approach to tendering for new contracts. Allied to our growth aspirations, we are also committed to a progressive dividend policy and are pleased to announce that the Board is recommending a maiden final dividend of 2.32p in respect to the financial period ending 31 March 2015.

We remain confident that Bilby's ongoing growth will be underpinned through buoyant opportunities in a growing market that continues to be legislatively driven by the Decent

Homes Standard, the Right to Repair Scheme and applicable gas safety regulations. These government-driven measures ensure that much of the work that Bilby carries out for its customers remains mandatory. Our operations will remain focused on London and the South East, the UK's largest social housing market.

We continue to seek opportunities to expand the Group's operations through further strategic acquisitions of businesses operating in markets similar to P&R. The combination of strong organic growth and corporate acquisition will enable Bilby to increase its scale of operations and thereby qualify to tender for larger contracts which have minimum revenue pre-tender conditions. The Board will ensure that the Bilby business model is maintained, taking a highly selective approach to acquisitions opportunities to ensure that margin growth, strong cash flow and profitability is maintained. Indeed, we are continuing to review a number of opportunities in London and the South East and hope to be able to announce shortly further progress in this direction.

On behalf of the Board, I would like to thank all our employees for their tremendous dedication and contribution to the business during what has been an important year of growth and development. I am confident that we will continue to build on this and remain optimistic and excited about the future.

SANGITA SHAH – NON-EXECUTIVE CHAIRMAN
23 JUNE 2015

CORPORATE GOVERNANCE

At Bilby, we are committed to achieving high standards of corporate governance. We seek to create a working culture where honesty, openness and fairness are valued. Following our successful introduction to AIM in March 2015 we seek to maintain the highest standards of corporate governance as this will help to facilitate the sustained success of the Group. The management are responsible for running the business while the Board, provides the constructive challenge to the management necessary to create accountability and drive performance. The composition of the Board is vital to ensure that we have the right mix of skills and experience. We can report in the brief period since the Company's introduction to AIM the Board is working well together with the non-executives maintaining their independence and objectivity. We will continue to evaluate the performance of the Board, its committees and expertise. We consider the Board to be working effectively, however we will continue to seek improvements where necessary.

The directors' recognise the importance of sound Corporate Governance and have adopted policies and procedures appropriate to the Group which reflect the principles of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in September 2010.

CAPITAL STRUCTURE

The Group is financed through both equity share capital and debt. Details of changes to the Company's share capital are given in note 20 to the financial statements. The Company has a single class of shares – ordinary 10p shares – with no right to any fixed income and with each share carrying the right to one vote at the general meetings of the Company. Under the Company's Articles of Association, holders of ordinary shares are entitled to participate in any dividends pro-rata to their holding. The Board may propose and pay interim dividends and recommend a final dividend for approval by the shareholders at the AGM. A final dividend may be approved by the shareholders in a general meeting by ordinary resolution but such dividend cannot exceed the amount recommended by the Board.

CORPORATE GOVERNANCE

SUBSTANTIAL SHAREHOLDINGS

As at 19 June 2015 the Company has been notified of, or is aware of, the shareholders holding 3% or more of the issued share capital of the Company, as detailed in the table below.

	Number of Ordinary Shares	Percentage of Capital
Philip Copolo – Director	15,226,896	52.0%
Darren Dunnett – Director	2,500,000	8.5%
David Ellingham – Director	2,500,000	8.5%
Amati Global Investors	2,154,310	7.3%
Miton Asset Management	1,724,138	5.9%
Leigh Copolo	1,500,000	5.1%

Options Granted to Directors The Directors have been granted the following Options over Ordinary Shares:

Option Holder	Position	Date of grant	Number of Ordinary Shares subject to Option	Options exercisable	Exercise Price per share
Darren Dunnett	Managing Director	6 March 2015	439,655	6 March 2018	58 Pence

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.

DIRECTORS' REMUNERATION Directors' Remuneration for the period are set out below:-

EXECUTIVE DIRECTOR	2015 (£)	2014 (£)
Philip Copolo	94,040	110,963
Darren Dunnett	41,821	58,511
David Ellingham	5,000	-
NON-EXECUTIVE DIRECTOR		
Sangita Shah	2,917	-
David Johnson	2,500	-
	146,278	**169,474**
FEES PAID ON LISTING		
Ellingham Holdings Ltd a company wholly controlled by David Ellingham	75,000	-
Odyssean Enterprises Ltd a company wholly controlled by Sangita Shah	15,000	-
	90,000	-

YOUR BOARD & ADVISORS

DIRECTORS, SECRETARY AND ADVISERS

DIRECTORS	Sangita Shah (Non-Executive Chairman) Appointed 19 December 2014 Philip Copolo (Executive Deputy Chairman) Appointed 20 June 2014 Darren Dunnett (Managing Director) Appointed 20 June 2014 David Ellingham (Finance Director) Appointed 20 June 2014 David Johnson (Non-Executive Director) Appointed 19 January 2015

REGISTERED OFFICE	6-8 Powerscroft Road Sidcup Kent, DA14 5DT
COMPANY SECRETARY	David Ellingham
WEBSITE	www.bilbyplc.com
NOMINATED ADVISER & BROKER TO THE COMPANY	Charles Stanley Securities 131 Finsbury Pavement London, EC2A 1NT
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
FINANCIAL PR	Hudson Sandler Limited 29 Cloth Fair London, EC1A 7NN
REGISTRARS	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen, B63 3DA

YOUR BOARD & ADVISORS

SANGITA VADILAL MANILAL SHAH – 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.

PHILIP JOHN COPOLO – 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.

DAVID THOMAS ELLINGHAM – Finance Director & Company Secretary

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.

DARREN PETER JOHN DUNNETT – 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 EDWARD JOHNSON – Non-Executive Director

Mr Johnson has had a long and successful career in the investment sector and 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.

REPORT OF THE AUDIT AND REMUNERATION COMMITTEES

REPORT OF THE AUDIT COMMITTEE

The Committee has clearly defined terms of reference adopted by the Board and which set out its objectives and responsibilities relating to financial reporting, the effectiveness and adequacy of the Group's internal controls, risk management and the application of appropriate accounting policies and procedures. The Audit Committee consists of the two non-executive Directors and one executive Director, David Ellingham. The Audit Committee has met recently with the Company's external auditors, Baker Tilly in advance of announcing our maiden results as a public company.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee has the 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. The Remuneration Committee is expected to meet three times per annum. This will also include specific remuneration packages for executive directors including pension rights and compensation payments. The Remuneration Committee is also responsible for making recommendations for the grant of options under the Share Option plan.

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

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled person should, as far as possible, be identical to that of other employees.

EMPLOYEE INFORMATION AND CONSULTATION

The Group continues to involve its staff in the future development of the business. Information is provided to all employees through the Group website and the intranet to ensure that employees are kept well informed of the performance and objectives of the Group.

CREST

CREST is the computerised system for the settlement of share dealings on the London Stock Exchange. CREST reduces the amount of documentation required and also makes the trading of shares faster and more secure. CREST enables shares to be held in an electronic form instead of the traditional share certificates if they wish. This may be preferable for shareholders who do not trade in shares on a frequent basis.

On Behalf of the Board
DAVID ELLINGHAM – FINANCE DIRECTOR
23 JUNE 2015

STATEMENTS OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare Group and Company Financial Statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

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

In preparing each of the Group and company financial statements, the directors are required to:

A. select suitable accounting policies and then apply them consistently;

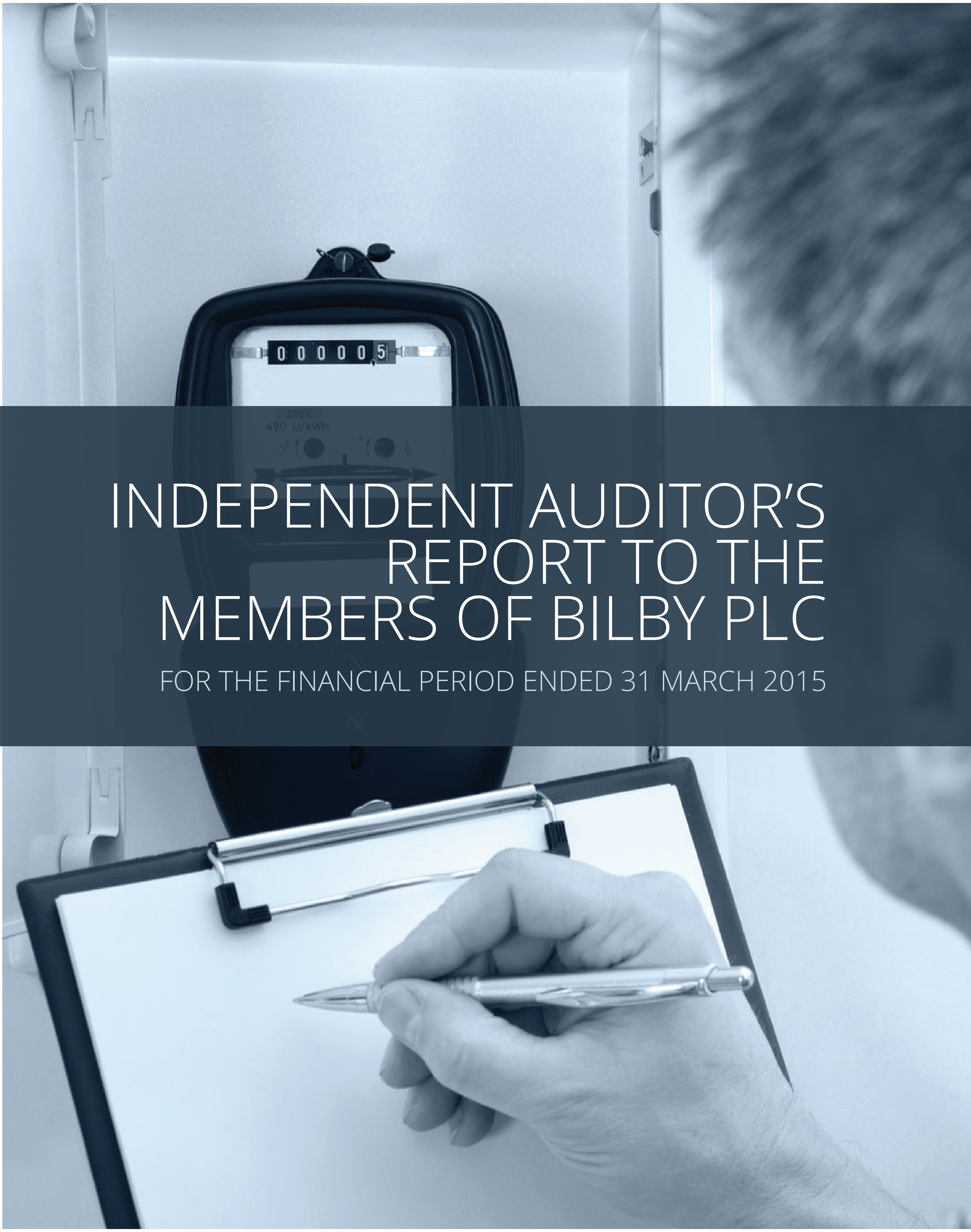
B. make judgements and accounting estimates that are reasonable and prudent;

C. for the Group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU; and for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;

D. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business;

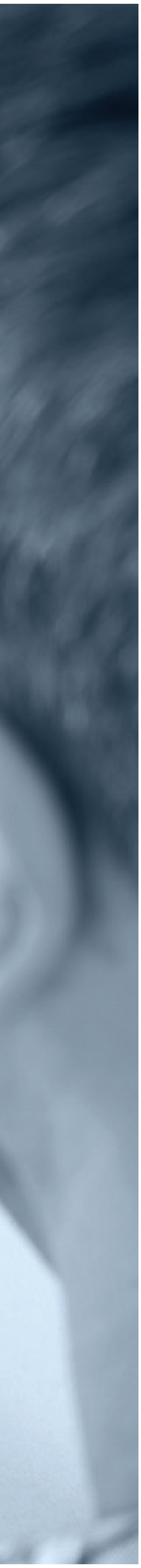
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Bilby plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BILBY PLC

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015



We have audited the group and parent company financial statements ("the financial statements") on pages 24 to 48. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.
Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

OPINION ON FINANCIAL STATEMENTS

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent's affairs as at 31 March 2015 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union
- the parent financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

FOR AND ON BEHALF OF BAKER TILLY UK AUDIT LLP, STATUTORY AUDITOR
CHARTERED ACCOUNTANTS, 25 FARRINGDON STREET, LONDON EC4A 4AB
23 JUNE 2015

RICHARD COATES SENIOR STATUTORY AUDITOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	14 months ended 31 March 2015 £,000	12 months ended 31 January 2014 £,000
REVENUE	5	14,907	9,733
Cost of sales		(11,093)	(7,214)
GROSS PROFIT		3,814	2,519
Administrative expenses	7	(1,814)	(1,661)
OPERATING PROFIT	6	2,000	858
Finance costs	9	(20)	(27)
PROFIT BEFORE TAX		1,980	831
Income tax expense	11	(428)	(228)
PROFIT FOR THE PERIOD/YEAR attributable to the equity holders of the parent company		1,552	603
Other comprehensive income		-	-
Total comprehensive income for the period / year attributable to the equity holders of the parent company		1,552	603

All of the profit and total comprehensive income for the year is attributable to the equity holders of the parent
All amounts relate to continuing activities. There were no other recognised gains and losses in the year.

BASIC EARNINGS PER SHARE (PENCE)	12	6.1p	2.4p
DILUTED EARNINGS PER SHARE (PENCE)	12	6.1p	2.4p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital £,000	Share premium £,000	Merger reserve £,000	Retained earnings £,000	Total equity £,000
Balance at 1 February 2013	2,500	-	(2,499)	785	786
Profit and total comprehensive income for the year	-	-	-	603	603
Balance at 31 January 2014	2,500	-	(2,499)	1,388	1,389
Balance at 1 February 2014	2,500	-	(2,499)	1,388	1,389
Profit and total comprehensive income for for the period	-	-	-	1,552	1,552
Issue of share capital	431	2,069	-	-	2,500
Issue costs	-	(856)	-	-	(856)
Balance at 31 March 2015	2,931	1,213	(2,499)	2,940	4,585

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for shares at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses
Merger reserve	Difference between the share capital of P&R Installation Company Limited and the nominal value of the shares issued by the Company to acquire P&R Installation Company Limited
Retained earnings	Cumulative profit of the Group attributable to equity shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	as at 31 March 2015 £,000	as at 31 January 2014 £,000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	524	908
CURRENT ASSETS			
Inventories	14	347	320
Trade and other receivables	15	4,033	1,644
Cash and cash equivalents	16	1,770	97
TOTAL CURRENT ASSETS		6,150	2,061
TOTAL ASSETS		6,674	2,969
EQUITY AND LIABILITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
ISSUED CAPITAL AND RESERVES			
Share capital	20	2,931	2,500
Share premium	20	1,213	-
Merger reserve	20	(2,499)	(2,499)
Retained earnings		2,940	1,388
TOTAL EQUITY		4,585	1,389
NON CURRENT LIABILITIES			
Borrowings	17	-	178
Obligations under finance leases	18	57	28
Deferred tax liabilities	26	20	19
		77	225
CURRENT LIABILITIES			
Borrowings	17	31	120
Obligations under finance leases	18	50	105
Current income tax liabilities		448	209
Trade and other payables	19	1,483	921
TOTAL CURRENT LIABILITIES		2,012	1,355
TOTAL EQUITY AND LIABILITIES		6,674	2,969

THE FINANCIAL STATEMENTS ON PAGES 24 TO 48 WERE APPROVED BY THE BOARD AND AUTHORISED FOR ISSUE ON 23 JUNE 2015 AND SIGNED ON ITS BEHALF BY:

DAVID ELLINGHAM FINANCE DIRECTOR

PHIL COPOLO DEPUTY EXECUTIVE CHAIRMAN

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	14 months ended 31 March 2015 £,000	12 months ended 31 January 2014 £,000
NET CASH GENERATED FROM OPERATING ACTIVITIES	21	95	64
CASH FLOW FROM INVESTING ACTIVITIES			
Interest paid		(20)	(27)
Purchases of property, plant and equipment		(22)	(26)
Proceeds on disposal of property, plant and equipment		376	6
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES		334	(47)
Cash flow from financing activities			
Repayment of bank loans		(262)	(89)
New bank loans		-	154
Repayment of Director loans		(4)	(30)
Capital element of finance lease payments		(134)	(173)
Issue of ordinary share capital		2,500	-
Issue costs		(856)	-
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES		1,244	(138)
Net increase / (decrease) in cash and cash equivalents		1,673	(121)
Cash and cash equivalents at beginning of period		97	218
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	1,770	97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Bilby Plc and its subsidiary (together 'the Group') operate in the gas heating and general building services industries. The Company is a public company operating on AIM and is incorporated and domiciled in England and Wales (registered number 09095860). The address of its registered office is 6-8 Powerscroft Road, Sidcup, DA14 5DT. The Company was incorporated on 20 June 2014.

The group's financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and early adopted as at the time of preparing these financial statements and in accordance with the provisions of the Companies Act 2006.

The Group 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 preparation of financial statements 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 and estimates are significant to the consolidated financial statements are disclosed in notes 2 and 4.

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

The principal accounting policies adopted by the Group are set out in note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Going Concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk Guidance for UK Companies 2009".

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of these consolidated financial statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

On the basis of the above projections, the Directors are confident that the Group has sufficient working capital to honour all of its obligations to creditors as and when they fall due. Accordingly, the Directors continue to adopt the going concern basis in preparing these consolidated financial statements.

2.2 Basis of Consolidation

The consolidated financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March each year. Subsidiaries are entities over which the Company has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group generally obtains and exercises control through voting rights.

The consolidated financial statements incorporate the financial information of Bilby Plc and its subsidiary P&R Installation Company Limited. Subsidiary companies are consolidated from the date that control is gained.

On 6 March 2015 the Company acquired the shares of P&R Installation Company Limited in exchange for its own shares. The Company issued 25,000,000 10p shares in exchange for the entire share capital of P&R Installation Company Limited. The acquisition did not meet the definition of a business combination as the Company was not a business and therefore falls outside the scope of IFRS 3. As IFRS does not provide specific guidance in relation to group reorganisations it defers to the next appropriate GAAP being UK GAAP. The acquisition of P&R Installation Company Limited by the Company has therefore been accounted for in accordance with the principles of merger accounting as set out in Financial Reporting Standard 6 - Acquisitions and Mergers. Accordingly the consolidated financial statements for the Group has been presented as if P&R Installation Company Limited has been owned by the Company throughout the current and preceding periods. The comparative figures for the previous year include the results of the merged entity, the assets and liabilities at the previous balance sheet date and the shares issued by the Company as consideration as if they had always been in issue. The difference between the share capital of P&R Installation Company Limited and the nominal value of shares issued by the Company to acquire P&R Installation Company Limited is recorded as a merger reserve.

All intra-group transactions, balances, income and expense are eliminated on consolidation.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of the Group's services. Revenue is recognised by the Group, 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 Group 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.

2.4 Operating Profit

Operating Profit comprises the Group's revenue for the provision of services, less the costs of providing those services and administrative overheads, including depreciation of the Group's non-current assets.

2.5 Dividends

The Group has a policy of paying dividends to shareholders in accordance with the amount recommended by the Directors. If the Directors believe the dividends are justified by the profits of the Group 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.

2.6 Segmental 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. In the opinion of the Board of Directors, there is currently only one operating segment.

2.7 Property, Plant & 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

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 Group 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.

The residual values and economic lives of assets are reviewed by the Directors on at least an annual basis and are amended as appropriate.

2.8 Impairment of property, plant and equipment

At each statement of financial position date, the Group 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 Group 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.

2.9 Inventories

Raw materials and consumables are measured at the lower of cost and net realisable value.

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.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group 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 Group 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.

2.11 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 and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group'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 value of assets and liabilities in the 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 to 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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 Group 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 Employee Benefits

The Group operates a defined contribution pension scheme for certain employees of the Group. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charged in the income statement are the contributions payable to the scheme in respect of the accounting period.

2.14 Share-based payments

The Company issues equity-settled share-based payment transactions to certain employees. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The calculation of fair value at the date of grant requires the use of management's best estimate of volatility, risk free rate and expected time to exercise the options.

2.15 New standards and interpretations

The following standards, which await EU endorsement, have not been early adopted. They are not expected to have a material impact on the Group'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 2019.
- 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 Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk Management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks and 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 Group has exposure to interest rate risk. Details of actual interest rates can be found in note 22 to these consolidated financial statements.

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 Group. Credit risk arises principally from the Group's cash balances and trade receivables balances.

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

The Group 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 Group 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 Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash reserves to meet the Group's working capital requirements. Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents on the basis of expected cash flow. The maturity of the Group's financial liabilities is disclosed in note 23.

As at 31 March 2015, the Group had positive cash and cash equivalents, of £1,770,000 (31 January 2014: £97,000).

3.5 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to shareholders. The Group 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 Group's commitments and development plans.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements in conformity with IFRS as adopted in the European Union requires the Directors to make certain critical accounting estimates and judgements. In the process of applying the Group'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 consolidated financial statements.

Recoverability of trade receivable balances

In the periods shown in these consolidated financial statements, 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.

Share based payment charge

The Group issued share options to one director and four employees. The Black Scholes model is used to calculate the appropriate charge for these options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The total charge for the period to 31 March 2015 was £1,409. This charge has not been recognised in the financial

5. REVENUE

Revenue can be broken down as follows:

	2015 £,000	2014 £,000
Gas Maintenance	6,522	6,986
Building Services	8,137	2,682
Trade Counter	248	65
	14,907	9,733

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

There are four customers who individually contribute 19%, 17%, 11% and 11% respectively towards the revenue. (31 January 2014: four contributing 23%, 20%, 16% and 13%) from continuing operations and all revenues are derived from the UK.

6. OPERATING PROFIT

Operating profit is stated after charging the following:

	2015 £,000	2014 £,000
Staff costs	3,016	3,149
Redundancy costs	-	31
Depreciation	126	132
Loss on disposal of property, plant and equipment	16	47
Impairment of property, plant and equipment	-	25
UK Auditor’s remuneration and auditors associates remuneration	34	20
Non-audit remuneration	23	27
Operating lease rentals	10	12
Inventory recognised as an expense	8,783	4,438

The depreciation charge as stated in the table above is included within administration expenses in the statements of comprehensive income.

A non-audit fee in relation to the IPO payable to Baker Tilly Corporate Finance LLP of £162,500 has been deducted from the share premium account.

7. ADMINISTRATIVE EXPENSES

	2015 £,000	2014 £,000
Computer expenses	36	57
Depreciation and impairment	126	157
Legal and professional	23	135
Printing, postage and stationary	38	43
Travel	77	70
Utilities	171	136
Wages and salaries	986	870
Other expenses	357	193
	1,814	1,661

8. EMPLOYEE EXPENSES

Staff costs

The average number of employees (including directors) employed during the period was:

	2015	2014
Management	6	6
Administration	8	8
Engineers	67	79
	81	93

The aggregate remuneration of the above employees (including directors) comprised:

	2015 £,000	2014 £,000
Wages and salaries	2,713	2,834
Social security costs	267	300
Pension costs	36	15
Redundancy costs	-	31
	3,016	3,180

The remuneration of the Directors and other key management personnel of the Group are shown in note 23 and the directors' report.

9. FINANCE COSTS

	2015 £,000	2014 £,000
Interest payable on bank borrowings and loans	4	7
Interest payable on hire purchase agreements	16	20
	20	27

10. DIVIDENDS

The directors have recommended a final dividend for the period ended 31 March 2015 be paid. This is subject to approval at the Annual General Meeting and therefore no dividend liability has been recognised in the consolidated financial statements. The proposed dividend payable is 2.32 pence per share.

11. INCOME TAX

Components of income tax expense

	2015 £,000	2014 £,000
Current income tax expense		
Current income tax charge	427	209
Total current tax	427	209
Relating to origination and reversal of temporary differences	1	(8)
Adjustments in respect of prior periods	-	27
Income tax expense reported in income statement	428	228

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

	2015 £,000	2014 £,000
Profit on ordinary activities before taxation	1,980	831
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.28% (2014 – 23%)	421	191
Effects of:		
Non-deductible expenses	5	5
Other tax adjustments	2	32
Tax on profits on ordinary activities	428	228

There is a potential deferred tax asset in connection with 1,612,067 of unexercised share options. The £8,000 asset (2014: £nil) is considered to be immaterial and has not been recognised in these consolidated financial statements.

12. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share amounts are calculated by dividing net profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The Group has 1,612,067 potentially assuable shares all of which relates to potential dilution from the Group's share option issued to a Director and employees in the period.

Basic and diluted profit per share from continuing operations is calculated as follows:

	2015 £,000	2014 £,000
Profit used in calculating basic and diluted earnings per share	1,552	603
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	25,359,195	25,000,000
Weighted average number of shares for the purpose of diluted earnings per share	25,493,534	25,000,000
Basic earnings per share (pence)	6.1	2.4
Diluted earnings per share (pence)	6.1	2.4

13. NON CURRENT ASSETS

	Freehold property £,000	Long leasehold improvement £,000	Motor vehicles £,000	Fixtures & Fittings £,000	IT equipment £,000	Total £,000
Cost						
At 1 February 2014	375	193	664	48	225	1,505
Additions	-	7	105	2	20	134
Disposals	(375)	-	(83)	-	-	(458)
At 31 March 2015	-	200	686	50	245	1,181
Depreciation						
At 1 February 2014	-	(29)	(372)	(32)	(164)	(597)
Disposals	-	-	66	-	-	66
Charge for period	-	(11)	(89)	(5)	(21)	(126)
At 31 March 2015	-	(40)	(395)	(37)	(185)	(657)
Net book value						
At 1 February 2014	375	164	292	16	61	908
At 31 March 2015	-	160	291	13	60	524
At 31 January 2014						
Cost						
At 1 February 2013	400	193	894	48	199	1,734
Additions	-	-	41	-	26	67
Disposals	-	-	(271)	-	-	(271)
Revaluation decreases recognised as an expense	(25)	-	-	-	-	(25)
At 31 January 2014	375	193	664	48	225	1,505
Depreciation						
At 1 February 2013	-	(19)	(492)	(27)	(145)	(683)
Disposals	-	-	218	-	-	218
Charge for year	-	(10)	(98)	(5)	(19)	(132)
At 31 January 2014	-	(29)	(372)	(32)	(164)	(597)
Net book value						
At 1 February 2013	400	174	402	21	54	1,051
At 31 January 2014	375	164	292	16	61	908

The net book value of property, plant and equipment at 31 March 2015 includes £292,000 (2014: £293,000) in respect of assets held under finance lease contracts which relate to the acquisition of motor vehicles.

14. INVENTORIES

	2015 £,000	2014 £,000
Raw materials	320	286
Work in progress	27	34
	347	320

15. TRADE AND OTHER RECEIVABLES

	2015 £,000	2014 £,000
Current		
Trade Receivables	2,985	1,255
Prepayments and accrued income	1,048	389
	4,033	1,644

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

	2015 £,000	2014 £,000
Between 1-2 months	1,185	276
Between 2-3 months	25	50
More than 3 months	319	59
	1,529	385

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

The Group's exposure to credit risk is discussed in note 22 to the consolidated financial statements, including how the Group 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 March 2015 is 73 days (31 January 2014: 47 days). No interest was charged on overdue receivables during any year.

The Directors believe that the carrying value of the 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 Group does not hold any collateral as security.

The Group's trade and other receivables are all denominated in Sterling.

16. CASH AND CASH EQUIVALENTS

	2015 £,000	2014 £,000
Cash and bank balances	1,770	97
	1,770	97

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

The Group'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

	2015 £,000	2014 £,000
Non-current:		
Bank loans	-	178
	-	178
Current:		
Bank loans	31	116
Director's loans	-	4
	31	120

The maturity analysis of borrowings, inclusive of finance charges is included in note 18. All of the loans are denominated in £ sterling.

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

Non-current bank loans amounting to £nil as at 31 March 2015, (31 January 2014: £177,958), and current bank loans amounting to £31,271 as at 31 March 2015 (31 January 2014: £115,501) 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 March 2015 (31 January 2014: £203,479) was at 1.75% above the Bank of England base rate. The loan was fully repaid when the freehold property was sold in August 2014.
- A loan of £31,271 as at 31 March 2015 (31 January 2014: £89,980) is at 3.03% above the Bank of England base rate (2014: 2%). The loan is due to be repaid by June 2015.

18. OBLIGATIONS UNDER FINANCE LEASES

	2015 £,000	2014 £,000
Non-current:		
Minimum lease payments under finance leases	57	28
Current:		
Minimum lease payments under finance leases	50	105
	107	133

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:

	2015 £,000	2014 £,000
Gross finance lease liabilities – minimum lease payments:		
No later than 1 year	54	119
Later than 1 year and no later than 5 years	60	31
Less: future finance charges on leases	(7)	(17)
	107	133

The present value of finance lease liabilities is as follows:

	2015 £,000	2014 £,000
No later than 1 year	50	105
Later than 1 year and no later than 5 years	57	28
	107	133

The fair value of the Group's lease obligations is approximately equal to their carrying amount. All lease obligations are denominated in Sterling.

It is the Group's policy to lease the majority of its motor vehicles. The average lease term is 3 years. For the period ended 31 March 2015, the effective borrowing rate was 2.5 per cent (31 January 2014: 2.5 per cent).

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

19. TRADE AND OTHER PAYABLES

	2015 £,000	2014 £,000
Current:		
Trade Payables	1,136	686
Other taxation and social security	255	177
Accruals and deferred income	92	58
	1,483	921

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 Group 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 39 days (2014: 45 days)

20. SHARE CAPITAL

Ordinary shares of £0.10 each

	2015 £,000	2014 £,000
At the beginning of the year	2,500	2,500
Issued in the year	431	-
At the end of the year	2,931	2,500

Number of shares

	2015	2014
At the beginning of the year	-	-
Issued in the year in exchange for P&R Installation Company Limited shares	25,000,000	-
Placing of shares on admission to AIM	4,310,345	-
At the end of the year	29,310,345	-

Bilby Plc was incorporated on 20 June 2014 and 2 shares of £1 each were issued for cash consideration. On 8 January 2015, 98 ordinary shares of £1 each were issued to the existing shareholders of P&R in pro rata proportions to their existing shareholdings at that time in P&R. 50,000 redeemable non-voting preference shares of £1 each were issued to Mr P. Copolo, a director of the company. Following this, 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. The non-voting preference shares were redeemed on Admission.

On 2 March 2015, the share capital was altered by the subdivision of the ordinary shares into 1,000 shares of 10p each

On 2 March 2015, the Company issued 24,999,000 10p ordinary shares as consideration for the acquisition of P&R Installation Company Limited. The amount of the consideration was £14,500,000. The share for share exchange has been retroactively recognised in the balance sheet capital as at 31 January 2014.

Share issue costs include amounts paid to consultancy companies owned and controlled by: David Ellingham (£75,000) and Sangita Shah - (£15,000).

On 2 March 2015, the Company issued 4,310,345 10p ordinary shares at a price of 58p per share through a placing of its shares on its admission to AIM.

Merger Reserve

The acquisition of its principal and only subsidiary at the period end by the Group does not meet the definition of a business combination and therefore falls outside the scope of IFRS3. The acquisition has therefore been accounted for in accordance with the principles of merger accounting as set out in Financial Reporting Standard 6 – Acquisitions and Mergers.

The consideration paid to the shareholders of P&R Installation Company Limited was 25,000,000 ordinary shares of 10p each. A merger reserve arises on consolidation being the difference between the nominal value of the shares issued on acquisition and the share capital of P&R Installation Company Limited.

21. NOTES TO THE CASH FLOW STATEMENT

	2015 £,000	2014 £,000
Cash flow from Operating Activities		
Profit before income tax	1,980	831
Adjustments for:		
Finance cost	20	27
Loss on disposal of tangible assets	16	47
Depreciation	126	132
Impairment	-	25
Movement in receivables	(2,389)	(163)
Movement in payables	557	(471)
Movement in inventories	(27)	(241)
Tax paid	(188)	(123)
Net cash from operating activities	95	64

22. FINANCIAL INSTRUMENTS

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

Principal financial instruments

The principal financial instruments used by the Group, 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 Group held the following financial assets at each reporting date:

	2015 £,000	2014 £,000
Loans and receivables:		
Trade receivables	2,985	1,255
Cash and cash equivalents	1,770	97
	4,755	1,352

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

	2015 £,000	2014 £,000
Held at amortised cost:		
Bank loans	31	294
Directors loans	-	4
Obligations under finance leases	107	133
Accruals	92	58
Trade payables	1,136	686
	1,366	1,175

Principal financial instruments

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

- Interest rate risk
- Credit risk
- Liquidity risk

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

Interest rate risk management

The Group'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 Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group is also exposed to interest rate risk through its finance lease obligations.

The Group 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 March 2015 was at an average rate of 2.9% (31 January 2014: 2.9%).

The Group 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 Group's policy is to minimise interest charges through active cash management. Interest charged on the Group'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 Group. Credit risk arises principally from the Group's trade and other receivables and its cash balances. The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Group has an established credit policy under which each new customer is analysed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The maximum exposure the Group 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 Group is exposed to the risk of default by its customers. At 31 March 2015, the Group had three customers with an outstanding balance over £250,000 (31 January 2014: one). 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 March 2015, the Group held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the Group'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 these consolidated financial statements. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group'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 Group maintains good relationships with its bank, which has a high credit rating.

23. RELATED PARTY TRANSACTIONS

During the current period and previous year, the Group operated from headquarters at 6-8 Powerscroft Road, Sidcup, Kent. The freehold of the property is owned by Mr P Copolo, the majority shareholder of the Group. A formal 20 year lease was entered into on the 6th March 2015 between Mr P Copolo and the Group. Under the terms of the lease, the initial rent is £50,000 per annum with the Group being responsible for all ongoing costs.

Key management compensation

The group's key management are considered to comprise the directors whose remuneration is as follows:

	2015 £,000	**2014 £,000**
The aggregate remuneration comprised:		
Aggregate emoluments	146	169
Consultancy fees	90	-
Directors remuneration	236	169
Social security costs	14	20
Total remuneration	250	189

The remuneration of the highest paid director during the year was £94,040 (2014: £110,963). The remuneration of individual directors is disclosed in the Directors' report.

There were no other transactions with directors or key personnel to disclose.

24. OPERATING LEASES

The group enters into non-cancellable operating leases on property and equipment. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£,000	£,000
Less than 1 year	12	11
More than 1 year but less than 5 years	13	25
	25	36

In addition to the above, the Group has entered into a 20 year lease on 6 March 2015 on 6-8 Powerscroft Road. The annual rent is £50,000 per annum.

25. SHARE BASED PAYMENTS

The Group has a share option scheme for certain directors and employees. Options are generally exercisable at a price equal to the market price of the Group's shares on the day immediately prior to the date of the grant. Options are forfeited if the employee leaves the Group before the options vest.

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

The Group issued 1,612,067 share options to one director and four employees on 6 March 2015. The options are exercisable at the Placing Price of 58 pence per share and will become exercisable on the third anniversary of their grant. They can be exercised at any time from this date to the day before the tenth anniversary of the grant.

Of the share options issued, 219,828 of them are subject to a performance condition based on a total shareholder return over the period up to 6 March 2018.

The Black Scholes model is used to calculate the appropriate charge for these options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. The total charge for the period to 31 March 2015 was £1,409. This charge has not been recognised in the financial statements for the period ended 31 March 2015 due to the immaterial amounts concerned.

The inputs into the option pricing models are as follows:

Weighted average exercise price	£0.58
Expected volatility	25.6%
Expected life	6.5 years
Risk free interest rate	1.87%
Expected dividends	4%

The volatility of the Company's share price on the date of grant was calculated as the average of annualised standard deviations of daily continuously compounded returns on the stock of closely comparable companies.

26. DEFERRED TAX

	Short term timing differences £,000
At 1 February 2013	-
(Charge) to the income statement	(19)
At 31 January 2014	(19)
(Charge) to income statement	(1)
At 31 March 2015	(20)

27. ULTIMATE CONTROLLING PARTY

By virtue of his majority shareholding, Mr P Copolo is the ultimate controlling party of Bilby Plc.

PARENT COMPANY BALANCE SHEET

	Notes	£	As of 31 March 2015 £
FIXED ASSETS			
Investments	2		14,500,000
CURRENT ASSETS			
Debtors	3	1,052,227	
Cash at bank and in hand		1,578,754	
		2,630,981	
CREDITORS:			
Amounts falling due within one year	5	8,924	
NET CURRENT ASSETS	-		2,622,057
TOTAL ASSETS LESS CURRENT LIABILITIES			17,122,057
CAPITAL AND RESERVES			
Called-up equity share capital	7		2,931,035
Share premium account	8		1,213,664
Merger reserve	9		12,000,000
Profit and loss account			977,358
SHAREHOLDERS' FUNDS	10		17,122,057

THESE ACCOUNTS WERE APPROVED BY THE DIRECTORS AND AUTHORISED FOR ISSUE ON 23 JUNE 2015 AND ARE SIGNED ON THEIR BEHALF BY:

DAVID ELLINGHAM FINANCE DIRECTOR

PHIL COPOLO DEPUTY EXECUTIVE CHAIRMAN

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

As permitted by s408 of the Companies Act 2006, the profit and loss account of the Company is not presented in this Annual Report. As permitted by FRS1, Cash Flow Statements, no cash flow statement for the Company has been included on the grounds that the Group includes the Company in its own published consolidated financial statements.

Going concern

As part of their going concern review the directors have followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk Guidance for UK Companies 2009".

The directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of these Financial Statements. In developing these forecasts the directors have made assumptions based upon on their view of the current and future economic conditions that will prevail over the forecast period.

On the basis of the above projections, the directors are confident that the Company has sufficient working capital to honour all of its obligations to creditors as and when they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Investments

Investments held by the company are stated at cost less provision for diminution in value.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. INVESTMENTS

	2015 £
COST AND NET BOOK VALUE	
On incorporation	-
Acquisition of P&R Installation Company Limited	14,500,000
At 31 March 2015	14,500,000

The company owns 100% of the issued share capital of the company listed below:

P & R Installation Company Limited registered and incorporated in the United Kingdom.

The principal activity of P&R Installation Company Limited is to contract works in the gas, plumbing and building services sector from Government organisations and Housing Associations.

3. DEBTORS

	2015 £
VAT recoverable	46,567
Amount due from subsidiary undertaking	1,000,000
Deferred taxation (note 4)	5,660
	1,052,227

4. DEFERRED TAXATION

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015 £
Deferred tax in respect of trading losses	5,660
	5,660

5. CREDITORS

Amounts falling due within one year

	2015 £
Other creditors	8,924

6. RELATED PARTY TRANSACTIONS

The directors have taken advantage of the exemption in FRS8 and have not disclosed transactions with other wholly owned group undertakings. There are no other related party transactions.

7. SHARE CAPITAL

Allotted, called up and fully paid:

	no	£
Ordinary shares of £0.10 each	29,310,345	2,931,035

	£
On incorporation	2
Issue of shares to existing shareholders of P&R	98
Issue of shares for acquisition of P&R via share for share exchange	2,499,900
Issue of shares on admission to AIM	431,035
	2,931,035

Bilby Plc was incorporated on 20 June 2014 and 2 shares of £1 each were issued for cash consideration. On 8 January 2015, 98 ordinary shares of £1 each were issued to the existing shareholders of P&R in pro rata proportions to their existing shareholdings at that time in P&R. 50,000 redeemable non-voting preference shares of £1 each were issued to Philip Copolo. Following this, 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. The non-voting preference shares were redeemed on Admission. The acquisition has been accounted for in accordance with the principles of merger accounting as set out in FRS6 Acquisitions and Mergers.

On 2 March 2015, the share capital was altered by the subdivision of the ordinary shares into 1,000 shares of 10p each.

On 2 March 2015, the Company issued 24,999,000 10p ordinary shares as consideration for the acquisition of P&R Installation Company Limited. The price paid for P&R Installation was £14,500,000.

On 2 March 2015, the Company issued 4,310,345 10p ordinary shares through a placing of its shares on its admission to AIM. The shares were issued at 58p per ordinary share. There were associated issued costs of £856,000, all of which have been debited to the share premium account.

8. SHARE PREMIUM ACCOUNT

	2015 £
Premium on shares issued in the period (net of issue costs)	1,213,664
Balance carried forward	1,213,664

9. MERGER RESERVE

	2015 £
Issued in share for share exchange	12,000,000
Balance carried forward	12,000,000

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £
Profit for the financial period	977,358
New equity share capital subscribed	2,931,035
Premium on new share capital subscribed	1,213,664
Premium on share for share exchange issue	12,000,000
	16,144,699
Opening shareholders' funds	-
Net addition to shareholders' funds	17,122,057
Closing shareholders' funds	17,122,057

Bilby PLC

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