

Marlowe plc

Annual Report and Financial Statements

for the year ended 31 March 2024



MARLOWE
PLC

Marlowe is a leader in business-critical services across three key regulated industries;



Fire Safety & Security



Water & Air Hygiene



Occupational Health

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To download the full Annual Report and Financial Statements, and for further information about Marlowe visit www.marloweplc.com

At a glance

We deliver business-critical services in three compliance areas to ensure adherence with strict regulations and insurance requirements across Fire Safety & Security, Water & Air Hygiene and Occupational Health. The Group has a national footprint and serves customers across office complexes, high streets & leisure facilities, manufacturing plants and industrial estates, and includes thousands of SMEs, local authorities, facilities management providers, multi-site NHS trusts and FTSE 100 companies.



1m

Service visits



30,000

Customers across the UK



>2,500

Fee earning compliance experts



>1m

Occupational Health interventions made each year



100%

UK postcode coverage



80%

Recurring revenues



98%

Testing Inspection & Certification (TIC) customer compliance rates



~20%

TIC cross-divisional sales

Marlowe operates in highly attractive and defensive markets often underpinned by regulation making the services we provide largely non-discretionary. All the markets we operate in are undergoing structural growth whether that be driven by regulatory change, an increasing focus on ESG, or an increasing enforcement burden which has seen fines in excess of £1m for non-compliance.

FY24 key highlights



The Group is now focussed on the highly attractive and regulated compliance service markets following the Divestment in the year. The sale of a number of GRC software and service assets represented a good outcome for Marlowe and its shareholders.

Adam Councill, Chief Finance Officer

Financial performance (continuing operations)

FY24 Revenue: **£402.9m**
Revenue growth: **5%**

FY24 Adjusted EBITDA: **£49.0m**
FY24 Adjusted EBITDA margin: **12.2%**

Financial performance of Group

FY24 Revenue: **£503.2m**
Revenue growth: **8%**

FY24 Adjusted profit before tax: **£46.8m**
FY24 Statutory (loss) before tax: **£(10.9)m**

Adjusted earning per share: **36.4p**
Statutory (loss) per share: **(10.6)p**

Net debt
(excluding lease liabilities): **£176.6m**

Net debt position prior to the completion of the Group's £430m Divestment and the return of £150m to shareholders via a special dividend.

Strategic highlights

Positioned as the leader in business-critical services

- Operating in highly recurring and defensive markets
- Ability to grow organically in the mid-single digits and opportunity to deliver margin improvements by over 200bps in the medium term
- Positioned to execute bolt-on M&A opportunities, deepening our presence and cementing our leading compliance position in these fragmented markets

Strategic action delivering value for shareholders

- Disposal of certain GRC software and service assets ("The Divestment") for £430 million EV post year end
- The enterprise value of the Divestment represented 121% of Marlowe's Market Capitalisation, as at 20 February 2024
- Return of up to £225 million of proceeds by the way of a £150 million special dividend and up to £75 million buy-back following the year ended 31 March 2024

Group structure

Marlowe organises its business-critical services across two divisions: Testing, Inspection & Certification (TIC) and Occupational Health (OH).

TIC specialises in field-based assurance: recurring testing and inspection regimes to certify properties and ensure systems are safe and compliant.

£292m
FY24 revenue

12.0%
Adj. EBITDA
margin



£111m
FY24 revenue

16.4%
Adj. EBITDA
margin

Optima Health is the UK leader in the occupational health and wellbeing sector. We assure regulatory compliance for our clients, improving the health & wellbeing of their employees, minimising workplace risk and maximising corporate productivity.

Underpinned by growing regulatory environments

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> ■ Protect Duty Bill 2023 ■ Fire Safety Bill 2022 ■ Consent Discharge ■ TR19 | <ul style="list-style-type: none"> ■ Control of Substances Hazardous to Health ■ The Control of Asbestos Regulations 2012 ■ Regulatory Reform Order 2005 ■ The Health & Safety at Work Act 1974 | <ul style="list-style-type: none"> ■ BS 9999 (Fire Safety) ■ ACOP L8 ■ HSG 274 ■ Natural England guidance |
|--|---|---|

Business review

For the year ended 31 March 2024

This has been a pivotal year for Marlowe. In November 2023, we announced a review of the Group's structure. It had become clear that as the Group had grown and evolved, its operational activities had diversified into sectors with varying operational and financial characteristics.

Following the announcement of the strategic review we received an offer for a number of our GRC software and service assets. Consequently, in February 2024, we announced a binding agreement for the divestment of these assets for an enterprise value of £430 million, a valuation that represented 121% of Marlowe's market capitalisation on the day prior to announcement.

The sale proceeds from the Divestment are expected to be c.£405 million after relevant adjustments, including estimated transaction costs, settlement of certain transaction-related liabilities and earn-outs, reorganisation and separation costs.

On 3 June 2024 we announced the completion of the Divestment and the return of up to £225 million of proceeds to shareholders. We have subsequently repaid the Group's entire debt facilities and returned £150 million to shareholders via a special dividend paid on 5 July 2024. On 5 July 2024, the Board initiated a share buy-back programme of up to £75 million, and this is ongoing.

Marlowe now comprises of two market-leading compliance service divisions in Testing, Inspection and Certification ("TIC") and Occupational Health ("OH"). These markets have strong structural tailwinds, with many of the services we provide being non-discretionary to our customers and leading to an estimated 80% of recurring revenues across the Group.

We continue to see significant opportunity for further growth as we look ahead. We are focussed on driving organic revenues, improving margins and delivering attractive free cash flow. We have a refocused strategy and are well positioned to capitalise on the attractive compliance service markets we serve.

Financial results – continuing operations

The results for the Group reflect a year of significant integration and transformation. Against that backdrop, the Group performed well and made strong operational progress within its divisions. Revenue from continuing

operations grew 5% to £402.9 million benefiting from 4% organic growth in TIC and the contribution from acquisitions during the year. Occupational Health revenue decreased due to the impact of contract losses. The division has since won £13.8 million of new business which has started or will start during FY25.

Adjusted EBITDA of £49.0 million (FY23: £51.3 million) reflects the retained Group operations. The reduction on the prior year has been driven by contract losses within Occupational Health, increased use of subcontractors and a one-off accounting adjustment relating to a review of the recoverability of certain current assets within our Water & Air Hygiene business. This resulted in a 120bps compression of adjusted EBITDA margins year-on-year. Adjusted EBITDA margins in TIC improved towards the year end as we transitioned work from subcontractors to in-house fee-earners. We expect adjusted EBITDA margins to continue to improve in both divisions and have a medium-term Group target of 15% as we focus on delivering operational efficiencies and improving revenue mix.

Statutory operating loss was £5.0 million (FY23 operating profit: £3.3 million), with the reduction resulting from temporary revenue reduction and margin dilution in Occupational Health as described in the Business Review, the costs relating to the strategic review in the year and an increase in fair value loss on contingent consideration and acquisition-related incentive schemes.

Our business is highly cash generative and free cash flow is a key metric the Board and management are focussed on. The Group, including the divested assets, generated £83.8 million (FY23: £74.3 million) of adjusted cash from operations before acquisition and restructuring costs with a particular strong performance in the second half. Adjusted net debt (excluding leases) increased from £160.8 million as at 31 March 2023 to £176.6 million as at 31 March 2024 following £30.4 million being deployed on M&A (including purchase and repayment of subsidiary undertakings) in the first half of the year which was offset by the strong cash generation noted above. Following the completion of the Divestment and the return of £150 million via a special dividend paid on 5 July 2024, the Group had a material net cash balance.

Attractive and resilient business model

The compliance markets we serve are underpinned by regulation and are therefore predominantly non-discretionary to our customers and essential throughout the economic cycle. An estimated 80% of our revenues are recurring with customers typically contracted on 3-to-5-year agreements, providing us with secure and highly visible revenue streams.

Each of our markets have structural growth characteristics and benefit from onerous and evolving regulations with increasing enforcement action from regulators. Compliance spending continues to grow at attractive rates from the increasing focus on ESG and the health & safety and wellbeing of staff.

The Group has low customer concentration and operates across a broad range of sectors. We serve 30,000 customers from SMEs to large multinationals and public sector organisations, with no customer representing more than 4% of Group revenues.

Strong balance sheet and disciplined approach to capital allocation

We completed five acquisitions in the first half of the year for a total enterprise value of £37 million. Our largest acquisition was IMSM which was subsequently disposed of as part of the Divestment. We completed four bolt on-acquisitions within our Fire Safety & Security business for an enterprise value of £16.7 million, deepening our presence in this attractive vertical.

The Group retained a material net cash position following completion of the Divestment, the retirement of the debt facility and the return of £150 million to shareholders via a special dividend. The Group will return up to £75 million of further capital via a share buyback programme and this commenced on 5 July 2024. On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million with an uncommitted accordion facility of £50 million, and these facilities are currently undrawn.

The Board anticipates that the remaining net cash proceeds of the Divestment and the Group's strong cash generation will be used either to return further capital to shareholders or, when appropriate, invest in bolt-on acquisition opportunities across TIC and Occupational Health in due course.

Strengthening and integrating

We have made significant operational progress in the year with all integration programmes. We have now built the clear market leader in Occupational Health and Water & Air Hygiene and are a top 3 player in Fire Safety & Security. During the year, we continued to deliver extensive synergy benefits across each of our businesses. We invested £14.6 million into restructuring (FY23: £15.2 million) and successfully removed 200 duplicated roles, exited several properties and discontinued several legacy IT systems.

We are on target to complete all current programmes by 30 September 2024 with total expected costs of £5 million in the current financial year.

Marlowe's primary focus in the near term remains on driving margin enhancement and organic growth across these integrated platforms within the highly attractive and defensive compliance service markets.

Board changes

On the completion of the Divestment, Alex Dacre transferred with the Divestment and resigned as Chief Executive of Marlowe. Additionally, on 3 June 2024, the Group announced the resignation of Kevin Quinn as Executive Chairman with Lord Ashcroft KCMG PC assuming the role of Non-Executive Chairman on an interim basis having joined the Board on 18 March 2024.

The Board would like to thank Kevin who has made a significant contribution to the development of Marlowe and extends its sincere thanks for his dedicated service and commitment. Additionally, the Board would like to thank Charles Skinner, who stepped down from the Marlowe Board in March 2024, for his support and advice over his 8-year tenure.

Finally, we would like to welcome Julia Robertson as Independent Non-Executive Director. Julia is Group Chief Executive Officer of Headfirst Global plc and brings a wealth of experience.

Outlook

The year has started well, and we continue to see strong demand for our business-critical services. We expect to deliver mid-single digit organic revenue growth across our TIC division and maintain Occupational Health revenues as strong new business wins are onboarded and replace the impact of the lost contracts. The Group is focused on driving margin enhancement and expects to deliver high single digit adjusted EBITDA growth.

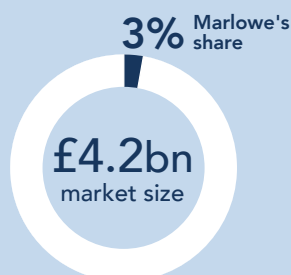
The Group expects to finalise the remaining integration programmes across TIC and OH by 30 September 2024 with no further integration costs expected in H2 FY25. The Board retains the flexibility to use the remaining net cash proceeds from the Divestment alongside the Group's strong cash generation to return further return capital to shareholders or to pursue carefully selected bolt-on acquisitions where appropriate.

In the medium term we expect both businesses to deliver mid-single digit organic growth as we leverage our scale and upsell, in addition to cross-sell within our TIC division.

Our market leading businesses

Fire Safety & Security

MARLOWE
FIRE & SECURITY



Our Fire Safety & Security Services provide our clients with a comprehensive range of safety and compliance services to ensure premises are maintained in accordance with building safety regulations.



~700
fee earners



~13k
customers



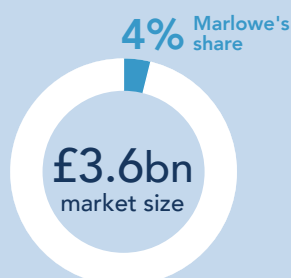
26
acquisitions

#3

position in
market

Water & Air Hygiene

WCS Group



Our Water & Air hygiene services delivers regulatory driven water treatment, air testing & quality and environmental services to commercial and industrial premises across the UK.



~1,000
fee earners



~14k
customers



24
acquisitions

#1

position in
market

Occupational Health

Optima Health



We are the UK leader in the occupational health and wellbeing sector. We assure regulatory compliance for our clients, improving the health & wellbeing of their employees, minimising workplace risk and maximising corporate productivity.



~900
fee earners



~3k
customers



9
acquisitions

#1

position in
market

Fire Safety & Security areas of speciality

Fire safety

- Fire detection and alarm systems
- Aspirating systems
- Emergency lighting
- Fire extinguishers
- Gaseous extinguisher systems
- Kitchen fire suppression systems
- Sauna fire suppression systems

- Dry/wet risers
- Hydrants
- Sprinkler systems
- Passive fire protection
- Fire doors
- Room integratory testing
- Fire risk assessments
- Fire safety training

Security systems

- Intruder alarms
- Access control

- CCTV systems
- Intercoms
- Panic alarms
- Lone worker
- Gates & barriers
- Keyholding
- Integrated security solutions
- Crisis management solutions

Remote monitoring & connected services

- Alarm monitoring
- CCTV monitoring
- Vacant property monitoring asset tracking
- Lone worker solutions
- Personal attack alarm monitoring
- Asset tracking
- CCTV router solutions
- Technical support desk

Water & Air Hygiene areas of speciality

Water treatment & hygiene

- Surveys and laboratory analysis
- Equipment supply, installation and servicing
- Cleaning inc. pre commissioning
- Chemical treatments
- Temperature and flow monitoring
- Electronic log book and asset management
- Consumable and spare parts
- Training
- Ventilation hygiene

- Ductwork cleaning
- Kitchen extract cleaning
- Ventilation management
- Fire & smoke damper inspections
- Decontamination of hazardous material
- Fire risk management in ventilation systems
- Pre-commission cleaning
- LEV maintenance
- Dust sampling
- Air handling units: cleaning and disinfection
- Fan maintenance and replacement

Waste water treatment

- Hire & trial equipment
- Customised waste-water treatment technologies
- Site survey
- Laboratory analysis
- Chemical regimes
- Consumables and spare parts
- Training

Asbestos consultancy

- Asbestos surveys and accredited inspection
- Air monitoring and four stage clearance

- Asbestos bulk sample analysis and sampling
- Expert advice and consultancy
- Procurement and project management of HSE licensed asbestos removal
- CDM services and training
- Construction related IT solutions and building legislative compliance services
- Asbestos training
- Hazardous materials consultancy
- Mobile laboratory services

Occupational Health areas of speciality

Occupational Health

- Health and wellbeing consultancy
- Health surveillance
- Fitness for work assessments

- Pre-placement assessments
- Attendance management services
- Physiotherapy
- Ergonomic assessments
- Rehabilitation programmes

- Employee assistance programmes
- Education and training
- Flu and immunisation services
- Drug and alcohol services

- Critical incident and trauma response
- Employee health checks
- Health promotion
- Digital wellbeing solutions

Investment proposition

Operating in highly attractive and resilient markets

We operate in specialist, regulated markets providing services that are largely nondiscretionary for our customers and, therefore, largely insulated from the economic cycle. Each of our markets have structural growth characteristics and benefit from onerous and evolving regulations with increasing enforcement action from regulators. Compliance budgets continue to grow at attractive rates from the increasing focus on ESG and compliance of health & safety and wellbeing of staff. The risks and cost of not being compliant can be huge with fines reaching over £1 million in the most severe cases and therefore significantly outweigh the cost of implementation.

Strong cash generation and capital allocation policy

Our operations are capital light and have a modest working capital outflow each year relating to organic growth which leads to strong cash generation. We then redeploy this into integration investment, further bolt-on acquisitions and opportunistic share repurchases.

As at 31 March 2024, the Group expects all integration investment to have ceased by 30 September 2024 with an estimated in-year cost of £5 million.

The Group benefits from a strong balance sheet and had a material net cash position following the completion of the Divestment and the return of £150 million via a special dividend.

Long customer relationships

The Group benefits from long customer relationships lasting over 10 years on average which attest to our best-in-class compliance rates and service. Additionally, our services are usually delivered on multi-year contracts, often 3 to 5 years, which provides predictable revenue streams, with c80% of our revenues being recurring in nature.

We provide our services to over 30,000 customers across a huge range of sectors with no one customer accounting for more than 4% of revenues.

Market leading businesses

We are the market leader in both Water & Air Hygiene and Occupational Health and a top 3 player in Fire Safety & Security. We are one of only a small number of players to have built out both a national presence and a comprehensive suite of capabilities which allows us to outcompete and tender for contracts that the vast majority of regional players can't fulfil. Additionally, we are finding our clients often consolidate their supplier base in favour of partners who, like them, possess scale, breadth of capability and enhanced standards of service.

Delivering shareholder returns through M&A

The markets we occupy continue to be extremely fragmented and we occupy no more than 10% in any single one. We have a proven track record of delivering returns through M&A having showcased this through the Divestment announced in year for an enterprise value of £430 million.

We have an extensive pipeline of executable bolt-on acquisitions and have the inhouse capabilities to execute and subsequently integrate acquisitions into one of our three key business lines. Acquisitions remain an attractive route to deliver shareholder value in due course.

Investment in technology and operational systems

We have invested in our technology and operating systems which has resulted in a more efficient delivery of service. This allows our engineers in TIC to benefit from the route and service density we have built, enabling us to service more clients per day and significantly reduce return trips. Within our occupational health business this allows our clinical specialists to spend their time attending to patients rather than populating forms or retrieving information from dated systems.

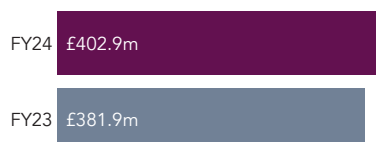


KPIs

Explanation of non-IFRS measures are included in the Financial Review section and Note 5

Revenue - Continuing operations

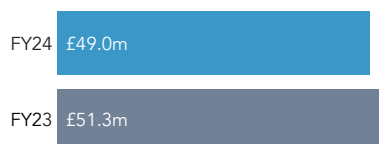
£402.9m
+5%



Driven by organic growth and contribution of acquisitions.

Adjusted EBITDA - Continuing operations

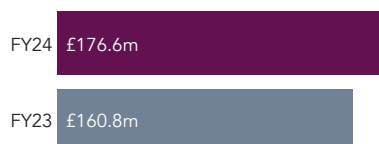
£49.0m
(4)%



Decrease in year largely relates to short-term volume impact in Occupational Health and certain one-off accounting adjustments in TIC.

Net debt (excluding leases)

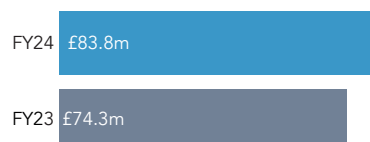
£176.6m



Net debt (excluding leases) increased due to £30m of capital deployed on M&A which was slightly offset by strong cash generation. FY24 net debt position shown prior to the completion of the Group's £430 million Divestment and the return of £150 million via a special dividend subsequent to the year end.

Adjusted Group net cash generated from operations before acquisitions and restructuring expenses

£83.8m
+13%



After acquisition and restructuring costs we delivered £57.8m of cash generated from operations which represented a 96% operating cash flow conversion as a percentage of the equivalent adjusted EBITDA.

Statutory operating (loss)/profit - continuing operations

£(5.0)m



The decrease largely reflects an increased level of one-off adjusting items and the movements described in adjusted EBITDA.

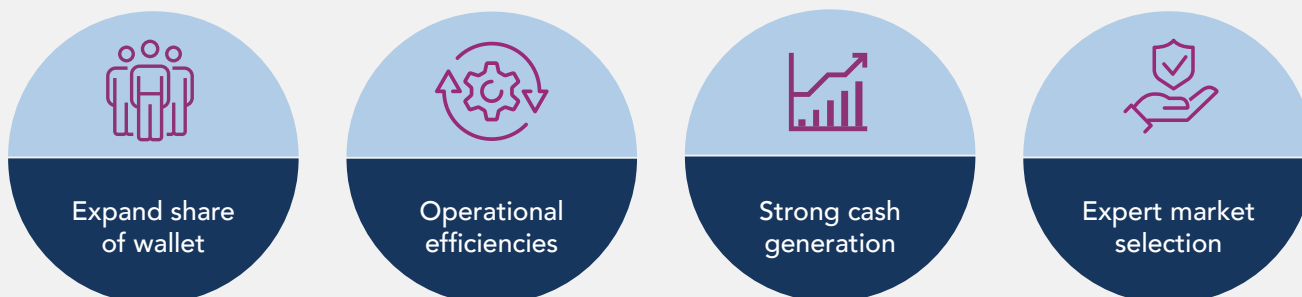
Statutory (loss) before tax - continuing operations

£(16.9)m



As result of higher net finance costs in year and decrease in adjusted EBITDA.

Marlowe's model for creating growth



Expand share of customers wallet

We have a broad range of capabilities in each of the compliance markets we occupy which gives us a competitive advantage against single-service providers as customers seek to simplify their supply chains and procure a complete service package. This means selling passive fire solutions as well as fire extinguisher solutions, sprinkler systems and fire risk assessments to the same customer or providing immunisation programmes as well as health surveillance and employee assistance programmes.

Cross-sell remains a significant opportunity across our TIC divisions, a typical customer is the head of compliance or health and safety and is often responsible for procuring both Water & Air Hygiene Services as well as Fire Safety & Security services. This shared channel to market allows us to effectively cross-sell our TIC and is one of the key contributors to our above market growth.

Drive Operational Efficiencies

We have recently undergone significant change and integration programmes to build the three market-leading platform businesses of scale we have today. We now have greater visibility and management information across the Group and are in a much better position to leverage this scale and drive further operational efficiencies which we would not have access to if we had not fully integrated.

An example of one of these benefits is being able to schedule resource at a divisional level to increase productivity and labour utilisation. This allows us to triage resource more effectively, sending the right fee-earner with the right equipment to the right job allowing our engineers to increase first time visit success, or ensuring our clinical doctors are doing appropriate appointments and not ones that could be completed by a lower paid clinician.

Another key lever for driving efficiency is through route density, this means that our engineers can see more sites per day and service more of each site they are visiting, this in turn drives revenue per day per fee earner, a key metric we track and one we believe we can continue to improve and benefit from through operational leverage.

Focus on strong cash generation

We operate in highly cash generative markets and our operations are capital light. Our focus in the near term is to finish remaining integration programmes by 30 September 2024 with no further integration costs expected in H2 FY25. The remaining costs relate mainly to duplicated properties & IT systems and once these restructuring programmes are finished we are confident that we that we can be generating 90%+ operating cash flow to adjusted EBITDA.

The Board envisages that the remaining net cash proceeds of the Divestment and the Group's strong cash generation will be used either to return further capital to shareholders or when appropriate invest in bolt-on acquisition opportunities across TIC and Occupational Health.

Deepen and strengthen

We are a top three player in each of the markets we occupy yet they remain extremely fragmented. We still see significant opportunities for bolt-on acquisitions at attractive multiples and they remain a strong option to deepen our presence in our current markets and compound shareholder value, especially as these acquisitions can be self funded.



We have built up an extensive pipeline of acquisition targets over the years and have typically secured off-market transactions by fostering solid relationships with sellers. The head office team works closely with divisional leadership teams to ensure capacity, alignment with divisional strategies and market understanding. Through our internal capability we can achieve attractive multiples and execute on deals ahead of others that lack the infrastructure, expertise or long term relationships to secure.

We will then aim to integrate quickly and have a well-rehearsed playbook refined over the 80 plus acquisitions completed since 2016. Through integration we realise the associated benefits of phasing out duplicated overheads, rationalising property portfolios, delivering economies of scale, implementing best-in-class IT systems and strong governance & control. Crucially, integration also accelerates organic growth by enhancing service delivery, compliance levels and sales & account management, which in turn allow us to retain customers for longer and increase up-sell and cross sell opportunities.

Testing, Inspection & Certification

The services we provide within our Testing, Inspection and Certification ("TIC") division largely revolve around keeping our customers business premises safe and compliant with relevant regulation and legislation. Our services address compliance requirements across Fire Safety & Security, and Water & Air Hygiene.

Performance Review

Revenues increased 10% to £292.3 million (FY23: £266.3 million). We delivered organic growth in-line with the market of 4% in FY24 against a very strong prior-year period in FY23 when revenues grew 11% organically. Our performance also benefited from four acquisitions made in year. Adjusted EBITDA was up 3% as a result of organic growth and the contribution of acquisitions. Following a review of the recoverability of certain current assets in our Water and Air business the Group took the decision to make a one-off adjustment to bring them in line with their expected value. The total one-off adjustment resulted in a £1.5 million reduction in adjusted EBITDA.

Fire Safety & Security

Fire Safety & Security, which represents nearly half of the divisional revenues, delivered mid-single digit organic growth. This was driven by good organic growth in our mechanical business (which includes the installation, maintenance and inspection of smoke ventilation, sprinkler and gas suppression systems) slightly offset by slower growth within our higher margin passive fire¹ solutions. Additionally, a now-concluded integration programme resulted in some attrition of field-based fee earners from a recently acquired business. Consequently, this impacted revenue and margins and required an increased reliance on subcontractors to manage the work being transferred. We have taken steps to address the issue and subcontractor



¹ Passive fire protection is a barrier or shield, stopping the spread of fire from one area to another

usage has now returned to prior levels. This margin dilution was slightly offset by continuing route density benefits and IT related improvements in scheduling, which resulted in an increase in revenue per day per fee earner to over £660 (FY23: £610).

Water & Air Hygiene

Water & Air Hygiene, which makes up just over half of the divisional revenues, delivered low single-digit organic growth. Our main water business performed well in the year with good levels of new business. However, this was offset by our chemical business, which accounts for around 10% of revenues and was impacted by a reduction in commodity prices especially after a strong performance in FY23. Overall adjusted EBITDA was flat in the year due to some pricing challenges within a portion of our legacy longer-term fixed contracts (which we are transitioning away from), the weaker performance of our chemical business and the one-off current asset adjustment.

Operational review

Fire Safety & Security made four bolt-on acquisitions during the year for a total enterprise value of £16.7 million. Integration programmes are now concluding, with acquired businesses performing well despite the attrition of field-based fee earners earlier in the year.

We have continued to benefit from strong customer retention with our customers retained on average for more than 10 years. We believe this is attributable to continuous improvements in our customer service levels, innovative new solutions and our dedication to ensuring our customers' ongoing compliance with legislation. Compliance rates² received unwavering focus during the year, with compliance levels improving to 98% (FY23: 97%) as we continued to benefit from improved scheduling, and our ability to multi skill our engineers through Marlowe Academy, our inhouse training facility.

Over the year we have continued to develop innovative solutions for our customers, underpinned by our 24/7 alarm monitoring centres based in Manchester. Connected services provide the division with the ability to design and deliver bespoke loss prevention programmes which are supported by a robust return on investment.

During the year we placed strong emphasis on improving our data analytics which has resulted in greater visibility over our customer portfolio and profitability. We expect the improved transparency on the financial performance of our operations to result in more effective contract pricing and negotiations across the business.

Additionally, we have increasingly focussed on employee retention. Given the nature of Marlowe's business, retaining and hiring talent is crucial in fulfilling any new work and an effective HR programme is critical to reducing constraints on our growth and use of subcontractors, which in turn dilutes margins. An example of this focus can be seen in our ability to train and qualify maintenance engineers through Marlowe Academy. We trained 30 maintenance engineers during the year, which not only reduces our reliance on external candidates, but also facilitates longer retention rates through the development of homegrown talent.

Water & Air Hygiene delivered a number of integration programmes during the year and removed 124 duplicated roles, exited 5 premises and removed 10 legacy systems from previous acquisitions. We are now coming to the end of this process and expect integration expense to be concluded by 30 September 2024.

The Group appointed a new CEO of the Water & Air Hygiene division in December 2023 who brings a wealth of operational experience having spent the three previous years as the division's Chief Operating Officer. Since this appointment we have been focusing on a new five-point plan, which aims to simplify the business, drive margins and improve cash generation. The business is already seeing strong margin improvements from the initiatives put in place.

As with Fire Safety & Security, our integration process has led to better management information and therefore clearer visibility of the business, which in turn allows us to take more informed decisions and cost controls measures. Now that restructuring programmes are concluding, the near-term strategy is to continue to implement operational improvements and drive margins.

Additionally, we are starting to see the full benefits of our proprietary end-to-end ERP system, Wave, which was implemented last year. Wave is now delivering over half a million tasks per year which has further supported our market-leading compliance rates and when coupled with our national scale, allows us to deliver the same level of service across all our clients on a National scale.

	FY24 £m	FY23 ³ £m	Change
Revenue	292.3	266.3	10%
Adjusted EBITDA ^{4,5}	35.2	34.3	3%
Adjusted operating profit ⁵	23.2	23.4	(1)%
Adjusted EBITDA margin ^{4,5}	12.0%	12.9%	(90)bps

2 Inspection and remedial work completed within deadline or deadline +45 days

3 FY23 has been restated due to the inclusion of the business which was disposed of as part of the recent Divestment

4 Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

5 Explanation of non-IFRS measures are included within the Financial Review and note 2

Highly recurring nature of our TIC businesses

Both of our TIC businesses display highly recurring revenue profiles that are both stable in nature and demonstrates resilience to economic cycles.



Underpinned by non-discretionary and stable features

- Many of TIC's services are **mandated by law or regulation**
- Core services are either **business critical** or **unavoidable**
- Large proportion of TIC revenues are **contract-based**
- **Ancillary revenue** originating from contracts occurs **periodically**

Alongside resilience to economic cycles

Very low exposure to new build construction

TIC's installation activities and related revenues are geared towards asset replacements and planned retrofits and do not cycle with the new-build construction market

Core focus on highly complex, multi-sited customers

~90% of revenue stems from multi-sited, complex customers which are naturally more stable compared to single-sited premises

Strong competitive positioning

Unrivalled national coverage coupled with breadth and depth of compliance service offering places TIC in the upper quartile of service providers

Highly recurring revenue stream across both businesses

Fire Safety & Security

Leading provider of highly recurring, regulatory-driven Fire Safety & Security services to commercial and industrial premises across the UK

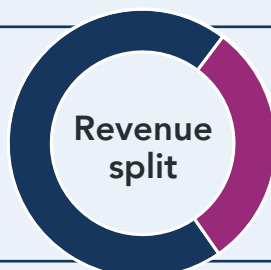
Ongoing compliance and monitoring services

Overview: Consultancy services, risk assessments and maintenance of installed systems, continuous monitoring of premises and emergency response

Installation

Overview: Supply and installation of Fire Safety & Security solutions geared towards asset replacements and retrofits rather than new-build construction activities

c.70%
Recurring



c.30%
Non-recurring

Revenue type: Predictable, contracted and regulatory-driven customer spend with defined regulatory cycles, enhanced by insurance and duty of care requirements

Revenue type: Predictable and unavoidable near-term customer spend where spend is driven by regular renewal cycles

Water & Air Hygiene

Water hygiene and air quality compliance specialist with a wide suite of services, nationwide delivery model, diverse customer base and a highly recurring revenue profile

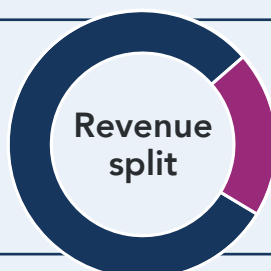
Water hygiene/air quality/consultancy and training

Overview: Ensures water is free from chemical and biological contamination. Manages fire risks related to ventilation systems and improves air quality. Health & safety testing and training for asbestos and environment hazards

Environmental engineering

Overview: Customised design and installation of wastewater equipment for sewage and industrial wastewater. Recurring monitoring, maintenance and chemical supply

c.80%
Recurring



c.20%
Recurring/non-recurring

Revenue type: Recurring and contractual spend driven by business-critical nature of services and high cost of failure

Revenue type: Predictable customer spend driven by defined regulatory cycles

Occupational Health

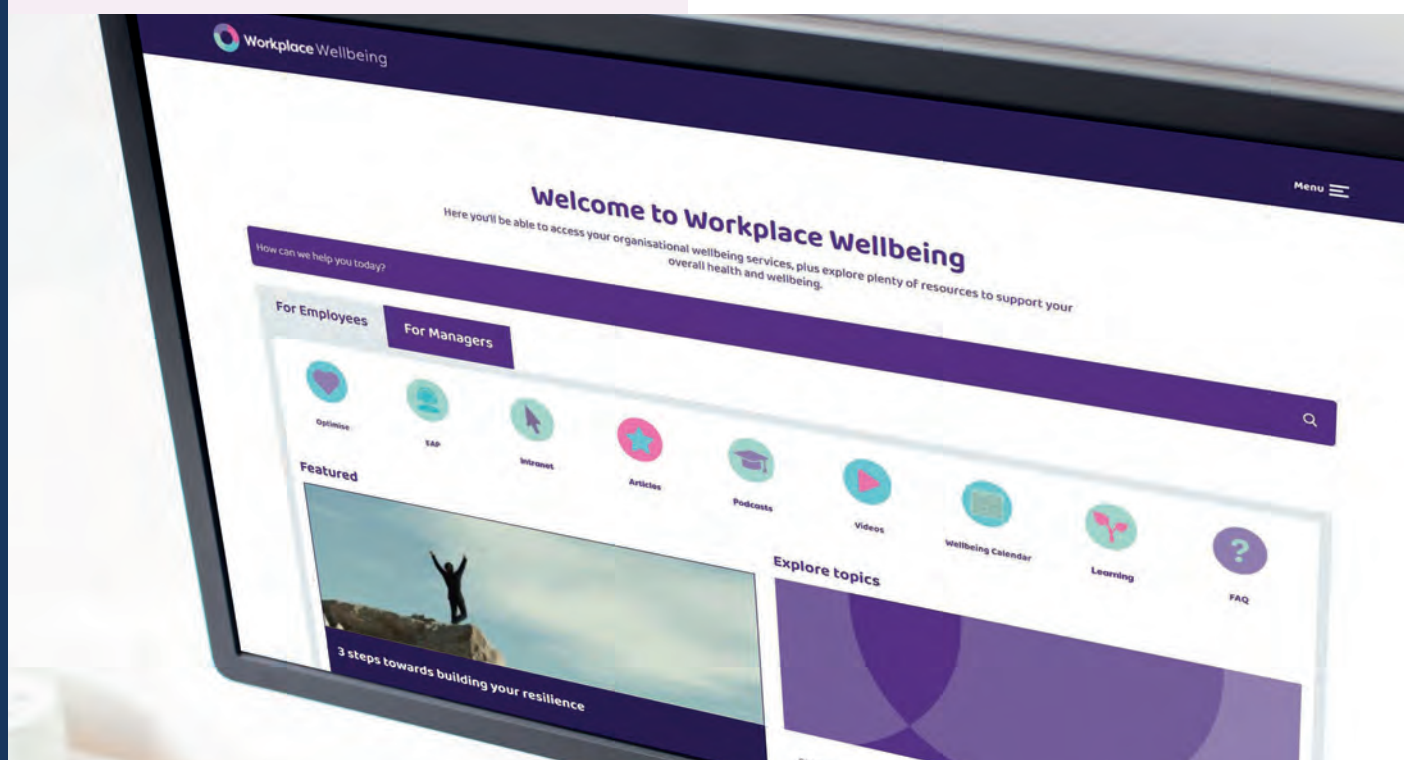
We are the UK leader in the occupational health and wellbeing sector. We assure regulatory compliance for our clients, improving the health & wellbeing of their employees, minimising workplace risk and maximising corporate productivity.

Performance review

Revenue was down 4% following the impact of the loss of customer contracts including the previously announced impact of the insourced customer loss. The business however achieved 93% customer retention¹ during FY24, delivered strong new business wins in the year, securing £9.9 million of annualised revenue which has commenced or is scheduled to start in the coming months. The business has subsequently won an additional £3.9 million since the year-end which has more than compensated for the business lost during the prior year.

EBITDA decreased by 18% due to the contract losses noted above. On the transfer of contracts, TUPE did not apply, allowing us to retain our clinical specialists for redeployment on new contracts and across our operations. This resulted in a short-term margin impact but has allowed us to successfully bid and fulfil all new contract wins. This margin impact has been slightly offset through the benefits of our integration programmes as we are able to deliver more efficient scheduling and service delivery through our leading technology platforms.

¹ Based on number of customers in year



Operational review

Occupational Health is coming to the end of a large integration programme having combined nine occupational health acquisitions since entering the market in early 2020. Occupational Health now operates under one management team and one brand, Optima Health. We are the market leader, with 900 clinical specialists, servicing 5 million employees and delivering over 1 million interventions each year. Customers, clinicians, and delivery teams are now on common IT platforms, which allows us to benefit from efficient delivery of service, consistent clinical governance, and best practice across our operation.

Throughout the integration programme, we have removed 140 duplicated roles, rationalised our property portfolio by exiting six premises, and removed several duplicated and legacy IT systems. Furthermore, we have deployed our leading clinical CPD programme to improve our people's training and development opportunities with over 100 people being inducted onto our class leading GROW programme. This in turn leads to better outcomes for our customers, through industry-leading turnaround times for services. Additionally, through investment in leadership & development more than 50 of our people have achieved a professional qualification and we have seen a 20% improvement in our employee Net Promoter Score.

Since the year end, we have retired the final legacy systems after transferring the remaining tranche of customers onto the Optima Health platform and are set to exit an additional premises in the first half. We expect all restructuring expense to have concluded by 30 September 2024.



We achieved 93% customer retention in year as we continue to deliver best-in-class clinical governance rates and continue to showcase our value to our customers, through tangible improvements in the productivity of their workforce.

	FY24 £m	FY23 £m	Change
Revenue	110.6	115.6	(4)%
Adjusted EBITDA ^{2,3}	18.1	22.0	(18)%
Adjusted operating profit ³	13.6	18.0	(24)%
Adjusted EBITDA margin ^{2,3}	16.4%	19.0%	(260)bps

² Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

³ Explanation of non-IFRS measures are contained within the Financial Review and note 2

Occupational Health Q&A

Interview with Jonathan Thomas, CEO of Optima Health



Can you introduce yourself?

I'm CEO of Marlowe's Occupational Health division, Optima Health. I have been with the company for just over 10 years, leading the business through a private equity cycle, before joining forces with Marlowe in January 2022. I have seen the business grow from £28 million revenue into the industry leader in Occupational Health and Wellbeing with over £110 million annual revenues.

Can you explain what Optima Health does?

Our purpose is to optimise workplace health and wellbeing. This translates into our job being to implement multi-year health programmes where we monitor, report and advise on occupation-related health issues. We help businesses comply with legislation, navigate risk and make favourable management decisions to improve their staff productivity and wellbeing. We provide recurring health surveillance services, pre-placement and fitness for work assessments, as well as specialist Mental Health and Musculoskeletal interventions and consultancy.

At Optima Health we have unrivalled expertise in all industry sectors across the UK and our delivery is underpinned by our proprietary technology platforms. Our model is dynamic and flexible with the ability to service SME clients through our OH Direct service through to the largest and most complex enterprise customers in the UK with annual spends running into the millions.

What is driving the Occupational Health Market?

Over £60bn is estimated to be lost through absence and presenteeism in the UK. The backdrop for the UK workforce is one that is getting older and progressively less healthy, set against often increasing job demands, and an increasing prevalence of Mental Health and Musculoskeletal issues. This is not just an issue for employers not fulfilling the legal requirements to provide a healthy working environment, but it is a P&L issue: absence affects business productivity and is hitting the bottom line for companies across the UK.

With evolving health regulations and increasing focus and complexity of requirements, many companies are also finding it necessary to seek outsourced assistance. This is true of both SMEs and large and complex organisations, with an increasing majority passing their whole occupational health obligations to an outsourced provider.

Our work is also underpinned by regulations such as the Health & Safety at Work Act which states that all employers have a legal responsibility to ensure the health, safety and welfare of their employees. This is of course most obvious in safety critical and front-line organisations such as police forces, NHS, and national infrastructure clients, where certain types of periodic medicals are legally required, but it also applies to organisations perhaps with office-based roles, where musculoskeletal and mental health issues are often prevalent.

What is your focus over the coming years?

Now that we are concluding our significant integration programme where we have combined nine business into one, I am focussed on accelerating organic growth, delivering margin improvements and driving through the benefits from our integration investment.

I want to remain focussed on our core markets where we have been increasingly successful in increasing the services we deliver to existing customers which in turn makes us more embedded. Furthermore, when tendering for business we win around 50% of everything we bid for, leading to over £10 million of annualised business won in FY24.

We're also aiming to continue to improve our operational efficiency. We have invested heavily in our technology, which is aimed at making our processes or assessments as streamlined and comprehensive as possible for our employees, which creates best value for our clients and good margins to allow us to continue to invest.

Acquisition will also still be a component of growth at the right time. The occupational health market is still very fragmented and there are several bolt-on opportunities we have set our sights on, acquisitions that will bolster and expand our capabilities, improve our technological offering, and ones where we can leverage operational efficiencies.

Our ambition, through organic growth and bolt-on acquisitions is to get revenues to £150 million+ delivering margins of 20%+ over the medium term.



Financial review

For the year ended 31 March 2024

Financial review of group

Revenue, from continuing and discontinued operations, grew in the year to £503.2 million (FY23: £465.7 million). The increase reflects organic growth and contribution from acquisitions completed in the year, offset by reduction in revenue in Occupational Health as a result of the impact of contract losses. Organic revenue growth % on a like-for-like basis is defined as the year-on-year growth of our entire business. This includes the growth or decline of acquisitions from the day of completion, by including their performance from the corresponding prior period. The benefit of this approach is that it provides insight as to how recently acquired businesses, along with our existing business, are performing.

Adjusted profit before tax decreased by 13% to £46.8 million (FY23: £53.6 million) driven by a weakening in Occupational Health following the contract losses and higher finance costs on the Group's debt facilities resulting from the increased costs of borrowing.

Statutory loss before tax was £10.9 million (FY23 loss before tax: £6.9 million) with the increased loss largely resulting from an increase in acquisition and disposal costs to £7.8 million (FY23: £2.7m) which included the strategic review costs incurred in the year.

Looking forward, following the completion of the Divestment in June 2024, the Group is in a strong position to deliver meaningful improvement in both the statutory and adjusted key financial metrics in FY25.

Non-IFRS measures

IFRS measures ensure that the financial statements contain all the information and disclosures required by all accounting standards and regulatory obligations that apply to the Group. The Annual Report and financial statements also include measures which are not defined by generally accepted accounting principles such as IFRS. We believe this information, along with comparable IFRS measures, is useful as it provides investors with a basis for measuring the performance of the Group on an underlying basis. The Board and our managers use these financial measures to evaluate our operating performance. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Similarly, non-IFRS measures as reported by us may not be comparable with similar measures reported by other companies.

Due to the nature of acquisitions, costs associated with those acquisitions, subsequent integration costs and the non-cash element of certain charges, the Directors believe that adjusted measures provide shareholders with a useful representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group.

A reconciliation between statutory loss before tax and the adjusted profit before tax performance measure is shown below:

	FY24 £'m	FY23 £'m
Continuing operations		
Statutory (loss) before tax	(10.9)	(6.9)
Acquisition and disposal costs (including strategic review costs)	7.8	2.7
Restructuring costs	18.2	21.1
Amortisation of acquired intangibles	25.6	24.0
Share-based payments (excluding SAYE schemes)	(0.8)	1.7
Fair value losses in contingent consideration and acquisition related incentive schemes	5.0	8.4
Exceptional finance costs	1.9	2.6
Adjusted profit before tax	46.8	53.6

Adjusting items

Acquisition and disposal costs (including strategic review costs) totalled £7.8 million in the year (FY23: £2.7 million). During the first half of the year the Group undertook a strategic review to assess the merits of a potential separation of certain businesses across its TIC and GRC Divisions. Strategic Review costs include professional fees, legal fees and staff costs. These costs are non-recurring and not considered to be reflective of the underlying trading performance.

Restructuring investment, being the costs associated with the integration of acquisitions, remain a key component of delivering shareholder value by increasing future returns made on acquired businesses. Restructuring costs for the year were £18.2 million (FY23: £21.1 million) reflecting acquisitions made in year and the two key integration programmes within Occupational Health and Water & Air Hygiene. Restructuring programmes relating to continuing operations are now being finalised and we expect all restructuring expense to have ceased by 30 September 2024. Restructuring costs primarily consist of:

- The cost of duplicated staff roles during the integration and restructuring period;
- The implementation and redundancy cost of delivering the post completion staff structures; and
- IT costs associated with the integration and transfer to Group IT systems, including costs of third party software used in the delivery of customer contracts where there is a programme to transition such software to one of the Group's existing platforms.

Amortisation of acquired intangible assets for the year was £25.6 million (FY23: £24.0 million) with the increase attributable to the higher carrying value of intangible assets resulting from acquisition made in year.

Non-cash share-based payment credit for the year was £0.8 million (FY23: £1.7 million charge) and largely relates to the charge for the Executive Incentive Plan. The credit in the year relates to an adjustment to reflect leavers from the scheme.

Certain long term incentive schemes for platform businesses have been established to incentivise key members of our platform acquisition's senior management to create shareholder value through the successful acquisition, restructuring and integration of businesses in their chosen service sectors. These schemes have similar characteristics to earn out structures in place within the Group and have a similar purpose. As such, these schemes are considered to be part of the investing activities of the group and are not-recurring in nature. The total charge for these schemes and for movements in contingent consideration provisions during the year totalled £5.0 million (FY23: £8.4 million).

Exceptional finance costs for the year were £1.9 million (FY22: £2.6 million) and relate to the non-cash unwinding of the discount applied to contingent consideration to reflect the time value of money.

Further details on the items considered when arriving at adjusted performance measures can be found in note 5.

Earnings per share

Basic adjusted earnings per share are calculated as adjusted profit for the Group, including the divested assets, for the year less a standard tax charge divided by the weighted average number of shares in issue in the year. Basic earnings per share reflect the actual tax charge.

Earnings per share ¹ (EPS)	FY24	FY23
Basic adjusted earnings per share	36.4p	45.3p
Basic (loss) per share	(10.6)p	(3.9)p

¹ Refer to note 5

Interest

Finance costs, excluding exceptional finance costs, amounted to £18.6 million in the year (FY23: £10.7 million). This movement reflects the increased costs of borrowing driven by interest rates and higher levels of utilisation of the Group's debt facilities.

As of 5 July 2024, the Group retained a material net cash position following completion of the Divestment, the retirement of the debt facility and the return of £150 million to shareholders via a special dividend. The Group will return up to £75 million of further capital via a share buyback programme with the programme having commenced on 5 July 2024.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million, which is currently undrawn and an uncommitted accordion facility of £50 million.

Taxation

UK Corporation Tax is calculated at 25% (FY23: 19%) of the estimated assessable profit for the year. In addition, deferred taxes at the statement of financial position date were remeasured to reflect the 25% tax rate from 1 April 2023.

Statement of financial position

The Group maintains a strong balance sheet with net assets as at 31 March 2024 of £437.5 million (31 March 2023: £443.3 million). At the same date total assets were £890.3 million (2023: £851.4 million), and total liabilities were £452.8 million (2023: £408.1 million). Total assets primarily consist of assets held for sale of £398.2 million related to the Divestment and intangible assets of £343.2 million and trade and other receivable of £98.0 million. Total liabilities include bank loans of £206.0 million, which were repaid following the transaction, and trade and other payables of £83.5 million and liabilities directly associated with assets classified as held for sale of £82.3 million.

As at 31 March 2024, contingent consideration of £16.3m in respect of the disposal group, had been classified as discontinued operations and shown within liabilities held for sale. The continuing operations have contingent consideration of £3.5 million as at 31 March 2024.

Cash flow, net debt and financing

The Group benefits from revenues which have beneficial underlying working capital characteristics. As a result, working capital as a percentage of FY24 revenue at the full year was less than 1%.

	FY24 £'m	FY23 £'m
Adjusted cash generated from operations before acquisition and restructuring costs (inc. strategic review)	83.8	74.3
Acquisition & restructuring costs (inc. strategic review)	(26.0)	(23.8)
Cash generated from operations	57.8	50.5
Lease repayments	(11.9)	(11.1)
Net finance costs	(17.8)	(8.6)
Tax	(2.0)	(8.3)
M&A (inc. purchase and repayment of subsidiary undertakings)	(30.4)	(59.5)
Net capex	(13.0)	(15.0)
Proceeds from share issuance	1.5	-
Movement in net debt	(15.8)	(52.0)
Opening net debt (excluding leases)	(160.8)	(108.8)
Closing net debt (excluding leases)	(176.6)	(160.8)

Across the whole year the Group generated adjusted net cash from operations of £83.8 million (FY23: £74.3 million) before £26.0 million of acquisition & restructuring investment (including strategic review costs).

The increase in net debt reflects the execution of the M&A strategy with £30 million deployed on M&A and the significant investment in restructuring programmes. This was partially offset by strong cash generation, particularly in the second half of the year.

During the year, the Group had £11.9 million (FY23: £11.1 million) of lease expenses of which just below £11 million relates to continuing operations. Capital expenditure totalled £13.0 million (FY23: £15.0 million) of which £5.5 million relates to the continuing operations.

Net debt as at 31 March 2024, including inter alia £26.6 million of lease liabilities, was £203.2 million (FY23: £188.9 million). Adjusted net debt (excluding lease liabilities) at year was £176.6 million (FY23: £160.8 million). Since the year end the Group repaid its old debt facility and had a material net cash position following the completion of the Divestment and subsequent £150 million payment of a special dividend on 5 July 2024. The Group has subsequently initiated a share buyback scheme where it will buy-back up to £75 million of shares.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million with an uncommitted accordion facility of £50 million, these facilities are currently undrawn.

Key Performance Indicators ('KPIs')

The Group uses many different KPIs at an operational level which are specific to the business and provide information to management. The Board uses KPIs that focus on the financial performance of the Group such as revenue, adjusted EBITDA, adjusted EPS and net cash generated from operations.

The strategic report on pages 4 to 49 has been approved by the Board and signed on its behalf by:



Adam Councill
Chief Financial Officer

8 August 2024

Environmental, Social and Governance (ESG) Committee report



Gillian Kent
ESG Board representative

"We have continued to make good progress in the year and look to build on those foundations as we move into FY25"

We have made good progress in FY24. We have continued to focus on our climate action journey, aligning further with TCFD and continue to focus on the health & safety and wellbeing of our people. The Group has undergone a transformational year, divesting of certain GRC service and software assets. Throughout this sustainability report we will be focussing on the Group's remaining assets. Furthermore, we have provided several restated FY23 KPIs to reflect the new make-up of the Group.

Governance of ESG

The Board has ultimate responsibility for the ESG strategy and works with management and employees to focus on this critical area.

Marlowe's ESG committee was established in 2021 and we subsequently announced Gillian Kent as the Board's level ESG representative to ensure we have effective governance and management structures in place.

The ESG committee meets four times a year to ensure alignment with the Group's sustainability strategy, share best practice and to track progress against the Group's net zero target (scope 1 and scope 2) by 2035.

Process of informing the board

1

DIVISIONAL MANAGEMENT TEAMS

Divisional management teams oversee the implementation and reporting of ESG and climate related strategies in line with Group's Environmental Policy and Net Zero targets.

ESG COMMITTEE

The ESG committee meet every quarter with each divisional representative being responsible for ensuring the Chair of the ESG Committee is updated on any relevant information regarding their division.

2

DIVISIONAL BOARD MEETINGS

The Chair of the ESG committee and divisional management teams are then responsible for consolidating any relevant ESG information and reporting it in divisional Board meetings to the Group's management team.

3

MARLOWE BOARD MEETINGS

The Group management team are then responsible for reporting key ESG risks and opportunities to the Board. As of FY25 the Chair of the ESG committee will have two dedicated meetings annually with Gillian Kent, the Board's ESG representative.



UN Sustainability Goals

To reflect the new make-up of the Group we have updated our strategic alignment to the UN Sustainability Goals. Five goals have been identified as core to Marlowe's sustainability ambitions and focus on where the Group can have the largest ESG impact to create a sustainable future for all.

- 3.3 Marlowe's Occupational Health division provides over 1 million interventions each year supporting good health and reducing communicable diseases.
- 3.4 Marlowe's Occupational Health division delivers over 1 million interventions each year. We provide a range of mental health solutions with our Employee Assistance Programme (EAP) providing support to our customers' employees in every UK postcode 24/7, we then provide specialists support such as coaching, cognitive behavioural therapy (CBT) and Eye Movement Desensitisation and Reprocessing (EMDR).
- 3.9 Marlowe's Water & Air Hygiene division inspects and maintains water and air systems for harmful contaminants. We test water systems for legionella and bacterial contamination, we test premises for asbestos, and we maintain air quality systems.

- 6.1 Marlowe's Water and Air Hygiene division make sure our customers have safely managed their water systems, testing temperature, water quality and corrosion of systems which may result in waterborne contaminants.
- 6.3 Marlowe's Water and Air Hygiene division provides bespoke water recycling solutions for sewage and industrial wastewater treatment. Our technical specialists ensure the flows recycled into the environment meet full environmental and trade effluent compliance.

- 7.2 We are in the process of moving our vehicle fleet to electric vehicles where feasible. As of 31 March 2024, 19% of vehicles are electric or hybrid, which compares to 16% in FY23. Each division has implemented their own targets to either reduce reliance on fossil fuels or switch to cleaner energy sources.

- 8.6 All of Marlowe's businesses provide training and relevant qualifications. Marlowe's TIC division have dedicated dedicated state-of-the-art training facilities and in-house development programmes that can provide specialised certification and accreditation. The Group's Occupational Health division provides a range of courses including their new Faculty of Occupational Health (FOM) approved Diploma in Occupational Health Practice course (for nurses) running parallel with the Diploma in Occupational Medicine course (for doctors).
- 8.8 The services Marlowe provides promote safe and secure working environments for all workers. We help prevent, detect and monitor fire & security risks, we ensure water & air systems are safe and free from contamination and we support 5 million employees with their occupational health needs.

- 13.2 The Group has set a net zero target, for scope 1 & 2, for 2035. Each division has their own carbon reduction plan that feeds into our Group goals to reduce greenhouse gas emissions per year.

ESG strategy and Key Performance Indicators (KPIs)

We are working with our customers, suppliers and stakeholders to deliver a safe and sustainable future. Our ESG strategy focuses on three key pillars, Planet, People & Product. This strategy was developed following a materiality assessment conducted in 2022 where an investigation derived the main ESG issues the Group was faced. We have been executing against this assessment and expect to refresh this materiality assessment in the coming years to reflect the new make-up of the Group.

The KPIs below represent the key measures in tracking our performance against our ESG strategy. Some KPIs below are only relevant to certain divisions and we have noted accordingly. During the year we have continued to make strong progress against these KPIs and we will continue to report on them going forward.

Our ESG strategy

We are unified in providing services that promote a safe and sustainable future. Our commitment extends to mitigating the environmental footprint of both our operations and supply chain. Moreover, we aim to cultivate a workplace culture that values and engages our employees.

Focus areas	Topics and goals	KPI's	FY24	FY23
Planet				
	- Electrical vehicle transition - REGO backed sites - Resource use - Supplier and stakeholder engagement	Intensity Ratio (Scope 1, 2 per £m of revenue)	28.7	28.8
		% of hybrid/EV vehicles in total fleet	19%	16%
People				
	- Health safety and wellbeing - Culture - Community impact - Learning and development - Diversity and inclusion	Women on the Board ¹	50%	29%
		Women in management roles	26%	33%
		Women across the business	41%	40%
Products				
	- Improving customer compliance KPIs - Data security - Innovating sustainable solutions - Transparency and accountability	Compliance Rates (Fire Safety & Security)	98%	97%

¹ As at 3 June 2024

Planet

We are committed to reducing the environmental impact of our own activities and that of our supply chain. We firmly believe that every business needs to take ownership and be responsible in ensuring the sustainability of how we use our planet's resources.

Tackling climate change

The Group recognises the importance to address climate change. The continuing business remains committed to the net zero target (Scope 1 and Scope 2) emissions by 2035 introduced in 2022. In addition to emissions directly under our operational control, we need to work hard to navigate our supply chain emissions and have such introduced a scope 3 target. The Group aims to achieve Scope 3 net zero emissions by 2050 in line with UK legislation. We would like to beat this goal, but we acknowledge that we need to work closely with our supply chain to reach net zero and we must act as a catalyst for action.

Our Environmental Management policy, applicable to all employees and contractors, and emphasising our commitment to climate change action, has been fully implemented across the Group. The board bears the responsibility for ensuring adherence to this policy. Each business unit operates autonomously and has developed its own strategy to address climate change. Consequently, our reporting structure reflects this decentralised approach. Furthermore, each business unit has independently conducted SECR reports, with the Group consolidating the results for comprehensive insight.

All businesses have received ISO 14001 accreditation.



Occupational Health

Occupational Health has continued to make good progress in FY24, and is currently engaging with external consultants to bolster and improve the carbon reduction action plan in place. We improved our scope 3 disclosure now accounting for majority of our total recordable emissions.

As of May 2023, Optima Health, our Occupational Health business, has adopted the following carbon reduction targets which includes scope 3. The business projects that carbon emissions will decrease by 25% in 2026. Subsequently, Optima aims to reduce emissions by 50% by 2030 in line with SBTIs and on achieve net zero by 2035 in line with the Group Net Zero Policy on Scope 1 and Scope 2.

During the year, Optima Health has joined Marlowe’s green utility scheme and where feasible is looking to removing gas usage from their sites.

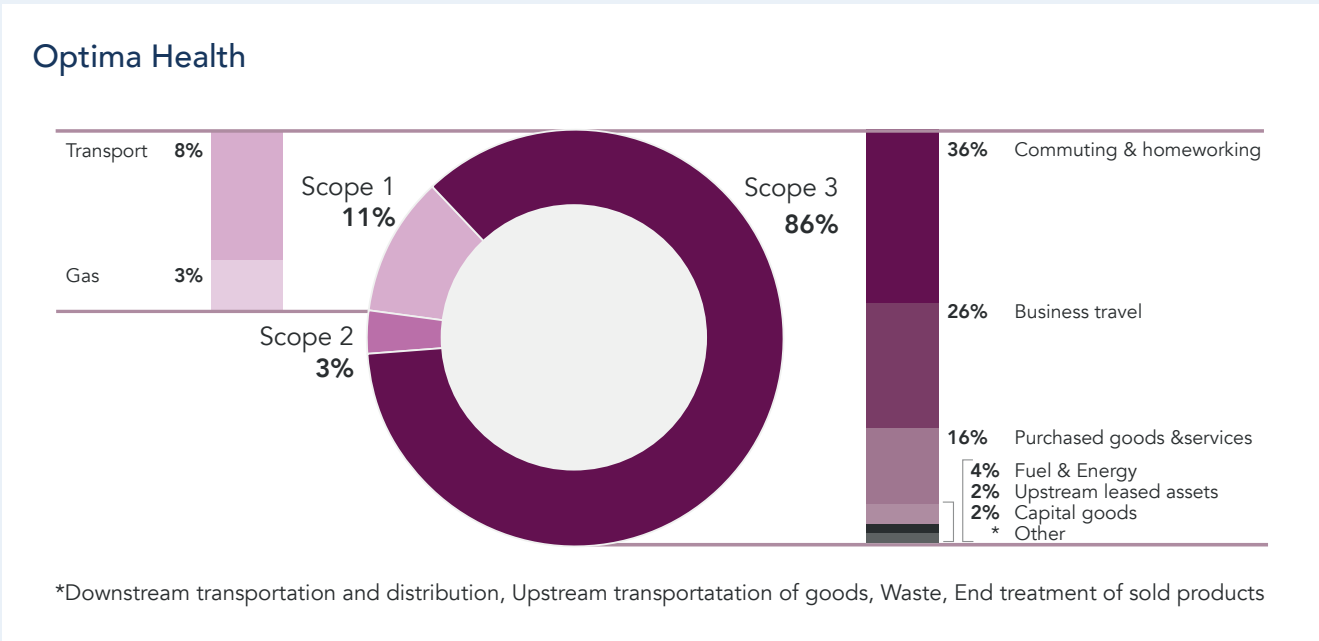
The division does have a number of mobile occupational health vehicles and there is a focus on how we create a comprehensive roadmap to full decarbonisation of our fleet however, the current state of EV technology is not yet sufficient for Optima to transfer to an all-electric fleet due to availability, battery range, charging infrastructure and costs. However, the company is still making good progress with currently EV standing at 20%, with the focus in the near term being to transfer all company vehicles (outside fleet) to hybrid/EV.

During the year we implemented a business wide survey on travel and we’re currently engaging with an environmental consultancy to undertake a full review of our carbon footprint. As part of Group’s ESG committee and Optima Health's EHS steering group; managers and employees have the opportunity to discuss opportunities around environmental improvement for the business. This could be related to greener travel, reducing waste or working with environmental consultants. Optima is currently implementing environmental and sustainability training to key staff members and aim to expand this to capture the entire workforce.

Throughout the year Optima Health has now five sites which are Renewable Energy Guarantees of Origin (“REGO”) backed compared to two in the previous year and we are working hard to get all sites REGO back in the coming years and have ISO 14001 accreditation.

Optima Health received no significant environmental fines during FY24 (FY23: zero, FY22: zero, FY21: zero).

Optima Health is not a significant water consumer, yet we remain mindful of importance of water conversation and aim to report and reduce water conservation over the coming years. Similarly, with recycling and waste management, we have implemented a number of initiatives across our property portfolio to reduce waste and improve recycling, we do not track this but intend to implement this over the coming years.



Fire Safety & Security

Marlowe Fire & Security (MFS), Marlowe's lead Fire Safety & Security business made good progress in the year.

The division acquired four businesses this year and enhanced its environmental data collection, leading to an increase in reported Scope 1 emissions. However, this increased scope was offset by transitioning our fleet to electric vehicles and making significant progress in moving to REGO-backed sites, which reduced Scope 2 emissions.

As detailed in MFS's Protecting Tomorrow Policy, the subdivision has a target to achieve 50% of all new fleet vehicles to be HV or EV by 2025. We have continued to make good progress on this with 54% of the fleet (excluding vans) are now EV or a hybrid vehicle, an increase from 32% in the year prior. As with Occupational Health, the current state of EV technology is not yet sufficient for a complete transfer of vans to an all-electric fleet due to availability, battery range, charging infrastructure and costs. The fleet team are however reviewing trials relating to possible EV or hybrid van fleet.

During the year we conducted a review of waste streams with a revised waste management procedure which further segregated waste types to increase reuse/recycle capabilities. MFS has also removed all Foam Extinguishers which have been shown to have a risk to the environment and human health.

MFS now has 17 (out of 25) sites which are Renewable Energy Guarantees of Origin ("REGO") backed and we are working hard to get all sites REGO back in the coming years. The division is undertaking an ESOS audit and has ISO 14001 accreditation.

MFS received no significant environmental fines during FY24 (FY23: zero, FY22: zero, FY21: zero).

Water & Air Hygiene

Water & Air Hygiene has made good progress in the year.

As with Fire Safety & Security, one of the main sources of carbon emissions comes from our vehicle fleet. This has been a key focus in the year, and we have increased our EV and hybrid charging facilities by 50% and continue to grow these facilities with 57% of cars now either fully electric or hybrid. Similar to the other divisions the current state of EV technology is not yet sufficient for a complete transfer of vans to an all-electric fleet due to availability, battery range, charging infrastructure and costs.

Other key initiatives in the year have included to source electricity from renewable sources with 80% of energy now coming from renewable sources across our properties. We are reducing our reliance on gas and working with our property managers to move to air source heat pumps, with two sites benefiting from this in the year. We have additionally introduced more water meters at our sites to establish where savings and efficiencies can be made, and we are investigating where we can introduce solar systems at our sites.

The division is currently working with outside consultants to review our current net zero trajectory (including Scope 3), identifying any gaps and working with us to identify a road map with realistic goals.

As with Optima and MFS we are working hard to get all sites REGO back in the coming years. The division is ISO 14001 accredited and received no environmental fines during FY24 (FY23: zero, FY22: zero, FY21: zero).



Total Group scope data

tCO2e	FY24	FY23
Gas	296.2	343.6
Company Vehicles	11,451.3	10,588.0
Total Scope 1	11,596.3	10,815.5
Total Scope 2	333.7	501.3
Commuting & Homeworking	860.0	743.7
Business Travel	625.4	426.1
Purchased Good and Services	377.7	-
Fuel & Energy	85.2	-
Upstream Leased Assets	42.6	-
Capital Goods	20.2	-
Downstream transportation and distribution	6.7	-
Upstream transportation of goods	2.8	131.0
Waste	0.5	0.5
End treatment of sold products	0.4	-
Total Scope 3 (Occupational Health Only)	2351.4	1670.8

Intensity Measures (Scope 1 and 2 shown)

tCO2e	FY24	FY23
Intensity measure per £'m revenue		
Group revenue (excl. intercompany)	£416.3m	£393.0m
Total scope 1, 2 per £'m revenue	28.7	28.8
Intensity measure per employee		
Average FTE	4437	4196
Scope 1, 2 per employee	2.7	2.7

Energy Consumption

kWh	FY24	FY23
Gas oil	1,605,226	1,891,985
Fleet	28,609,471	28,634,052
Grey Fleet	1,516,639	1,491,006
Electricity	1,701,260	2,606,797
Total energy consumption	33,432,596	34,623,840

Recycling and waste management

In FY24, we continued to make good progress in waste reduction, with more businesses actively contributing. Our goal is zero waste to landfill, promoting reuse and recycling.

2024 Recycling

Marlowe Fire & Security (MFS) recycles over 250,000 fire extinguishers and more than 500,000 batteries annually. Additionally, more than 90% of its security system components are reused and recycled at the end of their life. The replacement of components with energy-efficient and sustainable products, such as replacing 240v with 24v where possible to reduce energy consumption, is a key activity in both MFS's operations and those of its customers. In compliance with the Waste Electrical and Electronic Equipment Regulations 2013 directive, MFSG acknowledges its responsibility for managing the waste of electrical and electronic equipment generated by its commercial activities. All electronic waste is collected, returned, and recycled in partnership with its manufacturing partners. WCS Group is dedicated to managing the chemicals produced throughout the product life cycle, including providing suitable information to customers to minimise their negative impact on human health and the environment.

WCS (our lead water & air hygiene division) was among the first UK specialist chemical manufacturers to achieve ISO 9001 certification, and all its divisions are now certified to this standard. The Group has recycling facilities at all its sites and strives to minimise waste packaging whenever possible. It has committed to sending zero non-hazardous waste to landfill by 2025 and has already switched the contract for office waste provisions to a provider that ensures zero waste goes to landfill, supporting this goal.

People

Our employees play a crucial role in ensuring the safety and compliance of our customers, and in turn, we are committed to providing an environment where they feel supported, challenged, and rewarded to reach their full potential. We recognise the interdependence between our company and our employees and strive to cultivate a workplace culture that fosters growth, development, and mutual success.

Training, reward and recognition

People drive our business. We rely on a range of personnel from fire safety engineers to doctors and nurses, and it is essential that we continue to attract and retain the best talent.

We pay all our UK employees at least national living wage and ensure the all UK-based employees have the opportunity to work at least 15 hours per week. Our people management approach has resulted in above market rate staff retention, with voluntary employee turnover of 27.6% for the year ending 31 March 2024.

Optima Health

Optima Health, our lead Occupational Health business, currently has 12 apprentices in our Service Operations and Clinical Performance and Met Police Teams. They are working towards Chartered Management Institute qualifications, either at Level 3 (Team Leader/Supervisor) or Level 5 (Operations/Departmental Manager). This is a new initiative introduced for existing staff in 2023, which will be part of an ongoing programme of internal apprenticeships. In addition to this, Optima run a modular based clinical programme for newly qualified clinicians in order to give them experience within the field of occupational health and hopefully develop careers with Optima Health.

This 6-month programme aims to provide newly graduated Doctors and Nurses with a solid foundation in Occupational health and on successful completion of this course they are then supported to achieve a formal qualification in this specialist field.

All employees received at least an annual appraisal and have had some form of training within the year. Optima Health has spent £121,000 on employee training, this included support through the Levy for career development, the 'GROW' programme for clinical employees and the business unit is developing a commercial academy framework.

Fire Safety & Security

We have a number of initiatives across Fire Safety & Security. Through our state-of-the-art training facility, Marlowe Academy, we can up-skill and retrain current staff and have a strong apprenticeship programme for individuals who want to start a Fire and Security Engineer career with us.

Within our support teams, we encourage upskilling through formal qualification, especially within our apprenticeship programme. In the past year, over 30 colleagues received additional career enhancing training through L3 to L7 qualifications.

Via our VIP programme, 75% of our workforce have had at least one personal development and goal setting discussion. During early 2024, we launched a new people manager onboarding session to ensure all managers receive training on "excellent people practice". This will be supplemented by a divisional wide competency framework which we are developing.

Water & Air Hygiene

Within Water & Air Hygiene we have best in class training in the industry. We have five dedicated employee training centres across the country and these facilities allow us to develop and retain the best talent. We not only use these training centres to train apprentices but also to upskill current staff. Our training programmes allow us to make sure we're providing consistently high compliance levels and our engineers with skills and knowledge to service more complex customers.

We currently have 50 apprentices and 9 graduates across the business. These programmes allow us to attract new talent to the sector. Additionally, we have training programmes in place for managers and aspiring managers.

Water & Air Hygiene spent £340,000 on training in the year including apprenticeships and utilisation of the Government Levy.

MARLOWE

Our mission is for all our colleagues to feel able to bring their full selves to work, fulfil their potential and benefit from working as part of a diverse team. We are committed to being a responsible employer and strive to create a safe and inclusive working environment where our employees are actively engaged and supported.

Inclusion and diversity

At the core of our commitment to inclusion lies the conviction that everyone should have the opportunity to thrive and advance in an environment that respects and values them. Being part of a company, led by managers and surrounded by colleagues who genuinely recognise and embrace your individuality encapsulates the essence of inclusion. Inclusion means being listened to, appreciated, empowered to contribute, and having equal access to opportunities, regardless of personal attributes. We actively foster and celebrate diversity in all its forms, recognising that we gain a competitive edge from the wide array of backgrounds, perspectives, opinions, and innovative thinking our workforce brings to the table. This is underpinned by our Group Code of Conduct and Diversity and Inclusion Policy.

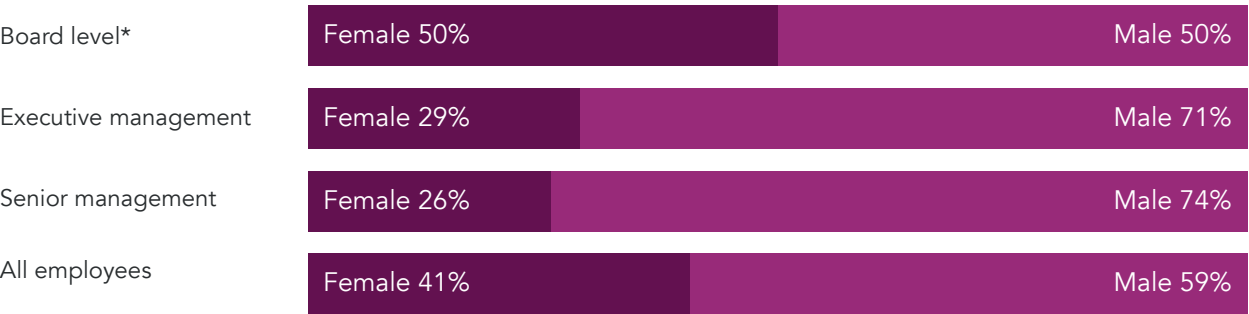
Across the Group we have established safe spaces in our office areas for employees who requires a private area to carry out religious practices or for nursing mothers. We have a number of EDI Groups across Marlowe and run features across divisional intranets. We are proud of our training programmes in particular in our fire & safety division where we have introduced and supported women into the fire and safety industry.

Gender equality

We aspire to be acknowledged as the employer and service provider of choice, attracting, retaining, and advancing talented individuals. At Marlowe plc, we lead by example, beginning with our Board. Board appointments are made by the nominations committee based on the value, expertise, and relevance each individual brings to the business. Our objective is to ensure that the Board comprises the most qualified and capable individuals, with a strong emphasis on diversity in all its dimensions, encompassing perspectives, backgrounds, and gender.

Female representation on the Board stands at 50%. Notably, both the Chair of the Audit Committee and the Chair of the Remuneration Committee are female. The gender pay gap, which denotes the percentage disparity in mean and median base and bonus pay between male and female employees, is a focal point of our transparency efforts. As per UK legislation, companies with 250 or more employees are mandated to annually disclose gender pay gap information. Each entity within our Group exceeding this threshold has reported their gender pay gap statistics.

Gender diversity at Group level



*Gender diversity of Board shown as of 3 June 2024

Fire Safety & Security H&S Pillars



We follow our safety processes, rules and procedures.



We promote health and wellbeing, in and outside of work.



We only undertake the work which we are competent and qualified to do.



We look out for each other and work as a team.



We think before we act - assess and control the risks.

We are dedicated to fostering a culture of ongoing enhancement, continuously refining procedures and processes to ensure the safety of both our staff and customers. Our ultimate objective is to achieve zero significant lost time accidents. Since the Group's inception in 2015, there have been no work-related fatalities for employees or contractors.

All main businesses have received ISO 45001 accreditation.

Health & Safety

Ensuring safety remains a paramount priority at Marlowe plc, as we are committed to fostering a secure and healthy work environment for all employees. Our dedication to enhancing the health, safety, and well-being of everyone impacted by our operations encompasses a rigorous approach to minimising potential accidents and hazards that may jeopardise the welfare of our workforce.

Our Group employs well-established and effective processes, including comprehensive training, risk assessments, and accident reporting procedures, to identify and reduce the risk of injuries or fatalities. We also provide our employees with appropriate personal protective equipment to further ensure their safety. By adopting a proactive approach, we aim to decrease the frequency and severity of work-related accidents and injuries at Marlowe.

Through our decentralised model, each of our business units are accountable for establishing and sustaining a safe environment, implementing best practices and cultivating a strong culture of health and safety awareness. We actively encourage employees to report any accidents or near miss incidents and have robust systems in place where appropriate to track, cover and react to any leading indications for safety issues.

For example, Marlowe Fire & Security's Board review accident and near miss root causes to identify areas to address in order to reduce future incidents; alongside this the Board compare current RIDDOR, Accident and Near Miss actuals against the targets set within The Division's Protecting Tomorrow Policy.

Employee Engagement

We recognise the significance of open communication and collaboration in fostering engagement within our workforce. To facilitate effective communication, we conduct regular divisional meetings and have initiated employee feedback surveys across the Group. Furthermore, given the Group's acquisitive nature, integrating teams and systems necessitates ongoing interaction with employees and consultations to identify the unique needs of each business.

Through our employee led-committees, suggestions and feedback specifically around culture and working environment are fed back to divisional and Group management.

Wellbeing and support

The Group has implemented an Employee Assistance Programme across its divisions, providing employees with access to a 24/7 advice line for immediate support.

Furthermore, we have invested in training mental health first aiders throughout the Group, with over 200 individuals trained. Notably, Marlowe Fire & Security has taken additional strides and as of February 2023 has over 100-line managers undertaken MHFA training, reinforcing our commitment to prioritising mental health and well-being across the organisation.

Each division has wellbeing working Groups focussing largely on four key areas, Mental, Emotional and Psychological, Physical, Spiritual (including charity work) and Social. Alongside this, divisional intranet supports various wellbeing days across the calendar, including World Mental Health Day, World Suicide Prevention Day and other mental health initiatives.

To promote a healthy work-life balance we have embraced a flexible working approach where appropriate. This entails being receptive to requests for career breaks, job sharing, and accommodating flexible working arrangements, such as shortened workdays or adaptable hours, particularly to facilitate the return of parents to the workforce. Additionally, we have various health plans available across the Group.

Community

Each of our businesses have been actively engaged in the community. In Occupational Health, we have sponsored a number of grass routes sports teams, and have implemented a matched funding initiatives for our employees. Water & Air Hygiene have conducted a number of charity events, such as a cold plunge challenge and have been a long-time supporter of the armed forces employee network.

Products

We understand that sustainability is a critical aspect of modern business practices. As the UK's leader in business-critical services, we are committed to ensuring that our services have a positive impact on society and the environment

The services we provide play a critical role in promoting sustainability and responsible business practices. We help organisations manage risk and comply with regulations, which has numerous benefits for society.

All main businesses have received ISO 9001 accreditation.

Our Water & Air Hygiene division helps organisations to ensure that their practices are responsible and sustainable. We help organisations to protect the environment and human health by ensuring that water and air are of high quality and free from harmful pollutants, as well as conducting asbestos and legionella testing to identify potential health hazards. Our services help improve their environmental performance, reducing their environmental impact and promoting responsible decision-making.

Our Fire Safety & Security division helps organisations to protect life and property by providing fire safety inspections, fire risk assessments, and fire safety training, as well as security systems and services. Our services provide organisations with the information and tools they need to identify and mitigate potential hazards, reducing the risk of fire-related incidents and property damage. Our services also help organisations to prepare for and respond to emergency situations and promoting good governance and disaster resilience.

Our Occupational Health division, Optima Health, is the UK's largest Occupational Health company. We are dedicated to providing high-quality services that benefit

both employees and society as a whole. Our services help organisations ensure that their employees are healthy and safe, which has numerous benefits for society. We have 1,500 professionals supporting 3 million employees.

Data Security

Each division has their own data security and document retention policy in line with the Data Protection Act (2018). The objective of each policy is to ensure business continuity in the face of unforeseen security issues and to minimise damage by preventing and reducing the impact of such incidents. Additionally, Occupational Health, due to the significant amount of personal sensitive data it holds, ensures all staff have annual data protection training.

Optima Health has received both Cyber Essential and Cyber Essentials Plus across all their operations and has achieved ISO 27001. Our TIC division now has the vast majority of their operations covered by Cyber Essential and are starting to transition to Cyber Essential Plus.

Supplier code of conduct

Each division has individual policies in place supported by the Group's Supply Chain Policy, Anti-Bribery and Corruption Policy, Modern Slavery Statement and The Group Code of Conduct.

Non-Financial and Sustainability Information Statement

The Group continued to make good progress in aligning our practices with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), after initially analysing the recommendations for the year ended 31 March 2023. The TCFD was established in 2015 and is based on a set of 11 recommendations from the UK Financial Stability Board (FSB) detailing how organisations should disclose their climate-related financial risks and opportunities in a clear and consistent way.

This is the Group's first year of reporting under Sections 414CA and 414CB of the Companies Act 2006.

Governance

The Board's oversight of climate-related risks and opportunities.

The Marlowe board has oversight of the climate-related risks and opportunities through Marlowe's ESG committee. Additionally, Gillian Kent was appointed as the ESG board representative in FY23 to ensure we have effective governance and management structures in place to manage these risks and opportunities. Members of the committee, including Gillian Kent, have already or will receive specific training relating to sustainability through Vinciworks. The Group also plans to introduce sustainability training across the Group where appropriate.

The Board's oversight is facilitated through the ESG committee, which includes members from across each of the three key business lines (Occupational Health, Fire Safety & Security and Water & Air Hygiene) to make sure ideas and developments are communicated. This committee meets every quarter to review progress and identify areas for improvement.

Additionally, key ESG and sustainability related matters will now be incorporated into divisional Board meetings which will be attended by divisional management, the Group's management team as well as the chair of the ESG committee. This provides two lines of communication to the Board, through the ESG committee and through the Group's management team.

Management's role in assessing and managing climate-related risks and opportunities.

Each divisional management team is responsible for identifying and managing climate-related risks and opportunities. One of the key areas of focus is procuring green energy at our premises and transitioning our fleet of vehicles to electric or hybrid alternatives where currently feasible and economically appropriate. Each division is also responsible for identifying climate-related opportunities. This can range from solar powered surveillance cameras to complex environmental engineering projects to ensure the wastewater is managed in line with strict environmental legislation.

The ESG committee has a representative from each division who is responsible for collating and reporting their sustainability data and goals to Head Office. This includes tracking emissions across Scope 1 and 2, in line with our Net Zero 2035 target. In 2023 our Occupational Health business, Optima Health, started collating and reporting on Scope 3 emissions. Over the next 12 months we are aiming for both our Water & Air Hygiene business and Fire Safety & Security business to follow suit.

We aim to improve on assessing and managing this process by including specific agenda items in our divisional reviews, requiring our management teams across the business to address climate-related risk and opportunities over the short, medium and long term. This will then be reported to the Board.

Strategy

Climate-related risks and opportunities in the short, medium, and long term.

While we operate in a relatively low carbon intensive sector, the Board and the ESG committee have considered climate-related risks and opportunities over the short, medium and long term. Each division has produced a risk register specifically addressing climate related risk and we aim to report on this in further detail in the future. Key risks per divisions, however, are summarised below.

Fire, Safety and Security

- **Fuel consumption.** We are still heavily reliant on fossil fuels in our vehicle fleet, specifically with larger vehicles.
- **Waste production and disposal.** Ensuring all waste production of fire and safety equipment is disposed of in an environmentally efficient way to avoid fines and potential reputational damage.
- **Foam extinguishers.** EU phasing out PFAS (foam) extinguishers which could lead to the removal of 40m units across the market. Currently being reviewed and in the fire industry this is the largest known pollutant.
- **Energy Consumption.** Reducing reliance on non-renewable energy across our premises with several sites not achieving REGO certification and do not have effective energy consumption initiatives in place which could lead to reputational damage and reliance on costly and diminishing non-renewable fuels.

Water & Air Hygiene

- **Fuel consumption.** We are still heavily reliant on fossil fuels in our vehicle fleet, specifically with larger vehicles.
- **Site energy use and emissions.** We have not fully transferred all sites to REGO backed so there remains a risk regarding fuel pricing and associated emissions.
- **Chemical blending.** We are reliant on water consumption in our chemical blending facilities and additionally there's a risk with chemical spillage or leakage during manufacture.
- **Waste.** Risk based with internal waste, rejected or waste chemical products, or that of our supply chain.

Occupational Health

- **Fuel Consumption.** The division is somewhat reliant on a number of medical service vans which still require fossil fuels to run.
- **Supply Chains.** Extreme weather events could affect supply chains for medical equipment and medicine.
- **Regulatory Changes.** Compliance with new and evolving regulations may require investment in new technologies, process modification, or adherence to stricter environmental standards.
- **Employee Health & Well-being.** There are various health impacts related to current employees such as heat-related illnesses, respiratory problems due to air pollution, and increased UV radiation.
- **Reputational Risks.** Failure to address climate-related risks or demonstrate commitment to sustainability could harm the company's reputation and brand image.

In developing our Net Zero 2035 plan we took account of potential risks and opportunities such as increasing customer and societal focus on ESG and sustainable delivery of services. Whilst we already provide services that focus on this changing landscape, ranging from occupational health to implementing water systems that improve energy efficiency, the opportunities in the sustainability market remains a focus. Key opportunities include:

- **Clean water solutions.** We are particularly well placed to impact the increasing problems with water waste, specifically the removal of phosphates and nitrates from the water cycle, and to help industrial customers to reduce the concentration of biocides, heavy metals and other toxins in their discharges.
- **Asbestos testing.** We believe regulations and inspection is only going to become more onerous and with up to 70% of UK's commercial building containing asbestos we are well placed to deal with this increasing demand.
- **Bespoke environmental solutions.** We have the inhouse capability and scale to produce bespoke and eco-friendly alternatives such as solar-powered surveillance cameras.
- **Increasing Occupational Health demand.** Climate change is likely to lead to more extreme weather events, excessive heat and increased air pollution which will lead to greater need of occupational health services. We are best placed to provide strategies and occupational health services to companies to deal with this changing environment.

Strategy continued

The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Our aim is to identify and integrate climate-related risks and opportunities into divisional strategies and financial planning discussions in the future. We are committed to proactively addressing the impact of climate factors on our operations. We aim to improve disclosure over the coming years including how the Group is practicing sustainable financing across all divisions and throughout the supply chain.

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Following the recent divestment of certain GRC software and service assets, the Group has updated the following two scenarios. In the first 'business as usual' scenario, carbon emissions continue to increase at current rates and temperatures increase to a severe warming scenario of 4-5°C by the year 2100. In the second scenario, carbon emissions reduced, and global temperatures does not exceed 2°C by 2100 in line with the Paris Agreement.

We aim to improve disclosure in future years and will consider at least three scenarios. The Board is also planning to utilise these scenarios in future periods to support our analysis of climate-related risks and opportunities and to integrate these considerations into the Group's forward-looking strategy.

Scenario 1

Actions will be limited in the short term; some policies may be introduced to reduce carbon emissions. The Government may set energy efficiency targets including vehicle energy efficiency. However, the Group already has targets around transitioning the vehicle fleet, which largely resides within TIC, to electric or hybrid vehicles. This scenario is unlikely to have a material impact in the short term.

Within the medium term, extreme and severe weather events will likely increase, which may interfere with our supply chain and procuring inventory within TIC and Occupational Health. This may require the Group to

increase the amount of inventory that it holds to reduce supply chain risks. The Group will prepare for these scenarios if they become more likely. However, there may be an increasing societal focus on water efficiency and systems which will likely resulting in an increased demand for our services in our Water & Air Hygiene business.

Within the longer term, there are likely to be significant health impacts as temperatures continue to rise. There is therefore likely to be an increasing societal push for corporations to address these health impact and ensure healthy working environments which will likely increase demand for our Occupational Health services to ensure compliance with these changing environments. Rising sea levels will likely affect where our customers operate and subsequently how we provide our on-site services. This may result in access issues which may result in less efficient service delivery.

Scenario 2

In the short term, governments may introduce more challenging carbon targets, which may result in a quicker transition to Electrical Vehicles (EV) for our vehicle fleet. New regulatory requirements will likely require stricter wastewater and efficiency compliance and demand for eco-friendly products such as solar powered surveillance cameras, which could lead increase requirement of our services. Additionally, there may be further innovation opportunities in our sectors.

In the medium term, there may be a growing requirement of public and private investment in taking a more proactive approach in managing climate-related risks. There is an opportunity that a compliance business, such as Marlowe, would need to help their client base and their supply chains to assess and manage these risks appropriately. There is also likely to be increasing stakeholder requirements as a greater focus is put on ESG.

In the long term, there may be disruptions to existing business models as we transition to a net-zero world, and how some of our existing customer operate. There are likely greater reputational risks for companies who do not take sustainability seriously; companies may suffer reputational damage if they are perceived to be contributing to the problem.

Risk Management

The organisation's processes for identifying and assessing climate-related risks.

The Board and the Senior Leadership Team have assessed the risk of climate change to the business, recognising both the potential challenges and opportunities it presents. Climate-related risks are discussed during our divisional reviews. These identified risk factors will be subsequently compiled and presented to the Group's management team and Gillian Kent, Marlowe's ESG representative on the board, for further evaluation and consideration. We have now included climate-related risk within our Risk management section on pages 47 to 49.

The organisation's processes for managing climate-related risks.

We will actively implement management of climate-related risk through divisional management. Our aim is to streamline data collection through our head office function, enabling comprehensive monitoring and evaluation of performance across the Group. This progress will allow us to present the findings to the Board.

The processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

We will continue to provide additional disclosure on how we have identified, assessed, and managed climate-related risks for the year ending March 2025. We will then describe how these are integrated into the organisation's overall risk management process.

Metrics and Targets

There are a number of subdivisional targets in place alongside our Scope 1 and 2 net zero carbon emissions by 2035. For example, Optima Health aims to be net zero, including Scope 3, by 2035 with short, medium and long-term targets. More information on these targets can be found on pages 27 to 30.

Additionally, we have updated our strategic alignment to the United Nations Sustainable Development Goals (UN SDGs) following the Group's divestment of certain GRC software and services assets. We have provided insight into revenue aligned with UN SDGs 3, 6, 7, 8 and 13. Details of this can be found on page 25.

Governance

At Marlowe, we exercise a robust internal governance, risk management and compliance framework that is supported by regular internal audit and public disclosure in conformance with the Quoted Companies Alliance ("QCA") code.

The Code of Ethics and Group compliance policies, which can be found on our website and have been approved by the Board of Directors.

Anti-bribery and corruption

We take a zero-tolerance approach to bribery, corruption and other unethical or illegal practices. We are committed to acting professionally, fairly and with integrity in all business dealings and relationships, within all jurisdictions in which we and our businesses operate. Marlowe requires its businesses to adopt high governance standards, conducting business responsibly, sustainably, and in the pursuit of long-term success for the collective benefit of stakeholders. This is outlined in our anti-bribery and corruption policy, which is implemented and administered throughout the Group, and available on our website. In FY24, there were no instances of employee discipline or dismissal related to non-compliance with our anti-bribery and corruption policy (FY23: zero, FY22: zero).

Marlowe prohibits lobbying involvement and political involvement of any kind (including the making of political donations) across the Group.

Whistleblowing

Marlowe plc encourages a culture of open communication amongst its staff and commits that any employee who raises concerns about illegal or unethical organisational behaviour will be treated with respect, confidentiality and will experience no detriment as a result. In May 2022, Marlowe plc launched a Group-wide whistleblowing platform, available to all employees which can be accessed via a multi-lingual online portal, together with local hotline numbers that are available 24/7. Issues concerning possible wrong-doing in any aspect of their business, including financial and non-financial matters can be raised confidentially and anonymously. The whistleblowing platform and policy is overseen by the Audit Committee with Peter Gaze being nominated as the non-executive for the oversight of whistleblowing. This is further supported by the Marlowe senior management team.

The business undertakes several measures to bring awareness to employees of the whistleblowing platform, including providing training to workers at all levels within

the organisation in relation to whistleblowing law and the Group's policy on disclosures.

Modern slavery and human trafficking

Marlowe does not believe there is any place in today's world for slavery or human trafficking, and that everyone has the right to live and work without fear of exploitation. We are committed to continually improving our practices to combat slavery and human trafficking and to encourage the same high standards from our supply chain and other business partners. The company continues to establish a zero-tolerance position on violations of anti-human trafficking and anti-modern slavery laws in accordance with the UK Modern Slavery Act 2015. The statement is renewed and approved by the Board annually and can be found on the home page of our website.

Human rights

We are committed to acting in an ethical manner with integrity and transparency in all business dealings, and to create effective systems and controls across the Group to safeguard against adverse human rights impacts. The Group has a strong culture of ethics, which encompasses key human rights considerations. The Group supports the principles set out in the UN Declaration of Human Rights.

Our businesses also implement effective and proportionate measures to identify, assess and mitigate potential labour and human rights abuses across their operations or supply chains. These include training, modern slavery policies, employee handbooks and business-specific policies. All business-specific policies are reviewed locally within each business in order to ensure compliance with local laws and standards as a minimum.

There have been no violations reported on human rights by our businesses in FY24 and for the previous two years.

Information security and cyber protection

Marlowe plc strongly respects privacy and seeks to minimise the amount of personal data that it collects, as well as ensuring the robust and sufficiently segregated storage of any data that is held.

In line with other businesses, the Group is subject to increased frequency and sophistication of security and cyber threats, and we recognise that the Group must be protected from potential exposure. Any loss of systems and/or data could cause a disruption to service delivery, impacting on reputation, involving significant rectification costs and potential regulatory action or legal liability. The Group benefits from well-established operating processes and procedures including systems and data security and disaster recovery. A number of our businesses are certified to ISO 27001, Cyber Essentials and Cyber Essentials Plus.

Divisional CTOs have responsibility for incorporating the Group's policies, controls and procedures which are kept under constant review. All employees receive regular training including a cyber awareness programme.

Supply chain

Marlowe is a professional services firm, primarily engaged in the provision of business services to ensure safety and regulatory compliance. Accordingly our supply chain primarily consists of vehicles and safety materials.

However we recognise that our supply chain extends beyond our immediate suppliers, and materials could be procured by them which are manufactured in countries that afford lesser protections to workers than in the UK.

We are committed to ensuring that our businesses source materials and products in a responsible, ethical and sustainable manner. This applies to our businesses' global supply chains and is important in mitigating the risk of supply chain shocks. We expect our suppliers to operate their businesses in a way that supports our commitment to acting ethically and responsibly.

When evaluating potential and existing suppliers, we consider both environmental and social criteria including health and safety, quality procedures, waste management, resource use, energy efficiency and ethical trading standards. We require the Group's suppliers to declare the source of origin of their products and confirm their suppliers comply in full with ILO Conventions. We regularly review the performance of all supply chain partners to ensure that procedures are being implemented and commitments are being honoured across their respective supply chains, in line with the nature and geographical representation of their supplier base.

Our Group level Supply Chain policy can be found on our website.

Environmental

We are committed to reducing the environmental impact of all our activities, and that of our supply chain. We seek to fully comply with, and where possible, exceed all applicable environmental legislation. The Group recognises that rising carbon emissions are driving climate change, and that there will be local and worldwide implications. As such, we are committed to driving efficiencies within our operations,

minimising the use of natural resources wherever possible and reducing emissions associated with our operations.

We believe that every business needs to take ownership and be responsible in ensuring the sustainability of how we use our planet's precious resources. Environmental Management Systems (EMS) which have been accredited to the ISO 14001 standard are in place within our three key businesses: Marlowe Fire & Security Group, WCS Group and Optima Health. We seek to maintain international certification at these sites and will investigate opportunities to certify remaining group sites.

We monitor the environmental performance of the company and report regularly on environmental issues. We regularly consult with our stakeholders, including employees and investors, on environmental issues to ensure that the ESG strategy aligns with overall company interests.

Diversity and inclusion

Marlowe plc is committed both as an employer and as a provider of services to businesses and the wider community, to promoting diversity, equal opportunities and non-discrimination. We recognise that equal opportunities during the hiring process and through career development and promotion will help staff develop to their best potential which is in the best interests of the company, staff and customers. We are committed to providing a working environment where everyone is treated with equality, dignity and respect, free from harassment, victimisation, bullying and discrimination.

As a UK employer Marlowe is required to comply with the Equality Act 2010. Our policy has been aligned with International Labour Organisations (ILO) standards, including ILO C100, ILO C111, ILO C156 and ILO C190.

Our Group level Diversity and Inclusion policy can be found on our website.

Tax transparency

Marlowe plc is committed to paying taxes that are due, complying with all applicable laws, and engaging with all applicable tax authorities in an open and cooperative manner. The Group does not engage in aggressive tax planning. The Group's Tax Strategy is reviewed, discussed and approved by the Board annually. The Audit Committee periodically reviews the Group's tax affairs and risks.

The Group has adopted a policy in respect of the prevention of the facilitation of tax evasion which has been implemented by the businesses, with guidance on undertaking risk assessments and training to employees in relevant roles.

The Group does not reside in countries considered as partially compliant or non-compliant according to the OECD tax transparency report, or in any countries blacklisted or grey listed by the EU, for the purposes of tax avoidance and harmful tax practices, per the latest lists released.

Directors' duties

Section 172 of the Companies Act 2006 requires the Directors of a Company to act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decisions in the long-term;
- b) The interests of the Group's employees;
- c) The need to foster the Group's business relationships with suppliers, customers and others;
- d) The impact of the Group's operations on the community and environments;
- e) The desirability of the Group maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between shareholders of the Group.

New Directors receive a formal and tailored induction to the Group's operations including corporate governance, its legislative framework and visits to Group premises. In order to perform their duties, they can access professional advice, either from the Company Secretary or, if they judge it necessary, from an independent advisor. The Board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the Directors have fulfilled their duties are set out below.

Risk management

The Group recognises the importance of identification, evaluation and management of risk. The nature of our services in assuring regulatory compliance for our customers ensures that risk management is embedded within the culture of the Group. All our businesses maintain risk registers which are reviewed by divisional management and the Group's Executive Director's at least once a year.

Details of the principal risks and uncertainties of the Group are set out on pages 48 to 49. The Group's statement on going concern is included in the Directors' Report on page 54.

Employees

The Group is committed to being a responsible employer and strives to create a working environment where its employees are actively engaged and part of its success.

Diversity, inclusivity and equality e-learning initiatives coupled with employee questionnaires and surveys ensure our staff are rewarded for excellent performance and their views are listened to when shaping the future of our businesses.

Through the use of our employee portal, Blink, the Group provides updates on financial performance biannually.

Additional updates are provided if believed to be appropriate such as addressing share price volatility. Individual divisions also provide employee updates where appropriate.

Further details of the Group's commitment to employees is included in our Environmental, Social and Governance Strategy on pages 31 to 34 and in the Directors' Report on page 53.

Business relationships

The Group understands the value of maintaining and developing relationships with its customers and suppliers, as it is these strong relationships which underpin its current and future growth. The Group's investment proposition on page 8, and Environmental, Social and Governance Strategy on pages 24 to 35 provide further information on how the Group's strategy seeks to solidify these relationships.

Community and environment

The Group acknowledges the significance of maintaining and improving the quality of the environment in which we live and work in. Further information on how the Group interacts with its community and its environment can be found in the Environmental, Social and Governance Strategy on pages 24 to 35.

Shareholders

The Board is committed to openly engaging with its shareholders to understand their needs and expectations. It is vital our shareholders understand the Group's strategy and objectives and that the Board are able to receive feedback on a regular basis. By understanding the requirements of the shareholder base the Group is able to refine its business strategy to ensure maximum value is delivered. Further details on how shareholder engagement is maintained is outlined in the Corporate Governance Statement on page 56.

Letter from the Audit Committee Chair



Rachel Addison
Chair of the Audit Committee

Dear Shareholder

On behalf of the Audit Committee, I am pleased to present the report for the year ended 31 March 2024.

We have continued to discuss and challenge the assumptions and judgements made by management in the preparation of published financial information and to oversee the internal controls, including oversight of the external audit process.

The Committee updated its Terms of Reference and a copy is available on the Company's website.

The Committee has an annual work plan linked to the Group's financial reporting cycle, which ensures that it considers all matters delegated to it by the Board.

Members in year

Charles Skinner – since 29 February 2016,
resigned 18 March 2024
Peter Gaze – since 29 February 2016
Kevin Quinn – since 3 December 2018¹,
resigned 3 June 2024
Rachel Addison – since 1 November 2021
Gillian Kent – since 1 February 2022

- Providing advice to the Board on whether the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable and provides all the necessary information for shareholders to assess the Group's performance, business model and strategy.

Committee responsibilities

- Overseeing the accounting principles, policies and practices adopted by the Group.
- Overseeing the external financial reporting and associated announcements.
- Overseeing the appointment, independence, effectiveness and remuneration of the Group's External auditor, including the policy on the supply of non-audit services.
- Conducting a competitive tender process for the external audit when required.
- Monitoring the quality of the internal control environment.
- Ensuring the establishment and oversight of fraud prevention arrangements and reports under the whistleblowing policy.

Membership and meetings

During the year, the Audit Committee met three times and met privately with the External Auditor. Details of individual Directors' attendance can be found on page 56. In addition to the Committee members, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), Group Financial Controller and the External Auditor (RSM) attended parts of these meetings by invitation. The Chair of the Board also attended meetings. The Company Secretary acts as Secretary to the Committee. The Chair of the Committee holds regular meetings with the External auditor without management being present and also with the CFO (who has responsibility and custody of the internal control framework). This ensures that all matters that should be raised are notified to the Committee and members. The Committee received sufficient, reliable and timely information from management to enable it to fulfil its responsibilities.

All committee members possess extensive business experience and financial knowledge which enabled them to

¹ The Chair was not a member of the Audit Committee but attended the meetings as a guest of the Chair of the Committee

play a full and valuable role. All members are independent, with the exception of Peter Gaze who is classified as non independent. Peter is a valuable member of the audit committee due to his considerable financial experience and company knowledge, having been a company and audit committee member since the company's incorporation.

The Board is satisfied that I have the necessary recent and relevant financial experience to chair the Audit Committee.

Risk management

The Board has overall responsibility for determining the nature and extent of its principle and emerging risks and the extent of the Group's risk appetite, and for reviewing the effectiveness of the Group's system of risk management and internal control. The Committee ensures effective and sufficient coverage of financial reporting risks within the Group's risk management processes. The Group's risk management process and principal risks and uncertainties facing the Company are addressed on pages 47 to 49.

Internal control

The Board determines the objectives and broad policies of the Group and meets regularly, when a set schedule of matters which are required to be brought to it for decision is discussed.

Overall management of the Group's risk appetite, its tolerance to risk and discussion of key aspects of execution of the Group's strategy remain the responsibility of the Board. The Board has delegated to the Audit Committee, the responsibility for establishing a system of internal controls appropriate to the business environments in which the Group operates.

Key elements of this system include:

- A clearly defined organisation structure for monitoring the conduct and operations of the business.
- Clear delegation of authority throughout the Group, starting with matters reserved for the Board.
- A formal process for ensuring that key risks affecting operations across the Group are identified and assessed on a regular basis, together with controls in place to mitigate those risks. Risk consideration is embedded in decision making processes at all levels and the most significant risks are periodically reviewed by the Board. The risk process is reviewed by the Board.
- The preparation and review of comprehensive annual budgets.
- The monthly reporting of actual results and their review against budget, forecasts and the previous year, with explanations obtained for all significant variances.
- The Group has in place a robust framework of accounting policies and financial approval processes. This includes clearly defined policies and escalating authorisation levels for all procurement activity including capital expenditure and investment, with larger capital projects, acquisitions and disposals requiring Board approval. This framework is kept under periodic review.
- A formal controls framework that defines the key controls and specific risks that each of these key controls is designed to mitigate.
- Appropriately qualified staff with business continuity plans to ensure that all key roles have adequate cover.
- Review of and certification by divisional finance teams as to the effective operation of the Group control framework, with oversight from the Group finance team. Confirmation of results of such reviews are reported to the Audit Committee on an annual basis as a minimum.

Internal Audit

The Audit Committee is satisfied that the system of internal controls, as described above is appropriate for the Company at its current size and complexity.

In reflection of the continued growth of the business, the Committee will keep under review the approach to providing continuing levels of assurance over its principal risks and controls.

External Audit Assessment

RSM were appointed on 14 September 2022 with David Clark being the lead audit engagement partner. This appointment was made after consideration and consultation with a number of audit firms with regards to their available resources and remuneration requirements.

The committee is responsible for reviewing the independence of the Company's External Auditor, RSM, agreeing the terms of engagement with them and the scope of their audit. During the FY24, the External Auditor provided services in relation to the Group's interim and year end results.

The scope of the external audit is formally documented by the auditor in their audit report. They discuss the draft audit plan with management before it is referred to the Committee which reviews its adequacy and discuss it with management and the auditor before its final approval.

In respect of the financial year ended 31 March 2024, the Committee assessed the performance and effectiveness of the External Auditor as well as their independence and objectivity, on the basis of feedback from the Committee members, regular attendees to the Committee and the management team. During the year, it was brought to the Audit Committee's attention by RSM that a payroll service was provided to one of the company's subsidiaries by an RSM network firm. This was an inadvertent breach of the FRC's Revised Ethical Standard 2019 by RSM and the service was ceased as soon as it was discovered. RSM reassessed its independence and objectivity as our auditor in the light of the breach and concluded that these were not affected due to the financial significance of the company concerned to the group and the quantum of the fee paid to the RSM network firm. We have carefully considered the situation, the nature of the breach position and held discussions with the audit partner. As a result we are satisfied that RSM's objectivity and independence have not been compromised as a result of this inadvertent breach.

Significant financial reporting judgements

The committee reviewed the key accounting matters with reference to areas of higher risk and areas involving significant judgement.

Area of focus	Reporting issue	Role of the Committee	Conclusion/actions taken
Acquisition accounting	As outlined on pages 93 to 95, the Group has completed five acquisitions during the year.	The Group engages third party valuation experts to assist in the preparation of the purchase price allocation exercises for the acquisitions in the year. The Committee has reviewed detailed papers setting out the acquisition accounting undertaken, including the purchase price allocations and opening balance sheet fair value assessments.	The Committee agreed with the judgements made by management in respect of the acquisition accounting undertaken during the year and the presentation in the Group's results for the year ended 31 March 2024.
Classification of adjusting items	As outlined on page 88, due to the nature of acquisition and other costs in relation to each acquisition and the non-cash element of certain charges, the Directors believe that adjusted operating profit, adjusted EBITDA and adjusted measures of profit before tax and earnings per share provide shareholders with a more appropriate representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group.	The Committee has reviewed detailed papers from and challenged management on their assessments of costs deemed to be adjusting items.	The Committee agreed with the judgements made by management in respect of the classification of adjusting items during the year and the presentation in the Group's results for the year ended 31 March 2024.
Impairment of intangible assets	As outlined on page 97, the Group assesses whether there are any indicators of impairment of intangible assets at each reporting date.	The Committee has reviewed detailed papers and challenged management on the assumptions and methodology used in their impairment reviews.	The Committee agreed with the judgements made by management in respect of impairment of intangible assets during the year and the presentation in the Group's results for the year ended 31 March 2024.

Consideration of the final year-end audit report

Reporting materiality was set by the auditor at £3.36 million. In practice, a lower 'performance materiality' of £2.35 million is applied as a basis for their detailed work and report to the Committee all differences found over £168k.

As the consolidated statement of comprehensive income presents continuing and discontinuing operations in columnar form, the auditor applied materiality to each. They allocated materiality and performance materiality of £1.9 million and £1.3 million to continuing operations respectively, while £1.4 million and £1.0 million to discontinued operations.

Going concern

The Committee reviewed the going concern statement, set out on page 74 and confirmed its satisfaction with the methodology, including appropriateness of sensitivity testing.

Fair, balanced and understandable

The Committee considered whether the Annual report is 'fair, balanced and understandable'. The Committee members were consulted during the drafting process, as well as the opportunity to review the Annual Report as a whole and discuss any areas requiring additional clarity or better balance in the messaging. On the basis of this review together with the views expressed by the External Auditor, the Committee recommended, and in turn the Board confirmed, that it could make the required statement that the Annual Report is 'fair, balanced and understandable.'

Looking forward

As well as the regular cycle of matters that the Committee schedules for consideration each year, we are planning over the next 12 months to:

- Continue to monitor legislative and regulatory changes that may impact the work of the Committee.
- Consider the impact of proposed audit industry changes.
- Consider a wider range of topics for Committee training.
- Evaluate the effectiveness of the Committee via internal review.

The Committee's report was approved by the Committee of the Board of Directors on 8 August 2024 and signed on its behalf by:

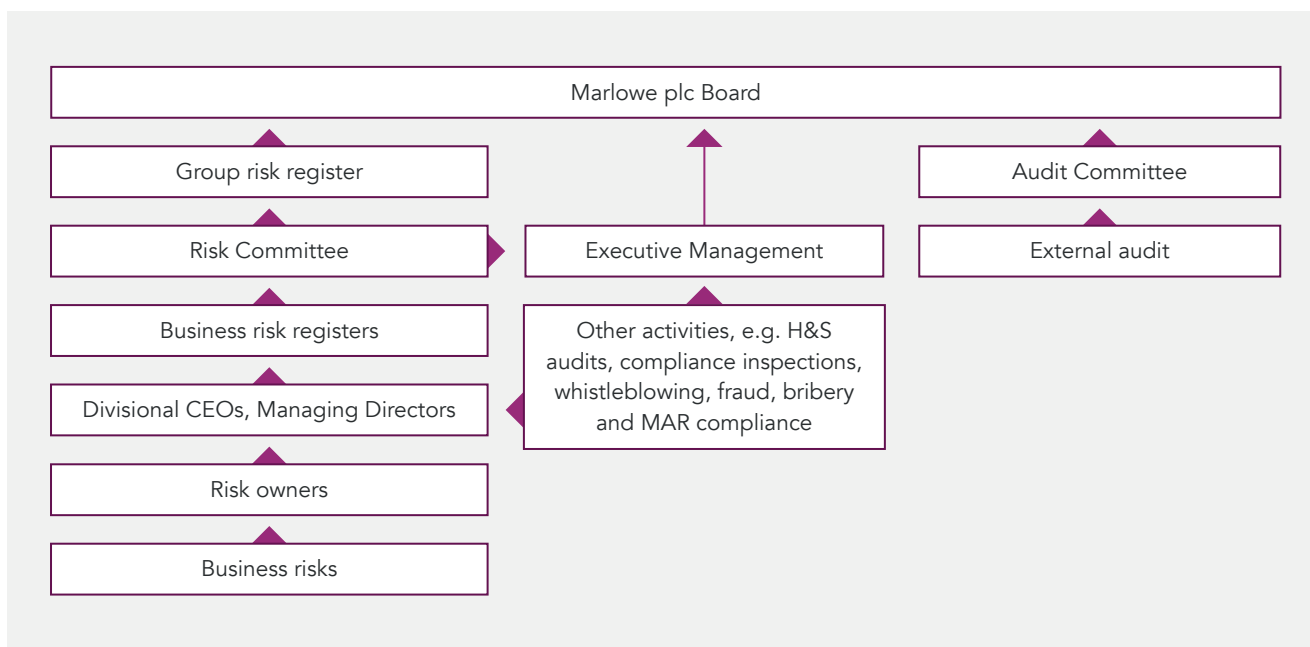


Rachel Addison

Chair of the Audit Committee

8 August 2024

Risk management



Risk management framework

The Risk Committee reports directly to the Board. It is responsible for evaluating the effectiveness of the Group's risk management processes and maintaining the Group's risk register.

The Committee's duties and responsibilities are outlined in the Board-approved Terms of Reference. The key responsibilities of the Committee can be summarised as follows:

- Oversee and advise the Board on the current risk exposures of the Company and future risk strategy;
- Keep under review the Company's overall risk management systems including the methodologies adopted and the parameters used in assessing risk;
- Review the Company's capability to identify and manage new risk types; and
- Review the Company's procedures for preventing and detecting fraud and bribery.

Progress made during the year

At an operational level, the war in Ukraine and in Israel and Palestine continues to have little or no direct impact on the business or its supply chain.

The impact of wider inflationary pressures has been well managed with the majority of cost increases being successfully passed onto customers through contract pricing. Our largest single cost line is staff wage costs and we have successfully managed these increases balancing the need to maintain cost efficiency with the need to pay our staff fairly and proportionately given the wider economic environment.

The Group has updated the Risk Register to reflect the recently divested GRC software and service assets. It continues to monitor, update and where necessary, take action with regard to climate-based risks and this has been a key topic of conversation among the risk management teams within the Group.

Principal risks and uncertainties

A principal risk is a risk that is considered material to the delivery of the Group's strategy, performance or future prospects. The principal risks of which the Group is aware are detailed below, including details of how the Group mitigates these risks. There may be other risks that are currently unknown or regarded as immaterial which could turn out to be material.

Risk description	Cause	Mitigation
Natural disaster, war, pandemic or other major incident	War, major incident, pandemic or other natural disaster, resulting in a national lockdown or other factors impacting on the ability of the Group to deliver service.	The Group has full and detailed disaster recovery plans; technology to support remote working; revised operating procedures to minimise impact of provision of services; supply of protective equipment; strong balance sheet; robust financial management; access to funding to maintain liquidity.
Dependence on key personnel, retention of operational staff	The Group's ability to deliver against its strategy is dependent on the skills, experience and performance of its key personnel. Failure to attract, retain and motivate technical and managerial personnel could impact on performance.	Remuneration and benefits, including long-term incentives regularly reviewed and designed to be competitive and attract, motivate and incentivise personnel. Succession planning for key roles is undertaken across the Group.
Damage to reputation	A major incident, inadequate service delivery, failure of subcontractors/supply chain or major system failure exposing the Group to reputational damage.	The Group has well established processes and procedures to ensure service standards are maintained; full compliance reporting processes; supplier vetting and approval; and auditing of service delivery standards.
Health & safety incident	Some of the Group's operations involve physical labour, use of machinery and take place in locations where there is potential for harm. Death or injury to an employees, customer or member of the public could result in reputational damage, bad publicity, an insurance claim and potential financial impact.	The Group has well established and robust processes across the Group including training, detailed risk assessments and accident reporting procedures; and appropriate insurance cover to mitigate financial risk.
Compliance with regulations	The markets in which the Group operates are subject to a range of environmental, health & safety and other regulatory requirements.	The Group is very aware of its regulatory requirements and this is given the highest importance across the organisation. The Group employs regulatory specialists and compliance teams to maintain standards.
Acquisition strategy	As the Group continues to review acquisitions as part of its overall growth strategy, overpaying for an acquisition, underestimating the time and resources to integrate an acquired business or the failure to properly integrate or to realise the anticipated benefits from acquisitions could have a negative impact on performance.	All transactions subject to strict investment criteria and require Board approval; extensive due diligence processes; and well defined integration processes carried out by experienced and dedicated management teams.

Risk description	Cause	Mitigation
Climate and environment	Increased impact of both climate change and the regulatory impact on the business.	The Group has an ESG committee and has this year appointed Gillian Kent as a Board representative on the committee. The Group has in place strong monitoring and planning capability to engage with, manage and adapt the business to future changes in the climate and environment which may have an impact on operations. More detail is provided on pages 24 to 35.
Information security & cyber protection	In line with other businesses, the Group is subject to the increased frequency and sophistication of cyber attacks; inadequate internal controls and procedures leading to a data breach or loss.	There is strong awareness across the Group of this risk and focus on ensuring systems and processes are in place to ensure any risk is minimised. Divisional CTOs have responsibility to ensure the Division's policies, controls and procedures are kept under constant review with the majority of businesses having cyber essentials and cyber essentials plus. All employees receive regular training including a cyber awareness programme.
Software systems & digital technology	Software and digital technology are key differentiators and are central to our operations, customer interaction, service planning and delivery. Failure to invest or maintain software and systems, the loss of systems and/or data or poor system performance could cause a disruption to service delivery, impacting on performance with a potential financial impact.	Appropriate resource is in place and focused on continuous development and maintenance of all operational systems; established operating processes and procedures including systems and data security and disaster recovery.
Competition	Increased competition, failure to meet changing customer demands resulting in lower customer retention and impacting on growth.	The Group has low customer concentration and high service standards leading to low customer attrition. It has clear focus on developing and maintaining relationships with key customers.
Liquidity	There is a risk that poor financial performance would result in a reduced appetite from banks to lend to meet the needs of the business and to enable the continuation of the strategy.	The Group sits in a positive net cash balance position at the time of reporting. All of the Group's businesses benefit from high levels of recurring revenue and good revenue visibility. The Group has implemented good financial controls, has a conservative approach to leverage and a proactive investor relations function.
Fraud	Failure to detect or prevent fraud and/ or corruption.	Appropriate systems, controls and authorisations are in place.

The Strategic Review was approved by the Board of Directors and signed on its behalf:



Adam Councell, Chief Financial Officer

Date: 8 August 2024

Board of Directors

The Company is led by an established Board of Directors with strong track records in value creation and years of experience in running large quoted and private businesses across B2B service sectors.



LORD ASHCROFT

Interim Non-Executive
Chairman

Lord Ashcroft KCMG PC is an international businessman, philanthropist, author and pollster. He has been a successful entrepreneur for 50 years.

His business career began when he was in his twenties. In 1977 he became Chairman of Hawley Group plc and within less than a decade transformed it from near collapse into a leading international business services company employing over 100,000 people. Following a US merger in 1988, Hawley was re-branded ADT. In 1997, he negotiated the sale of ADT to Tyco International for \$6.7 billion (£3.7 billion).



ADAM COUNCELL

Chief Financial Officer

Adam Councill has extensive experience in B2B services and acquisition-led growth strategies.

He was CFO of Fuller, Smith & Turner plc, the pub and hotels business, and he was also CFO at Restore plc from 2012-2019, where he played a leading role in the development of the group into a leading office services provider. Prior to this, Adam spent nine years at Rentokil Initial plc.



JULIA ROBERTSON

Non-Executive Director

Julia Robertson is Group Chief Executive Officer of Headfirst Global plc, having been appointed in April 2013. Her journey at Headfirst began in 2000 when she sold two businesses to the group after which she held numerous leadership positions before taking on the role of Group CEO.

She has also served as Chief Executive of the Institute of Employment Consultants (now REC), the professional body for the UK recruitment industry.



GILLIAN KENT

Non-Executive Director

Gillian Kent has an executive career of over 25 years in digital businesses with functional experience in building markets and brands for products and services.

She was previously Chief Executive of Propertyfinder, the real estate portal and spent 15 years with Microsoft, including three years as Managing Director of MSN UK. Gillian chairs the Remuneration Committee and is a member of the Audit, Risk and Nominations Committees.



PETER GAZE

Non-Executive Director

Peter Gaze was recently the Chief Financial Officer and a Director of BCB Holdings Limited and of Waterloo Investment Holdings Limited. Peter was an executive at ADT Group plc during its expansion in the UK and US, in the period leading up to its acquisition by Tyco International for £3.7 billion in 1997.



RACHEL ADDISON

Non-Executive Director

Rachel Addison has nearly 30 years of finance and operational management experience. She has held a number of senior financial, operational and board level roles including at Future plc (CFO), TI Media Limited (CFO), Reach Regionals (Managing Director), Local World Limited (CFO and COO), Northcliffe Media Limited (CFO and COO) and Boots the Chemist where she was Head of Risk Management. Rachel is a chartered accountant and is a member of the Institute of Chartered Accountants in England and Wales. Rachel is currently a Non- Executive Director of Gamma plc, a leading UK and Western Europe telecoms and communications services provider; Hollywood Bowl plc, a leading international leisure operator of ten-pin bowling centres; Watkin Jones plc, housing developer and manager of student and build to rent accommodation and Wates Group, a privately- owned construction, residential development, and property services business.

Directors' report

For the year ended 31 March 2024



Chris Bone
Company Secretary

The Directors submit their report and the financial statements of Marlowe plc for the year ended 31 March 2024.

Marlowe plc is a public limited company quoted on AIM, incorporated and domiciled in the United Kingdom where the vast majority of trading occurs.

Business review and future developments

The Business Review on pages 4 to 5 includes a review of the ongoing business, the Group's trading for the year ended 31 March 2024 and an overview of future developments and strategy.

Principal activities

The principal activities of the Group during the year were the provision of business-critical services which assure safety and regulatory compliance.

Results and dividend

The Group's results for the year ended 31 March 2024 are set out in the consolidated statement of comprehensive income on page 70. The total loss before tax for the year was £10.9 million (FY23: loss of £6.9 million).

The Company paid a special dividend of £150.3 million following receipt of the cash proceeds of the Divestment on 5 July 2024.

Directors

The following Directors held office during the year and up to the date of the signing of the financial statements were as follows:

Lord Ashcroft (Interim Chairman) – appointed 18 March 2024

Adam Councill (Chief Financial Officer)

Julia Robertson (Non-Executive Director) – appointed 3 June 2024

Gillian Kent (Non-Executive Director)

Peter Gaze (Non-Executive Director)

Rachel Addison (Non-Executive Director)

Charles Skinner (Non-Executive Director) – resigned 18 March 2024

Alex Dacre (Chief Executive) – resigned 22 May 2024

Kevin Quinn (Executive Chairman) – resigned 3 June 2024

The biographical details of the current Directors are given on pages 50 to 51.

During the year Charles Skinner stepped down from the Board. Post the year end and following the completion of The Divestment, Alex Dacre stepped down as Chief Executive as previously announced. Additionally, Kevin Quinn stepped down as Executive Chairman and Lord Ashcroft has taken the position of Chairman on an interim basis.

Directors' remuneration, long-term incentive plans, pension contributions and benefits are set out in the Directors' Remuneration Report on pages 58 to 62.

The Company maintains liability insurance for its Directors and Officers with the Company's articles of association allowing the indemnification of Directors out of the assets of the Company to the extent permitted by law. Indemnities in favour of the Directors have not been entered into during the year.

Share capital

Full details of the share capital of the Company are set out in note 25 to the financial statements.

Substantial shareholdings

At 31 March 2024, the Company had been notified of the following interests amounting to 3% or more of the Company's issued share capital:

	Number of 50p ordinary shares	Percentage of issued share capital
Lord Ashcroft	11,877,361	12.27%
Octopus Investments Limited	7,752,081	8.01%
Capital Research Global Investors	6,904,878	7.13%
Slater Investments	6,459,759	6.67%
Alexander Dacre	4,687,759	4.84%
Abrdn	4,394,206	4.54%
Columbia Threadneedle Investments	3,858,251	3.99%

Employees

The Directors believe that the Group's people are its most important asset. Our policy is to employ the best people irrespective of race, gender, nationality, disability or sexual orientation. Consultation with employees or their representatives occurs at all levels, with the aim of ensuring their views are taken into account when decisions are made that are likely to affect their interests. Further information on how directors have engaged with employees is given in our Environmental, Social and Governance Strategy on page 33 and Directors' duties on page 42.

Business relationships

Information on how the Company has engaged with suppliers, customers and business relationships is detailed in the Directors' duties on page 42.

Emissions and energy use

The Company's Streamlined Energy and Carbon Report for the financial year is included in our Environmental, Social and Governance Strategy on pages 27 to 30. The Group is committed to reducing the environmental impact of its activities through establishing Group Environmental policies and the roll out training in respect of ESG to its employees.

Disabled employees

Applications for employment by disabled persons are always fully considered, having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, every effort is made to ensure that their employment with the Group continues. It is the policy of the Group that the training, career development and promotion opportunities of disabled persons should, as far as possible, be identical to those of other employees.

Health and safety

Health and safety is a particular concern to our customers. Consequently, each of our operating segments has appointed Health and Safety Officers. The Group's operations monthly report to the Board includes an update on health and safety matters.

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the reporting period and these remain in force at the date of this report.

Financial risk management

Information in respect of the financial risk management objectives and policies of the Group, is contained in note 3 to the financial statements.

Political donations

The Group does not make political donations.

Statement as to disclosure of information to auditors

The Directors in office on 8 August 2024 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 have confirmed that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Post balance sheet events

Details of post balance sheet events are given in note 32 to the financial statements.

Annual General Meeting

The notice of the Annual General Meeting, scheduled to be held on 30 September 2024, is enclosed with this Annual Report.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. In assessing going concern, management and the Board considered:

- The principal risks faced by the Group.
- The financial position of the Group.
- The cash position and borrowing facilities.
- Budgets, financial plans and associated cash flows including liquidity and borrowings.
- Sensitivity analysis as described in note 2 to the financial statements.

The Directors are satisfied that the Group and Company has adequate financial resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of this report. Accordingly, the going concern basis of accounting continues to be used in the preparation of the Annual Report for the year ended 31 March 2024.

Approval

This Directors' Report was approved on behalf of the Board on 8 August 2024.

Chris Bone

Company Secretary

8 August 2024

Corporate governance statement

The Directors believe that practicing good corporate governance is an essential element of building a successful business in the long-term interests of all stakeholders.

The Board has adopted the Quoted Company Alliance ("QCA") Corporate Governance Code which is considered appropriate for AIM listed companies. The Company complies with all the provisions of the QCA Code with the exception of Board evaluation. Our statement of compliance with the QCA Corporate Governance Code can be found on the Company website.

The Board of Directors

The role of the Board is to establish and develop the corporate strategy in order to deliver long-term shareholder value and it is responsible for the overall management and control of the Group. The Board currently comprises of one Executive Director and five Non-Executive Directors (including the Interim Chairman). The Interim Chairman is responsible for leadership of the Board and ensuring its effectiveness while the Chief Financial Officer is currently responsible for the day to day running of the Group's activities. The Board retains a range of commercial and financial experience and there is a good balance of skills and knowledge of both the Group and the sectors in which it operates.

Board meetings are held on a regular basis to review, formulate and approve the Group's strategy, budgets, corporate actions and to oversee the Group's progress towards its goals. The Board receives timely information on all material aspects of the Group to enable it to discharge its duties.

All Directors participate in the key areas of decision-making and there is a written statement of matters which require Board approval.

It is the role of the Chairman is to ensure that contributions made to the Board are relevant, independent, effective and encourage debate. Over the next 12 months further review of the Board functionality will be undertaken to include assessments of whether Board members attend and actively contribute to meetings as well as thoughts on Board composition, external advisers and other relevant matters.

The Executive Directors are expected to devote substantially the whole of their time, attention and ability

to their duties, whereas, the Non-Executives are required to spend sufficient time in the business to discharge their responsibilities. The Interim Chair and Non-Executive Directors have other third-party commitments including directorships of other companies. The Company is satisfied that these associated commitments have no measurable impact on their ability to discharge their responsibilities effectively and full biographical details for all Directors can be found on pages 50 to 51. The Executive Directors are permitted to have third-party commitments with the permission of the Chair. The CFO has no external commitments.

During FY24, certain Directors who were not Committee members attended meetings of various Committees by invitation. These details have not been included in the attendance table. Where a Director is unable to attend meetings of the Board or of Board Committees of which they are a member, such Director is expected to review the relevant papers for the meetings and provide their comments to the Board or the Board Committees in advance of such meetings. Following the announcement of the Divestment there were a number of Board changes as discussed in the Director's Report on pages 52 and 53.

Board Committees

The Board delegates clearly defined powers to its Audit, Remuneration and Nomination Committees.

The Audit Committee comprises of the Non-Executive Directors and is chaired by Rachel Addison. The Committee is responsible for monitoring the integrity of the financial statements of the Company, advising on appropriate accounting policies and reviewing management judgements, reviewing the effectiveness of the internal control framework, approving the external audit plan and reviewing the effectiveness of the external auditor.

The Remuneration Committee comprises of the Chairman and Non-Executive Directors and is chaired by Gillian Kent. Its report is set out on pages 58 to 62.

The Nomination Committee is chaired by the Interim Chair unless the matter under discussion is his own succession. Other Directors are invited to attend as appropriate.

The Committee is also assisted by executive search consultants as and when required. The Committee's principal responsibility is to lead the process for Board appointments and to make recommendations for maintaining an appropriate balance of skills on the Board. It is anticipated that the Committee will usually meet to discuss succession planning for key senior executives.

Relations with stakeholders

Relations with shareholders

The Chief Financial Officer and Interim Chair are the Company's principal contacts for investors, fund managers, the press and other interested parties. There is regular dialogue with institutional and major shareholders including meetings following the announcement of the Group's annual and interim results. At the Annual General Meeting, private and institutional investors are given the opportunity to question the entire Board.

Relations with employees and employee engagement

The Group recognises the importance of employees to the success of the business and ensures that they are fully informed of events that directly affect them and their working conditions. Information on matters of concern to employees is provided through the use of our employee portal, Blink. Additional updates are provided if believed to be appropriate such as addressing share price volatility. Individual divisions also provide employee updates where appropriate.

During the year the Board addressed all employees regarding the Divestment which emphasised day-to-day responsibilities and operations will remain unchanged both for the continuing operations and discontinued operations.

Number of meetings attended during the year ended 31 March 2024

	Board Total: 11	Audit Committee Total: 3	Remuneration Committee Total: 2	Nomination Committee Total: 0
Executive Directors				
Alex Dacre	11	3	-	-
Adam Councill	11	3	-	-
Non-Executive Directors				
Kevin Quinn	11	3	2	-
Charles Skinner	11	3	1	-
Peter Gaze	11	3	2	-
Rachel Addison	11	3	2	-
Gillian Kent	11	3	2	-

The Executive Directors are not members of the Audit, Remuneration or Nominations Committees but may attend the meetings as a guest of the Chair of the Committee.



Adam Councill

Chief Financial Officer

8 August 2024



Directors' remuneration report

For the year ended 31 March 2024



Gillian Kent

Chair of the Remuneration Committee

On behalf of my colleagues on the Remuneration Committee and the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 March 2024.

This report contains the following parts:

- The Remuneration Committee's Annual Statement, which provides an overview of the key developments and remuneration decisions made during the financial year and sets the context for the remuneration outcomes for the financial year under review;
- An Annual Report on Remuneration, which provides shareholders with details of the remuneration paid to the Executive Directors for the performance delivered in 2023/24.

The current incentive scheme, the Executive Incentive Plan (EIP), was approved at General Meeting on 25 May 2021, under which participants share in a proportion of the growth in value of the Group over the five year period from 1 April 2021 to 31 March 2026. Further details of the EIP are set out in Note 28 to the financial statements, previous annual reports and the May 2021 circular.

With the Divestment and the departure of the CEO and the majority of the EIP participants as part of this, the Committee has carefully reviewed the appropriate incentive structure for the CFO and other senior executives in the context of the significant business change. The Committee concluded that the Executive Incentive Plan (EIP) is no longer appropriate in light of this structural change as the EIP was designed to incentivise growth in value of the Group based on the Group's business model and strategy at that time.

Instead, the Committee considered alternative incentive structures that may be appropriate for the business at this stage and its revised strategy. For FY25, the Committee has determined that a new combined incentive plan, the Marlowe Incentive Plan (MIP), **which combines an annual bonus and long term incentive plan into a single plan**, is the most appropriate approach. Further details are set out on under "Key remuneration decisions for FY25" on page 59. The Committee will review the approach for FY26 and beyond over the coming year.

Business Performance

During FY24, the Group announced the sale of certain GRC software and service assets for £430 million which represented 121% of Marlowe's market capitalisation at the time of the announcement and the return of value to shareholders of up to £225 million, £150 million as a special dividend and up to £75 million via a share buy back programme. The sale completed on 31 May 2024.

The retained Group delivered a robust performance in a pivotal year. Revenue from continuing operations increased by 5% while adjusted EBITDA was down 4% following a short-term volume impact of lost contracts in Occupational Health. Net debt excluding lease liabilities was £176.6 million which benefited from strong cash generation and working capital management in the second half of the year. Following the completion of the Divestment and the return of £150 million via a special dividend the Group had a material net cash balance.

Directorate Changes

On the 22 February 2024, it was announced that Alex Dacre would transfer with the Divestment and resign as Chief Executive of Marlowe. This became effective on the completion of the sale on 31 May 2024.

On the 18 March 2024, Lord Ashcroft was appointed to the Board as Non-Executive Director and Charles Skinner resigned from the Board.

On the 3 June 2024, Kevin Quinn announced his resignation as Chairman and Lord Ashcroft was appointed as Non-Executive Chairman on an interim basis. Julia Robertson was also appointed to the Board as a Non-Executive Director at this time.

The search for a new CEO is being placed on hold while the Board assesses the most appropriate future strategy for the company and provides leadership to the strong divisional Managing Directors of the TIC and OH businesses.

Remuneration decisions in respect of FY24

Salary/Fees

In line with the company's commitment to maintain salary at below midpoint for the CEO, but in recognition that the size and complexity of the role had increased the CEO was awarded an increase of salary of 16%, from £327,000 to £380,000 from 1 April 2023.

The CFO was awarded a 4% increase in salary with effect from 1 April 2023 in line with the average salary increase awarded to the wider workforce.

There were no changes in NED fees or the Chairman's fee.

Annual Bonus

In line with the commitment made at the time of approval of the EIP that Executive Directors would not participate in any other incentive plans, no annual bonus plan was in place in FY24.

Long Term Incentives

The EIP formed the long-term incentives for the Executive Directors in FY24.

Other remuneration decisions

Following the completion of the Divestment and in recognition of their contribution to the business growth and as an incentive to deliver the transaction and significant value to shareholders, the Committee approved a one-off bonus of £650,000 and £500,000 for the CEO and CFO respectively to be paid on the successful completion of the sale of GRC software and service assets.

Key remuneration decisions for FY25

Salary/Fees

In light of the increased responsibilities in the absence of a CEO, the CFO has been awarded a salary increase of 10% from £346,000 to £380,000 from 1 July 2024. For reference, this compares to an average wider workforce increase of 4%.

In recognition of the additional time requirement from the Board, the following fee increases have been applied from 1 July 2024:

- Chairman fees: increase from £95,000pa to £125,000pa;
- NED fees: increase from a base fee of £45,000pa to £50,000pa; and
- Fees for chairing a Board committee: increase from £5,000pa to £15,000pa

Annual Bonus and Long Term Incentives

Following the Committee's review of incentive schemes and the conclusion that the EIP is no longer appropriate under the Group's new business model, the Committee considered alternative incentive structures that may be appropriate for the business at this stage and its revised strategy.

The Committee considered a UK market standard incentive structure of a separate annual bonus and long-term incentive plan. Although the Committee recognises that this approach is well endorsed by many shareholders, it was felt that this approach would not be appropriate for Marlowe at this time given the challenges in setting long term (3 year) performance targets whilst the business is in transition.

The Committee also considered the use of a "restricted share plan" i.e. awards of shares which vest subject to continued employment only. The Committee noted that shareholder views on such schemes are mixed, and also felt that it was important to link awards to performance targets rather than continued employment alone, whilst also ensuring that the overall remuneration package remains competitive.

The Committee determined that a single "combined" incentive plan (the "Marlowe Incentive Plan") would be most appropriate for the business at this time. The Marlowe Incentive Plan will apply to the CFO and other senior management. The maximum opportunity for the CFO will be 250% of salary. Performance will be measured over the financial year, with at least a 75% weighting on stretching financial and strategic targets. The Committee is in the process of finalising the performance measures and targets that will apply and will provide details of these in next years' report. At the end of the year, 50% of the outcome will be delivered in cash and the remaining 50% will be deferred in shares which vest after two years subject to continued employment. The deferred element will be subject to an overall performance underpin, such that the Committee may reduce the level of vesting based on a review of business and individual performance during the deferral period. Market standard good and bad leaver provisions will apply.

Other remuneration decisions

In order to retain the CFO at this critical juncture for the business, and recognising that there are currently no in-flight incentive awards (with the exception of the EIP, which is highly unlikely to vest in light of the Group's structural changes), the Committee has decided to grant a one-off retention award for the CFO. The award will be granted in shares (or share options), equivalent to 50% of salary, which vest subject to continued employment after three years.

Directors' Contracts and Letters of Appointment

The Company's policy on Executive Directors' service contracts is that, in line with the best practice provisions of the UK Corporate Governance code, they are to be terminable by the Company on 6 months notice.

	Date of contract	Notice period
Executive Directors		
Adam Councill	25 February 2021	6 months

The Non-Executive Directors have either a service contract or a letter of appointment.

	Date of contract/letter	Notice period
Non-Executive Directors		
Peter Gaze	29 February 2016	1 month
Rachel Addison	1 November 2021	1 month
Gillian Kent	1 February 2022	1 month
Lord Ashcroft	18 March 2024	1 month
Julia Robertson	3 June 2024	1 month

Directors' Emoluments

The aggregate emoluments of the Directors of the Company were:

	Salary & fees		Bonus		Benefits		Pension costs		Total	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Executive Directors										
Adam Councill	346	327	-	-	10	21	30	30	386	378
Alex Dacre	380	327	-	-	21	21	30	30	431	378
Non-Executive Directors										
Lord Ashcroft	-	-	-	-	-	-	-	-	-	-
Kevin Quinn	95	95	-	-	-	-	-	-	95	95
Charles Skinner	43	45	-	-	-	-	-	-	43	45
Peter Gaze	45	45	-	-	-	-	-	-	45	45
Rachel Addison	50	50	-	-	-	-	-	-	50	50
Gillian Kent	50	50	-	-	-	-	-	-	50	50
Total	1,009	939	-	-	31	42	60	60	1,100	1,041

The remuneration for Alex Dacre was composed of the following elements: annual salary £380,000 (FY23: £327,000); car allowance and medical insurance £21,000 (FY23: £21,000); and pension £30,000 (FY23: £30,000). Alex Dacre elected to take a cash alternative for his car allowance and pension during the year.

The remuneration for Adam Councill was composed of the following elements: annual salary £346,000 (FY23: £327,000); car allowance and medical insurance £10,000 (FY23: £21,000); and pension £30,000 (FY23: £30,000). Adam Councill elected to take a cash alternative for £8,000 of his car allowance and £26,000 of his annual pension during the year.

The £45,000 (FY23: £45,000) paid regarding Peter Gaze is paid directly to Deacon Street Partners Limited for the provision of his services as a Non-Executive Director.

For the financial year ending 31 March 2025 the emoluments of the Directors of the Company are expected to be:

	Salary & fees 2025 £'000	Bonus 2025 £'000	Benefits 2025 £'000	Pension costs 2025 £'000	Total 2025 £'000
Executive Directors					
Alex Dacre	63	650	4	5	722
Adam Councill	372	500	10	30	912
Non-Executive Directors					
Kevin Quinn	16	-	-	-	16
Lord Ashcroft	104	-	-	-	104
Peter Gaze	49	-	-	-	49
Rachel Addison	61	-	-	-	61
Gillian Kent	61	-	-	-	61
Julia Robertson	42	-	-	-	42
Total	768	1,150	14	35	1,967

Incentive Plans

The Company has in place a number of Incentive Plans, details which are given in note 30.

Directors' Interest in Shares

The beneficial interests of the Directors who were in office at 31 March 2024 in the shares of the Company (including family interests) were as follows:

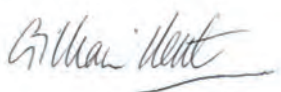
Number of ordinary shares of 50p each	31 March 2024	31 March 2023
Lord Ashcroft	11,877,361	11,877,361
Alex Dacre	4,683,846	4,683,846
Peter Gaze	600,925	600,925
Kevin Quinn	11,200	11,200
Adam Councill	34,608	34,608
Rachel Addison	12,922	12,922
Gillian Kent	-	-

Conclusion

I hope that you find the information in this report helpful. As we transition to a new more focused business, the Committee is acutely aware of the important role that remuneration plays in the incentivisation, retention and motivation of the management team. The Committee strongly believes that the changes for FY25 outlined above provide an appropriate framework for the coming year in this context. However, we will review the Group's remuneration approach during the year in line with the ongoing strategic review with the intention to develop a new Remuneration Policy for FY26 onwards to support this strategy and engage with shareholders to seek their views.

We continue to welcome any feedback from shareholders and hope to receive your support at the 2024 AGM.

By order of the Board



Gillian Kent

Chair of the Remuneration Committee

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year.

The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards 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 Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's 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 Marlowe plc

Opinion

We have audited the financial statements of Marlowe plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities

and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

From August 2022 (the date of our appointment as auditor) to October 2023, a payroll service was inadvertently provided to one of the company's subsidiaries ("the entity") by one of our network firms. This was not a service permitted by the FRC's Revised Ethical Standard 2019. Provision of the non-permitted service ceased as soon as it was discovered.

We have reassessed our independence and objectivity and concluded that our professional judgment and hence this audit report are not affected due to:

- the financial significance of the entity to the group, which represented less than 1% of group revenue, adjusted EBITDA and net assets, the entity therefore being inconsequential in the context of the assessed risk of material misstatement for each of the years ended 31 March 2023 and 31 March 2024; and
- the quantum of the fee received by our network firm for the non-permitted service which totalled £2,400 for the period between our appointment and cessation of the service.

We have discussed the inadvertent breach with the Audit Committee, as described in their report on page 45 of the financial statements, who also concluded that our independence and objectivity was not compromised.

Summary of our audit approach

Key audit matters

Group

- Carrying value of goodwill

Parent Company

- None

Materiality

Group

- Overall materiality: £3.36 million (2023: £3.38m)
- Performance materiality: £2.35 million (2023: £2.20m)

Parent Company

- Overall materiality: £692,000 (2023: £750,000)
- Performance materiality: £484,000 (2023: £487,500)

Scope

Our audit procedures covered 79% of revenue, 79% of total assets and 79% of Adjusted EBITDA.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the prior year acquisition accounting was included as a key audit matter but, given the reduction in the volume of acquisitions and the resulting reduction in the overall quantum of separable intangibles recognised in the year this has not been classified as a key audit matter for the current year.

Carrying value of goodwill (see notes 2 and 13)

Key audit matter description	How the matter was addressed in the audit
As at 31 March 2024, the group has goodwill of £236.5 million disclosed within non-current assets (2023: £424.7 million), and a further £210.5 million within Assets classified as held for sale (2023: £nil). Under International Accounting Standard ('IAS') 36 'Impairment of Assets', management is required to test goodwill annually for impairment. Determining whether the carrying value of goodwill is recoverable is a significant judgement based on forecast cash flows, relying on several key assumptions including medium-term growth rates, long-term growth rates and appropriate discount rates for each CGU. Due to the factors explained above, we have identified the carrying value of goodwill as a key audit matter.	In responding to the key audit matter, we performed the following audit procedures: • Obtained management's impairment assessment, including the underlying discounted cash flow forecasts used to determine value in use and confirming the arithmetical accuracy of those calculations including the associated sensitivity analyses. • Assessed the accuracy of management's historical forecasting through a comparison of budget to actual data. • Evaluated and challenged the key assumptions applied in management's impairment model, through our knowledge of the business, discussions with management and by using industry data and other external information to assess the reasonableness of management's assumptions. • Evaluated the sensitivity analysis performed by management on key assumptions made in the calculations to determine whether a reasonably possible change in assumptions would trigger an impairment. • Compared the carrying value of goodwill classified as held for sale at 31 March 2024 to proceeds received post year end. • Performed our own sensitivity analysis to understand the impact of any reasonably possible changes in assumptions, and evaluating the headroom available from different outcomes to assess whether goodwill could be impaired. • Obtained support from management to evidence the pipeline of opportunities for the Occupational Health division. • Engaged our internal valuations specialists to assess the appropriateness of the pre-tax discount rate used in management's assessment, and the value in use models produced by management. • Assessed the accounting policy and disclosures within the financial statements to ensure they are in accordance with the financial reporting framework, including IAS 36.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£3.36 million (2023: £3.38m)	£692,000 (2023: £750,000)
Basis for determining overall materiality	3.9% of Adjusted EBITDA.	0.2% of Net assets The percentage applied to the benchmark has been restricted for the purpose of calculating an appropriate component materiality.
Rationale for benchmark applied	Adjusted EBITDA measure used to reflect the key metric highlighted by management to users of the financial statements. This metric is used by management to provide a normalised trading result in periods of acquisitive growth.	Parent company is a holding company so net assets used as the benchmark.
Performance materiality	£2.35 million (2023: £2.20m)	£484,000 (2023: £487,500)
Basis for determining performance materiality	70% of overall materiality	70% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £168,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £35,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

The consolidated statement of comprehensive income presents continuing and discontinued operations in columnar form and therefore we have applied a materiality to each. For the continuing operations, we applied an overall materiality and performance materiality of £1.9m and £1.3m respectively. The basis for determining the materiality for the continuing operations was 3.9% of Adjusted EBITDA. The materiality allocated to the discontinued operations represented the balance of unallocated materiality and therefore we applied an overall and performance materiality of £1.4m and £1.0m, respectively to discontinued operations.

An overview of the scope of our audit

Due to the acquisitive nature of the group, there are 149 components, spread across the UK, with different finance teams and control processes in place. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed on the components by us, as the group engagement team, or by component auditors which were other engagement teams within RSM UK Audit LLP.

Full scope audits were performed for 21 components, specific audit procedures for 3 components and analytical procedures at group level for the remaining components.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Adjusted EBITDA
Full scope audit	21	77%	76%	74%
Specified audit procedures	3	2%	3%	5%
Total	24	79%	79%	79%

Of the above, full scope audits for 4 components were undertaken by component auditors.

The group's components vary significantly in size and nature of operations. The group engagement team identified those components as significant based on a risk assessment which took into consideration both qualitative and quantitative factors. The quantitative factors used in determining significance were based on a combination of the group's total revenues and Adjusted EBITDA.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming the completion of the disposal of the Assets and Liabilities classified as held for sale subsequent to the year-end and corroboration of the consideration of £430m, with repayment and closure of the financing facility.
- Obtaining the new facility arrangements subsequent to the disposal and confirming the terms including the covenants applicable to the new facility.
- Obtaining management's base-case cashflow forecast and covenant calculations on the new facility covering the period to 30 September 2025. We assessed how these forecasts were compiled and evaluated supporting information, such as divisional budgets.
- Assessing the accuracy of management's historical forecasting by comparing management's forecasts for the year ended 31 March 2024 to the actual results for the period and considering the impact on the base-case cashflow forecast.
- Performing analysis on the base case forecasts and the availability of liquidity for the foreseeable future, assessing the impact of changes in key assumptions on the cash flow forecasts and the headroom on debt covenants, including management's reasonable worst-case scenario and checking the mechanical accuracy of the forecasts. We considered whether the assumptions are consistent with our understanding of the business derived from other detailed audit work undertaken.
- Evaluating the group's disclosures on going concern for compliance with the requirements of IAS 1 'Presentation of financial statements' (IAS 1).

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 63, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
UK-adopted IAS, FRS101 and Companies Act 2006	- Review of the financial statement disclosures and testing to supporting documentation; and - Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	- Inspection of advice received from external tax advisors; and - Consultation with a tax specialist regarding the approach taken to the audit of tax.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition – occurrence, valuation & cut-off	In order to address the risks associated with revenue we obtained an understanding of the process and controls around revenue recognition. Our procedures also included performing tests of detail on revenue recognised in the year to assess whether revenue had been recognised in accordance with the Group's accounting policy and IFRS 15 requirements. In addition we have: - used data analytics software to test the sales cycle for revenue transactions in the group and analysed the postings to identify any items which did not appear to match the expected transaction flows and investigated a sample of these by obtaining support to confirm they are an appropriate revenue transaction; - traced a sample of cash book receipts to supporting invoices and bank statements; - completed cut-off testing around the reporting date, testing whether revenue had been recognised appropriately based on when the company had completed its performance obligations under the contract; - tested a sample of accrued and deferred income balances to supporting documentation including but not limited to corroboration of when the service had been completed; - for components which were not subject to full scope audit or specified audit procedures, performed analytical procedures focused on changes in deferred income, accrued income and EBITDA margins throughout the year, investigating any unusual or material variances.
Management override of controls	Using data analytics and detailed testing to test the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

David Clark

David Clark (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
25 Farringdon Street
London EC4A 4AB

8 August 2024

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Note	Year ended 31 March 2024			Year ended 31 March 2023		
		Continuing operations £'m	Discontinued operations £'m	Total £'m	Continuing operations £'m	Discontinued operations £'m	Total £'m
Revenue	4	402.9	100.3	503.2	381.9	83.8	465.7
Cost of sales		(251.3)	(34.2)	(285.5)	(243.5)	(33.2)	(276.7)
Gross profit		151.6	66.1	217.7	138.4	50.6	189.0
Administrative expenses excluding acquisition and other costs		(119.5)	(32.8)	(152.3)	(102.4)	(22.3)	(124.7)
Acquisition and disposal costs (including strategic review)	5	(5.1)	(2.7)	(7.8)	(1.4)	(1.3)	(2.7)
Restructuring costs	5	(14.6)	(3.6)	(18.2)	(15.2)	(5.9)	(21.1)
Amortisation of acquired intangibles	5	(13.2)	(12.4)	(25.6)	(12.2)	(11.8)	(24.0)
Share based payments (excluding SAYE schemes) and legacy long-term incentives	5	0.8	-	0.8	(1.7)	-	(1.7)
Fair value losses in contingent consideration and acquisition related incentive schemes	5	(5.0)	-	(5.0)	(2.2)	(6.2)	(8.4)
Total administrative expenses		(156.6)	(51.5)	(208.1)	(135.1)	(47.5)	(182.6)
Operating (loss)/profit	6	(5.0)	14.6	9.6	3.3	3.1	6.4
Finance costs	8	(11.8)	(6.8)	(18.6)	(6.9)	(3.8)	(10.7)
Exceptional finance costs	8	(0.1)	(1.8)	(1.9)	(0.9)	(1.7)	(2.6)
Total finance costs		(11.9)	(8.6)	(20.5)	(7.8)	(5.5)	(13.3)
(Loss)/profit before tax		(16.9)	6.0	(10.9)	(4.5)	(2.4)	(6.9)
Income tax credit/(charge)	9	3.2	(2.5)	0.7	2.8	0.3	3.1
(Loss)/profit for the year		(13.7)	3.5	(10.2)	(1.7)	(2.1)	(3.8)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive (loss)/profit for the year		(13.7)	3.5	(10.2)	(1.7)	(2.1)	(3.8)
Attributable to owners of the parent		(13.7)	3.5	(10.2)	(1.7)	(2.1)	(3.8)
Loss per share attributable to owners of the parent (pence)							
Total							
Basic	10	(14.2)p		(10.6)p	(1.8)p		(3.9)p
Diluted	10	(14.2)p		(10.6)p	(1.8)p		(3.9)p

The accompanying notes on pages 74 to 117 form an integral part of the financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2024

	Note	Share capital £'m	Share premium £'m	Merger reserve £'m	Other reserves £'m	Retained earnings/ (deficit) £m	Total equity £'m
Balance at 1 April 2022		47.9	384.8	9.9	3.5	(0.1)	446.0
Loss for the year		-	-	-	-	(3.8)	(3.8)
Total comprehensive loss for the year		-	-	-	-	(3.8)	(3.8)
Transactions with owners							
Share-based payments		-	-	-	2.3	-	2.3
Deferred tax on share-based payments		-	-	-	(1.2)	-	(1.2)
		-	-	-	1.1	-	1.1
Balance at 31 March 2023		47.9	384.8	9.9	4.6	(3.9)	443.3
Loss for the year		-	-	-	-	(10.2)	(10.2)
Total comprehensive loss for the year		-	-	-	-	(10.2)	(10.2)
Transactions with owners							
Share-based payments		-	-	-	(0.1)	-	(0.1)
Issue of shares during the year	25	0.5	1.4	2.6	-	-	4.5
Cancellation of share premium	26	-	(384.9)	-	-	384.9	-
		0.5	(383.5)	2.6	(0.1)	384.9	4.4
Balance at 31 March 2024		48.4	1.3	12.5	4.5	370.8	437.5

The accompanying notes on pages 74 to 117 form an integral part of the financial statements.

Consolidated statement of financial position

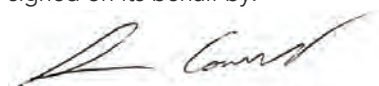
As at 31 March 2024

Company registered no. 09952391

	Note	2024 £'m	2023 £'m
ASSETS			
Non-current assets			
Intangible assets	13	343.2	644.1
Property, plant and equipment	14	10.1	11.7
Right-of-use assets	15	25.4	27.4
Trade and other receivables	18	-	4.8
Deferred tax asset	23	4.4	4.4
		383.1	692.4
Current assets			
Inventories	16	9.7	9.3
Trade and other receivables	18	98.0	116.4
Cash and cash equivalents		-	30.2
Current tax asset		1.3	1.8
Assets classified as held for sale	33	398.2	1.3
Total current assets		507.2	159.0
Total assets		890.3	851.4
LIABILITIES			
Current liabilities			
Trade and other payables	19	(83.5)	(123.2)
Financial liabilities - bank overdrafts	22	(25.8)	-
Financial liabilities - borrowings	20	(206.0)	-
Financial liabilities - lease liabilities	21	(9.4)	(9.7)
Provisions	24	(1.2)	(1.4)
Liabilities directly associated with assets classified as held for sale	33	(82.3)	-
Total current liabilities		(408.2)	(134.3)
Non-current liabilities			
Trade and other payables	19	(0.7)	(12.0)
Financial liabilities - borrowings	20	-	(191.0)
Financial liabilities - lease liabilities	21	(16.9)	(18.4)
Deferred tax liabilities	23	(26.0)	(51.2)
Provisions	24	(1.0)	(1.2)
Total non-current liabilities		(44.6)	(273.8)
Total liabilities		(452.8)	(408.1)
Net assets		437.5	443.3
EQUITY			
Share capital	25	48.4	47.9
Share premium	26	1.3	384.8
Merger reserve	27	12.5	9.9
Other reserves	27	4.5	4.6
Retained earnings/(deficit)		370.8	(3.9)
Equity attributable to owners of parent		437.5	443.3

The accompanying notes on pages 74 to 117 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 8 August 2024 and were signed on its behalf by:



Adam Councill, Chief Financial Officer

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Net cash generated from operating activities before interest, tax and acquisition and disposal costs and restructuring costs	28	57.8	50.5
Net finance costs		(17.8)	(8.6)
Income taxes paid		(2.0)	(8.3)
Net cash generated from operating activities		38.0	33.6
Cash flows used in investing activities			
Purchase of property, plant and equipment and non-acquisition intangibles		(14.4)	(16.4)
Disposal of property, plant and equipment		1.4	1.4
Consideration received		4.3	-
Purchase of subsidiary undertakings net of cash acquired	12	(31.7)	(59.0)
Cash flows used in investing activities		(40.4)	(74.0)
Cash flows from financing activities			
Proceeds from share issues		1.5	-
Utilisation of debt facility		51.3	65.0
Repayment of debt facility		(36.3)	(14.0)
Settlement of contingent consideration		(2.5)	-
Repayment of debt upon purchase of subsidiary undertaking		(0.5)	(0.5)
Lease repayments		(11.9)	(11.1)
Net cash generated from financing activities		1.6	39.4
Net increase/(decrease) in cash and cash equivalents in relation to continuing operations		(0.8)	(1.0)
Cash and cash equivalents at start of year		30.2	31.2
Cash and cash equivalents from discontinued operations	33	(55.2)	-
Cash and cash equivalents at the end of year		(25.8)	30.2
Cash and cash equivalents shown above comprise:			
Cash at bank		-	30.2
Bank overdrafts		(25.8)	-

The accompanying notes on pages 74 to 117 form an integral part of the financial statements.

Notes to the Group financial statements

For the year ended 31 March 2024

1. General information

Marlowe plc (the "Company") and its subsidiaries (together referred to as the "Group") is focused on developing companies which assure safety and regulatory compliance. The Group primarily operates in the United Kingdom.

The Company is a public limited company incorporated on 14 January 2016 and domiciled in the United Kingdom. The address of its registered office is 20 Grosvenor Place, London, SW1X 7HN.

The Company is listed on the Alternative Investment Market ("AIM").

These Group consolidated financial statements were authorised for issue by the Board of Directors on 8 August 2024.

Exemption from audit

For the year ended 31 March 2024 Marlowe plc has provided a guarantee in respect of all liabilities due by certain subsidiaries as detailed in note 35 of the Company financial statements on page 122. This entitles these subsidiaries to exemption from audit under 479A of the Companies Act 2006 relating to subsidiary companies.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Business Review.

The Group meets its day-to-day working capital requirements through its financing facilities which were due to expire in February 2025 but were fully extinguished on 5 June 2024 following the Divestment.

On 24 June 2024, a new financing facility was put in place allowing the Group to draw up to a maximum of £100m subject to certain covenants. To date there have been no drawdowns against the facility. Given that the underlying business is cash generating and having considered FY25 budgets and FY26 forecasts, the Directors are comfortable that the Group has adequate resources to meet its ongoing financing requirements.

Details of the Group's borrowing facilities are given in note 20 of the financial statements. The Group's budget for 2025 and forecasts for 2026, show that the Group should be able to operate within the level of its new facility and comply with the relevant covenants.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the approval date of this report and accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements. In making this assessment, the Directors have considered the financing arrangements available to the Group and the Group's cashflow forecasts, taking into account significant but plausible downside trading scenarios.

2. Significant accounting policies

Basis of preparation

The consolidated financial statements of Marlowe plc have been prepared in accordance with UK adopted international accounting standards ("IFRS") and the applicable legal requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis as modified by financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed later in this note.

The consolidated financial statements are presented in pounds sterling and, unless stated otherwise, shown in pounds million to one decimal place.

2. Significant accounting policies continued

Basis of consolidation

The Group's financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Notes 4, 12 and 33 give further information on business combinations in the year, the disposal group classified as held for sale and discontinued operations in the year.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

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

Business combinations are accounted for in line with IFRS 3. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date about facts or circumstances existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for assets held for sale, which are discussed further below.

Contingent consideration

Contingent consideration is recognised at fair value at the acquisition date and is based on the actual and/or expected performance of the entity in which the contingent consideration relates. Contingent consideration is subject to performance targets of the business and is not contingent on the employee remaining with the Group. Subsequent changes to the fair value of contingent consideration are based on the actual and/or expected performance of the entity in which the contingent consideration relates. These changes which are deemed to be a liability are recognised in accordance with IFRS 9 in the Statement of Comprehensive Income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, and in accordance with IFRS 8.

In the opinion of the Directors there are two reportable segments, Testing, Inspection & Certification ("TIC") and Occupational Health ("OH") following the disposal of the other businesses within the Governance, Risk and Compliance ("GRC") segment. In the prior year, the presented reportable segments were TIC and GRC. See note 4, for further details.

Segment revenue comprises sales to external customers most of whom are located in the UK. Services are provided primarily from the UK.

Approach to revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer the Group follows a five-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- Recognising revenue when/as performance obligation(s) is/are satisfied.

2. Significant accounting policies continued

Approach to revenue recognition continued

At contract inception, the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the Group's performance may result in additional revenues based on the achievement of agreed KPIs. Such amounts are only included based on the expected value, or the most likely outcome method, and only to the extent that it is highly probable that no significant revenue reversal will occur.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

The transaction price takes into account trade discounts, settlement discounts and volume rebates.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations.

For contracts with multiple components to be delivered, management applies judgement to consider whether those promised goods and services are:

- (i) distinct – to be accounted for as separate performance obligations;
- (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
- (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Once the transaction price allocation is determined, the timings of when the identified performance obligations are satisfied is assessed. Where revenue is recognised over time, it does so for either the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs or the entity's performance creates; or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or on the grounds that it has an enforceable right to payment and no alternative use for the asset.

The Group enters into sales transactions involving a range of products and services which include:

Installation & Refurbishment, Maintenance and support service contracts

The Group fulfils installation and refurbishment of specialised equipment at customer sites. As the Group's performance creates or enhances an asset that the customer controls and the Group has an enforceable right to payment for performance completed to date, revenue is recognised by reference to the stage of completion. The stage of completion is measured using an output-based method, based upon standardised milestones that faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

The Group enters into fixed price maintenance and support service contracts with its customers to deliver specified services for periods typically ranging from one month to three years in length. Customers are required to either pay on delivery of the service or in advance. Payments received in advance of performance obligations being satisfied are recorded as contract liabilities.

These agreements provide customers with regularly scheduled maintenance visits and support services. The contracts consist of a single performance obligation consisting of a series of services that are substantially the same. As the benefit of each service is received and consumed immediately by the customer, the revenue is recognised once the contracted services are completed.

Occupational Health & Wellbeing Services

Revenue from contracts for the provision of professional services is recognised over time by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is measured using an input-based method, comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Employment Law and Health & Safety Services

Revenue is recognised over time by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is measured using an input-based method, assessing the entity's efforts or inputs to the satisfaction of a performance obligation (for example labour hours expended as well as resources consumed in producing tangible employee handbooks, policy and procedure and other legal documents) relative to the total expected inputs to the satisfaction of that performance obligation. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2. Significant accounting policies continued

Approach to revenue recognition continued

Software solutions

Software licences and subscriptions delivered by the Group can either be right to access (active) or right to use (passive) licences, which determines the timing of revenue recognition. The assessment of whether a licence is active, or passive involves judgement.

The key determinant of whether a licence is active is whether the Group is required to undertake continuing activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive (or negative) impacts resulting from those changes. The Group is, in a majority of cases, responsible for any maintenance, continuing support, updates and upgrades, and accordingly the sale of the initial software is not distinct. All other licences which have significant standalone functionality are treated as passive licences.

The Group considers for each contract that includes a separate licence performance obligation all the facts and circumstances in determining whether the licence revenue is recognised over time (active), where the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, or at a point in time (passive) from the go live date of the licence.

In addition to licences and subscription-based services, the Group also supplies bespoke software solutions. Revenue from such projects is recognised over time by reference to the stage of completion. Revenue is recognised only when the contract revenue, stage of completion, incurred costs and costs to complete can be reliably measured and it is probable that the consideration due under the contract will be received. The stage of completion is measured using an output-based method, in line with standardised key milestones (for example configuration completion, user acceptance testing completion and go-live status).

Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Contract assets and liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see note 17). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its Statement of Financial Position depending on whether something other than the passage of time is required before the consideration is due (see note 18).

The Group applies the simplified approach to measuring expected credit losses. To measure the expected credit losses, trade receivables have been grouped according to shared credit risk characteristics and the days past due. The expected loss rates are based on historical payment profiles, credit losses experienced and forward-looking estimates. A specific provision for impairment of contract assets is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms.

Profit measures

Due to the one-off nature of acquisition and other costs in relation to each acquisition and the non-cash element of certain charges, the Directors believe that adjusted operating profit, adjusted EBITDA and adjusted measures of profit before tax and earnings per share provide shareholders with a more appropriate representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group. The items adjusted for in arriving at these are acquisition and disposal costs (including strategic review costs), restructuring costs, amortisation of acquired intangibles, share based payments (excluding SAYE schemes), fair value gains/losses in contingent consideration and acquisition related incentive schemes, and exceptional finance costs.

2. Significant accounting policies continued

Intangible assets

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Other intangible assets are recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be reliably measured.

Customer relationships, content databases and trade names

Acquired customer relationships, content databases and trade names are identified as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. This valuation also assesses the life of the particular asset. The life of the asset is assessed annually and is determined on a company-by-company basis. All customer relationships, content databases and trade names are amortised on a straight-line basis between one and fifteen years. The customer lists are considered annually to ensure that this classification is still appropriate.

Application software

Acquired unique computer software products are identified as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. These costs are amortised on a straight-line basis over their estimated useful lives (up to ten years). Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets and are amortised on a straight-line basis over their estimated useful lives (up to ten years). Residual values and useful lives are reviewed annually.

Property, plant and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the following basis:

	Basis
Freehold land and buildings	2% per annum
Leasehold improvements	Shorter of length of the lease or 10 years
Plant and machinery	20% per annum
Office equipment, fixtures and fittings	20%-33% per annum
Motor vehicles	25% reducing balance

Leased assets

The Group makes the use of leasing arrangements principally for the provision of office space, production plants, warehousing, plant and equipment and motor vehicles. Rental contracts are typically made for fixed periods and some of these may have extension terms. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Group does not enter into sale and leaseback arrangements. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2. Significant accounting policies continued

Leased assets continued

For all new contracts entered into by the Group, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use; and
- the Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right of use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

To respond to business needs particularly in the demand for office space, the Group will enter into negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases. In some instances, the Group is able to increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is commensurate with the stand-alone pricing adjusted to reflect the particular contract terms. In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

2. Significant accounting policies continued

Leased assets continued

Measurement and recognition of leases as a lessee continued

In other instances, the Group is able to negotiate a change to a lease such as reducing the amount of office space taken, reducing the lease term or by reducing the total amount payable under the lease. Both of which were not part of the original terms and conditions of the lease. In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date that the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable. The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

On the consolidated statement of financial position, right-of-use assets have been presented in non-current assets and the lease liabilities have been presented in current liabilities or non-current liabilities as appropriate.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

Investments

Investments in subsidiaries of the Group's parent company are valued at cost less allowances for impairment. Where applicable, acquisition costs incurred in acquiring the subsidiary are capitalised as part of the investment cost. In addition, the company has elected to record any fair value gains/losses on contingent consideration to profit or loss rather than to increase/ reduce the cost of the investment to which the contingent consideration relates.

An impairment test is performed on the carrying value of the investment when there is an impairment trigger. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which inventories can be sold in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective inventories.

Trade and other receivables

Trade and other receivables are recorded initially at transaction price and subsequently measured at amortised cost less provision with the exception of contingent consideration receivable which is measured at fair value through profit or loss. The Group applies the simplified approach to measuring expected credit losses. To measure the expected credit losses, trade receivables have been grouped according to shared credit risk characteristics and the days past due. The expected loss rates are based on historic payment profiles, credit losses experienced and forward-looking estimates. A specific provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms.

Cash and cash equivalents

Cash and cash equivalents as defined for the Consolidated statement of cash flows comprise cash in hand, cash held at bank with immediate access, cash in transit (payments/receipts initiated before year end but clearing post year end), other short-term investments and bank deposits with maturities of three months or less from the date of inception. These are held at amortised cost.

2. Significant accounting policies continued

Assets held for sale

As detailed in the business review, the Group divested certain business during the year.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

Non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

A discontinued operation is a component of the Group's business, the operations and cashflow of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-resale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other consolidated income is re-presented as if the operation had been discontinued from the start of the comparative year.

As detailed in notes 4 and 6, certain comparative amounts in the statement of profit or loss and other consolidated income have been restated, reclassified or re-presented as a result of an operation being discontinued during the current year.

Borrowings

Borrowings are recorded at the fair value of the consideration received, net of direct transaction costs and subsequently recognised at amortised cost. Finance charges, including bank interest and non-utilisation fees, are accounted for in profit or loss over the term of the instrument using the effective interest rate method.

2. Significant accounting policies continued

Taxation

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

Current tax

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

Deferred tax

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

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profits nor the accounting profit.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

Equity instruments

Equity instruments issued by the Company are recorded at fair value net of transaction costs.

Long term incentive plans

The Group issues equity and cash-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the awards that will eventually vest. Fair value is measured by use of a Monte Carlo pricing model. Where director and employees' contracts are terminated the options are treated as having been forfeited and accordingly previous charges are credited back to profit or loss if the option has not yet vested or retained earnings if the option has vested. Cash-settled share-based payments are measured at fair value at each reporting date and at settlement date. The fair value is recognised over the vesting period by discounting the expected liability at an appropriate pre-tax discount rate, based on the Group's estimation of the share price at vesting date. Fair value is measured by use of a Binomial pricing model. Where director and employees' contracts are terminated the options are treated as having been forfeited and accordingly previous charges are credited back to profit or loss if the option has not yet vested or retained earnings if the option has vested. The Group also has in place long term incentive plans for certain directors and employees which are cash settled and calculated by reference to the financial performance of the relevant business. The fair value is recognised over the vesting period by discounting the expected liability at an appropriate pre-tax discount rate.

Further details of the Group's Incentive Schemes are documented in note 30.

2. Significant accounting policies continued

Pensions

The Group operates a number of defined contribution pension schemes. Contributions are charged to profit or loss as incurred.

Critical accounting judgements and estimates

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimates that are dealt with separately below, which have the most significant effect on the amounts recognised in the financial statements.

Identification of separable intangibles on acquisition and rate of customer attrition

Intangible assets are recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, and their fair value can be reliably measured. Customer relationships, application software, content databases and trade names have been identified by management as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. Management do not believe there are any other intangible assets that have arisen on acquisition during the year which can be identified and reliably measured.

Adjusting items

Due to the nature of adjusting items in relation to each acquisition and the non-cash element of certain charges, the Directors believe that adjusted operating profit, adjusted EBITDA and adjusted measures of profit before tax and earnings per share provide shareholders with a more appropriate representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group. Further details of the key judgements taken by the Directors are documented in note 5.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates subject to annual update - Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 13.

Estimates subject to annual update - valuation of divisional Long Term Investment Plans

The Group has entered into certain Long Term Incentive Plans which are dependent on future EBITDA. In estimating the liability to be recognised in respect of these plans it is necessary to make estimates of future divisional EBITDA, which the Group does by assessing board approved budgets and long term growth projections. The valuation of these plans are reviewed annually.

Further details on divisional Long Term Incentive Plans are given in note 30.

Valuation of contingent consideration payable

When acquiring a business, consideration may become payable subject to the achievement of certain performance targets by the acquired business in the future and are not linked to continued employment. The fair value of this contingent consideration is determined by assessing the projected performance forecasts of the business and discounting the estimated consideration that would become payable if these forecasts were achieved. The discount rate used is based on the weighted average cost of capital of the operating segment in which it operates in. See note 22 for details of the sensitivity of such amounts to changes in estimates.

2. Significant accounting policies continued

Critical accounting judgements and estimates continued

Valuation of net assets acquired and separable intangibles on acquisition

The Group has made five acquisitions in the year (note 12). The assessment of the fair values of the assets and liabilities at acquisition is inherently judgemental and where these are still being assessed until further information is received, the amounts included in these financial statements are included as provisional. In line with IFRS 3 "Business Combinations", all valuations are finalised within one year of the acquisition date for the purposes of acquisition accounting adjustments.

Separable intangibles valued on acquisitions made in the year related to customer relationships and a trade name. The customer relationships were valued at £10.8m (2023: £19.7m) and the trade name was valued at £0.8m (2023: £nil).

When valuing the intangibles acquired in a business combination, management estimate the expected future cash flows from the asset, determine an appropriate period for the cashflows equivalent to the expected useful life of the asset, and select a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions that have been made are in respect of the valuation of customer relationships. The rate of customer attrition is determined by reference to the acquired company's historical customer life cycle.

Acquired trade names are also identified as a separate intangible asset. The life of the trade name is assessed annually. The trade name acquired in the year is being written off on a straight-line basis over 10 years.

Valuation of assets held for sale and liabilities directly associated with assets held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when a sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition.

As a result of the decision to divest the GRC business, the Group has reclassified the assets and liabilities directly attributable to those activities to as 'held for sale' in accordance with IFRS 5. In distinguishing between the assets and liabilities pertaining to continuing operations and those pertaining to discontinued operations, judgement had to be applied, as a part of those assets and liabilities are used by both types of activities.

All assets and liabilities exclusively pertaining to GRC have been allocated to the assets and liabilities held for sale. In all other cases a critical assessment was conducted as to whether it could be reasonably expected that the asset or liability concerned would be transferred in a disposal. For GRC, where the disposal contract was already in place, this contract was used as the basis. The allocation made may have to be adjusted upon completion.

Non-current assets and disposal groups classified as held for sale are initially measured at the lower of carrying value and fair value less costs to sell. At subsequent reporting dates, non-current assets (and disposal groups) are measured to the latest estimate of fair value less costs to sell. As a result of this measurement, any impairment is recognised by charging to profit or loss.

As a result of this disposal, the operations of the disposal group have been classified as discontinued operations for both the current and prior year.

Adoption of new and revised standards

The following new standards and amendments to standards which were effective for the first time during the financial year:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

These new standards and amendments to standards did not have a material effect on the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods on foreseeable future transactions.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and capital 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 centrally under policies approved by the Board of Directors. The Board provides written principles for overall risk management and operates a Risk Committee.

Market risk

Foreign exchange risk

The Group operates primarily in the UK. Therefore, the Group has very limited exposure to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies.

Cash flow and interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2024 and 2023 the Group's borrowings at variable rates were denominated in pounds sterling. The Group analyses its interest rate exposure using financial modelling on a periodic basis. Based on the various scenarios and current pricing, the Group does not currently consider any hedging to be appropriate or cost effective.

Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard payment, delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The maximum exposure is the carrying amount as disclosed in note 22.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as also shown in note 22.

Liquidity risk

The Group monitors its risk to a shortage of funds using a forecasting model. This model considers the maturity of both its financial assets and financial liabilities and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance in order to ensure that there is sufficient cash or working capital facilities to meet the requirements of the Group for its current business plan. A detailed analysis of the Group's debt facility is given in note 22.

Capital risk

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will trade profitably in the foreseeable future. The Group also aims to maximise its capital structure of debt and equity so as to minimise its cost of capital.

The Group manages its capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its gearing ratio on a regular basis. The Group considers its capital to include share capital, share premium, merger reserve, other reserves, retained earnings, borrowings and net cash as noted below. Net cash includes short and long-term borrowings (including overdrafts) net of cash and cash equivalents.

No changes were made in the objectives, policies or processes during the year ended 31 March 2024 or prior year.

The Group's strategy is to strengthen its capital base in order to sustain the future development of the business.

The Group's net debt is analysed in note 20.

Under the terms of its financing facility during the year, the Group was required to meet quarterly covenant tests in respect of interest cover and leverage. All tests were met during the year. This financing facility was extinguished on 5 June 2024 and replaced with a new facility (note 32) which is undrawn at the date of these financial statements.

4. Segmental analysis

The Group has been organised into two main reporting segments, Testing, Inspection & Certification ("TIC") and Occupational Health ("OH"). At each reporting date, the Group reviews its reporting segments to determine if the segment disclosure continues to be appropriate.

As described in the business review on page 4, the Board announced in February 2024 that it had entered into a binding agreement for the sale of certain Governance, Risk & Compliance ("GRC") software and services assets. This included all assets from the Worknest, Health and Safety compliance and Elogbooks operating segments. The disposal completed on 31 May 2024 and the disposal group assets were classified as held for sale at 31 March 2024 and trading results classified as discontinued operations.

During the year, there has not been a significant change to the underlying nature of the retained business, nor did the impact of acquisitions change this. However, the disposal noted above has resulted in a change to the reportable segments with Occupational Health being the only operating segment continuing in the GRC division. Other than this, the results and economic characteristics of the business remains consistent with the prior year and therefore continuing to disclose the reportable segments consistently is appropriate for FY24. Given the disposal, for clarity the continuing GRC segment has been renamed Occupational Health ("OH").

Services per segment operate as described in the Strategic report and the judgments taken in aggregating the operating segments are disclosed in note 2. The key profit measures are revenue, adjusted EBITDA and adjusted profit before tax and are shown before acquisition and disposal costs, restructuring costs, amortisation of acquired intangibles, fair value gains/losses in contingent consideration, acquisition related incentive schemes, and share based payments and legacy long-term incentives.

The vast majority of trading of the Group is undertaken within the United Kingdom. Segment assets include intangibles, property, plant and equipment, inventories, receivables and cash. Central assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to application software, property, plant and equipment. Segment assets and liabilities are allocated between segments on an actual basis.

	2024				2023			
	TIC £'m	OH £'m	Head Office £'m	Total £'m	TIC £'m	OH £'m	Head Office £'m	Total £'m
Continuing operations								
Revenue	303.7	112.1	-	415.8	276.6	116.7	-	393.3
Inter-segment elimination	(11.4)	(1.5)	-	(12.9)	(10.3)	(1.1)	-	(11.4)
Revenue from external customers	292.3	110.6	-	402.9	266.3	115.6	-	381.9
Segment adjusted operating profit/(loss)	23.2	13.6	(4.7)	32.1	23.4	18.0	(5.4)	36.0
Acquisition and disposal costs (including strategic review costs)				(5.1)				(1.4)
Restructuring costs				(14.6)				(15.2)
Amortisation of acquired intangibles				(13.2)				(12.2)
Share based payments (excluding SAYE schemes) and legacy long-term incentives				0.8				(1.7)
Fair value losses in contingent consideration and acquisition related incentive schemes				(5.0)				(2.2)
Operating (loss)/profit				(5.0)				3.3
Finance costs				(11.8)				(6.9)
Exceptional finance costs				(0.1)				(0.9)
Loss before tax				(16.9)				(4.5)
Tax charge				3.2				2.9
Loss after tax				(13.7)				(1.6)
Segment assets	89.3	23.4	379.4	492.1	152.2	38.9	575.1	766.2
Segment liabilities	(79.6)	(24.8)	(266.1)	(370.5)	(58.5)	(22.8)	(284.2)	(365.5)
Capital expenditure	(3.8)	(3.1)	-	(6.9)	(5.7)	(1.1)	(0.3)	(7.1)
Depreciation and amortisation	(12.0)	(4.5)	(13.6)	(30.1)	(10.9)	(3.8)	(12.7)	(27.4)

4. Segmental analysis continued

	2024		2023	
	GRC £'m	Total £'m	GRC £'m	Total £'m
Discontinued operations				
Revenue	102.8	102.8	86.1	86.1
Inter-segment elimination	(2.5)	(2.5)	(2.3)	(2.3)
Revenue from external customers	100.3	100.3	83.8	83.8
Segment adjusted operating profit	33.3	33.3	28.3	28.3
Acquisition and disposal costs (including strategic review costs)		(2.7)		(1.3)
Restructuring costs		(3.6)		(5.9)
Amortisation of acquisition intangibles		(12.4)		(11.8)
Fair value losses in contingent consideration and acquisition related incentive schemes		-		(6.2)
Operating profit		14.6		3.1
Finance costs		(6.8)		(3.8)
Exceptional finance costs		(1.8)		(1.7)
Profit/(loss) before tax		6.0		(2.4)
Tax (charge)/credit		(2.5)		0.3
Profit/(loss) after tax		3.5		(2.1)
Segment assets	398.2	398.2	85.2	85.2
Segment liabilities	(82.3)	(82.3)	(42.6)	(42.6)
Capital expenditure	(7.6)	(7.6)	(9.4)	(9.4)
Depreciation and amortisation	(16.4)	(16.4)	(15.0)	(15.0)

The revenue from external customers was derived from the Group's principal activities primarily in the UK (where the Company is domiciled).

Reconciliation of segment adjusted operating profit to adjusted EBITDA

	2024				2023			
	TIC £'m	OH £'m	Head Office £'m	Total £'m	TIC £'m	OH £'m	Head Office £'m	Total £'m
Continuing operations								
Segment adjusted operating profit/(loss)	23.2	13.6	(4.7)	32.1	23.4	18.0	(5.4)	36.0
Depreciation and amortisation of non-acquisition intangibles	12.0	4.5	0.4	16.9	10.9	4.0	0.4	15.3
Adjusted EBITDA	35.2	18.1	(4.3)	49.0	34.3	22.0	(5.0)	51.3

	2024		2023	
	GRC £'m	Total £'m	GRC £'m	Total £'m
Discontinued operations				
Segment adjusted operating profit	33.3	33.3	28.3	28.3
Depreciation and amortisation of non-acquisition intangibles	4.0	4.0	3.2	3.2
Adjusted EBITDA	37.3	37.3	31.5	31.5

The above tables reconcile segment adjusted operating profit/(loss) to adjusted EBITDA, which excludes separately disclosed acquisition and other costs, to the standard profit measure under IFRS (Operating Profit). This is the Group's Alternative Profit Measure used when discussing the performance of the Group. The Directors believe that adjusted EBITDA and operating profit is the most appropriate approach for ascertaining the underlying trading performance and trends as it reflects the measures used internally by senior management for all discussions of performance and also reflects the starting profit measure when calculating the Group's banking covenants.

Adjusted EBITDA is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute, or superior to, IFRS measurements of profit.

Major customers

For the year ended 31 March 2024, no customers (2023: nil) individually accounted for more than 10% of the Group's total revenue.

5. Adjusting items on continuing operations

Due to the nature of acquisition and other costs in relation to each acquisition and the non-cash element of certain charges, the Directors believe that adjusted operating profit, adjusted EBITDA and adjusted measures of profit before tax and earnings per share provide shareholders with a more appropriate representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group. The adjusting items detailed in note 4 and the rationale behind the Director's view that these should be included as adjusting items are detailed below:

Adjusting item	Rationale
Acquisition and disposal costs (including strategic review costs)	Acquisition and disposal costs (including strategic review costs) totalled £5.1 million in the year (2023: £1.4 million). During the first half of the year the Group undertook a strategic review to assess the merits of a potential separation of certain businesses across its TIC and GRC Divisions. Strategic review costs include professional fees, legal fees and staff costs. These costs are non-recurring and not considered to be reflective of the underlying trading performance.
Restructuring costs	Restructuring costs, being the costs associated with the integration of acquisitions, remain a key component of delivering shareholder value by increasing returns made on acquired businesses. Restructuring costs for the year were £14.6 million (2023: £15.2 million) reflecting the three key integration programmes within Occupational Health, Fire and Security and Water & Air Hygiene. These programmes are now being finalised and we expect all restructuring expense to have ceased by 30 September 2024. Restructuring costs primarily consist of: • The cost of duplicated staff roles during the integration and restructuring period; • The redundancy cost of implementing the post completion staff structures; and • IT costs associated with the integration and transfer to Group IT systems, including costs of third-party software used in the delivery of customer contracts where there is a programme to transition such software to one of the Group's existing platforms.
Amortisation of acquired intangibles	The amortisation charge is primarily in relation to acquired intangible assets resulting from fair value adjustments under IFRS 3. Given the overall size of the amortisation charge and it being non-cash in nature, this cost is adjusted for in deriving the Group's alternative performance measures. For transparency, we note that the Group does not similarly adjust for the related revenue and results generated from its business combinations in its alternative profit measures.
Share-based payments (excluding SAYE schemes) and legacy long-term incentives	Charges associated with share-based payment schemes (excluding SAYE schemes which remain are classed as administrative expenses) and legacy long-term incentives have been included as adjusting items. Although share-based compensation is an important aspect of the compensation of our employees and executives, management believes it is useful to exclude share-based compensation expenses from adjusted profit measures to better understand the long-term performance of our underlying business. Share-based compensation expenses are non-cash charges and are determined using several factors, including expectations surrounding future performance, employee forfeiture rates and, for employee payroll-related tax items, the share price. As a result, these charges are not reflective of the value ultimately received from the awards.
Fair value losses in contingent consideration and acquisition related incentive schemes	Movements in contingent consideration are considered to be part of the investing activities of the Group and are therefore not considered to be reflective of the underlying trading performance. Further, share based compensation expenses are not reflective of the value ultimately received by the recipients of the awards. In addition, certain legacy long term incentives are considered to be part of the investing activities of the Group and non-recurring in nature. Further details of which incentives are considered part of the underlying trading of the Group and which are considered to be adjusting items can be found in note 30.
Exceptional finance costs	Exceptional finance costs of £0.1m (2023: £0.9m) relate to the non-cash unwinding of the discount applied to contingent consideration to reflect the time value of money. Therefore, it is not considered part of the underlying trading of the Group.

6. Operating (loss)/profit

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
The following items have been included in arriving at operating (loss)/profit:						
Amortisation of acquisition intangibles	12.6	12.2	13.0	11.8	25.6	24.0
Amortisation of non-acquisition intangibles	1.9	1.4	2.8	1.9	4.7	3.3
Depreciation of property, plant and equipment	4.1	3.7	0.4	0.4	4.5	4.1
Depreciation of right-of-use assets	11.5	10.1	0.2	0.9	11.7	11.0
Share based payments (excluding SAYE schemes)	(0.8)	1.7	-	-	(0.8)	1.7
Staff costs	204.8	187.6	44.8	45.1	249.6	232.7
Auditor's remuneration*:						
• Parent and consolidated financial statements	0.9	0.8	-	-	0.9	0.8
• Review of half yearly financial report	-	-	-	-	-	-
• Audit of subsidiaries pursuant to legislation	0.1	-	-	-	0.1	-

* Audit fees of £911k (2023: £750k) in respect of the parent were incurred during the year. This is inclusive of £17k (2023: £15k) incurred in respect of the review of the half yearly financial reports.

7. Directors and employees

Staff costs during the year

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Wages and salaries	178.2	157.8	38.2	37.8	216.4	195.6
Social security costs	18.6	18.0	3.8	4.1	22.4	22.1
Post employment benefits	8.3	6.4	1.7	1.6	10.0	8.0
Share based payments and legacy long-term incentives	(0.3)	5.4	1.1	1.6	0.8	7.0
Total	204.8	187.6	44.8	45.1	249.6	232.7

Average monthly number of employees during the year

	2024	2023
Directors	7	7
Management	641	559
Operatives	2,811	2,619
Administration	1,484	1,485
Sales	389	302
Total	5,332	4,972

Total amounts for Directors' remuneration and other benefits

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Emoluments for Directors' services:						
Salary and benefits	1.1	1.0	-	-	1.1	1.0
Directors' remuneration shown above included the following amounts in respect of the highest paid Director:						
Salary and benefits	0.4	0.4	-	-	0.4	0.4

In 2024 all costs in respect of Directors' remuneration have been charged in continuing operations.

7. Directors and employees continued

Key management compensation

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Short-term employment benefits	2.0	2.1	0.6	0.4	2.6	2.5
Social security costs	0.3	0.3	0.1	0.1	0.4	0.4
Post employment benefits	0.1	-	0.1	0.1	0.2	0.1
Share-based payments	0.6	1.1	-	-	0.6	1.1
Long term incentives vesting	0.6	0.5	-	-	0.6	0.5
Total	3.6	4.0	0.8	0.6	4.4	4.6

The key management of the Group include the Directors of the Company, the Company Secretary and the Managing Directors of each Division.

8. Finance costs

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Interest on bank loans and overdrafts	9.8	5.1	6.5	3.4	16.3	8.5
Amortisation of deferred finance costs	0.6	0.5	-	-	0.6	0.5
Interest costs from lease liabilities	1.7	1.2	0.1	0.1	1.8	1.3
Interest income	(0.5)	(0.2)	-	-	(0.5)	(0.2)
Other finance costs	0.2	0.3	0.2	0.3	0.4	0.6
Exceptional finance costs	0.1	0.9	1.8	1.7	1.9	2.6
Total	11.9	7.8	8.6	5.5	20.5	13.3

Exceptional finance costs of £1.9m (2023: £2.6m) relate to the non-cash unwinding of the discount applied to contingent consideration to reflect the time value of money.

9. Taxation

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Current tax:						
UK corporation tax on loss for the year	-	1.4	5.6	2.6	5.6	4.0
Foreign tax	-	0.1	0.7	0.3	0.7	0.4
Adjustment in respect of previous periods	(0.7)	(0.6)	0.1	(0.1)	(0.6)	(0.7)
Total current tax	(0.7)	0.9	6.4	2.8	5.7	3.7
Deferred tax: (note 23)						
Current year	(3.7)	(3.9)	(3.1)	(3.0)	(6.8)	(6.9)
Adjustment in respect of previous periods	1.2	0.2	(0.8)	(0.1)	0.4	0.1
Total deferred tax	(2.5)	(3.7)	(3.9)	(3.1)	(6.4)	(6.8)
Total tax (credit)/charge	(3.2)	(2.8)	2.5	(0.3)	(0.7)	(3.1)

9. Taxation continued

The charge for the year can be reconciled to the profit in the Consolidated Statement of Comprehensive income as follows:

	Continuing operations		Discontinued operations		Total	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m	2024 £'m	2023 £'m
(Loss)/profit before tax	(16.9)	(4.5)	6.0	(2.4)	(10.9)	(6.9)
(Loss)/profit before tax multiplied by the rate of corporation tax of 25% (2023: 19%)	(4.2)	(0.9)	1.5	(0.5)	(2.7)	(1.3)
Effects of:						
Expenses not deductible for tax purposes	0.6	-	2.0	1.0	2.6	0.9
Effect of foreign tax	(0.1)	0.1	(0.3)	(0.1)	(0.4)	-
Recognition of previously unrecognised deferred tax assets on losses	-	(1.5)	-	-	-	(1.5)
Prior year adjustments	0.5	(0.4)	(0.7)	(0.2)	(0.2)	(0.6)
Change in tax rates	-	(0.1)	-	(0.5)	-	(0.6)
Tax (credit)/charge	(3.2)	(2.8)	2.5	(0.3)	(0.7)	(3.1)

In the Spring Budget 2021, the UK Government announced that the corporation tax rate would increase to 25% with effect from 1 April 2023. Deferred tax balances at the prior year end were remeasured at 25% as the announced change had been enacted, therefore no additional remeasurement has occurred in the current year.

There are no future factors at the reporting date that are expected to impact the Group's future tax charge. The Group is not within the scope of the OECD Pillar Two model rules.

10. Earnings per ordinary share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (Marlowe plc) as the numerator, i.e. no adjustments to profit were necessary in 2024 or 2023.

	2024	2023
Loss after tax for the period	£(10.2)m	£(3.8)m
Basic loss per share	(10.6)p	(3.9)p
Fully diluted loss per share	(10.6)p	(3.9)p
<i>Continuing</i>		
Loss after tax for the period	£(13.7)m	£(1.7)m
Basic loss per share	(14.2)p	(1.8)p
Fully diluted loss per share	(14.2)p	(1.8)p
Weighted average number of shares in issue	96,418,045	95,868,871
Potential dilution of share options	-	-
Weighted average fully diluted number of shares in issue	96,418,045	95,868,871

As at 31 March 2024, 579,564 options (2023: 1,291,637) were excluded from the diluted weighted-average number of ordinary shares calculation for the continuing operations because their effect would have been anti-dilutive.

10. Earnings per ordinary share continued

Adjusted earnings per share

The Directors believe that the adjusted earnings per share provide a more appropriate representation of the underlying earnings derived from the Group's business. The adjusting items are shown in the table below:

	2024 £'m	2023 £'m
Loss before tax for the period	(10.9)	(6.9)
Adjustments:		
Acquisition and disposal costs (including strategic review costs)	7.8	2.7
Restructuring costs	18.2	21.1
Amortisation of acquired intangibles	25.6	24.0
Share-based payments (excluding SAYE schemes)	(0.8)	1.7
Fair value losses in contingent consideration and acquisition related incentive schemes	5.0	8.4
Exceptional finance costs	1.9	2.6
Adjusted profit before tax for the period	46.8	53.6

The adjusted earnings per share, based on weighted average number of shares in issue during the period, is calculated below:

	2024 £'m	2023 £'m
Adjusted profit before tax (£'m)	46.8	53.6
Tax at 25% (2023: 19%)	(11.7)	(10.2)
Adjusted profit after tax (£'m)	35.1	43.4
Adjusted basic earnings per share (pence)	36.4	45.3
Adjusted fully diluted earnings per share (pence)	36.4	45.3

11. Dividends

On 3 June 2024, the Company declared a special dividend in respect of the current financial year. The dividend of £1.55 per Marlowe ordinary share amounted to £150.3m and was paid on 5 July 2024 (2023: £nil).

12. Business combinations

During the year the Group completed five acquisitions to create shareholder value by adding depth and breadth to the Group's compliance-based platforms.

If the acquisitions had been completed on the first day of the financial year, Group revenue would have been £506.9m and Group loss before tax would have been £10.3m. Post completion, the acquisitions made during the year contributed £26.0m revenue and £4.3m profit before tax. As explained in note 5, following acquisition a number of restructuring costs are incurred, and after this post acquisition restructuring the acquisitions have a positive impact on Group profit before tax.

Goodwill acquired in the business combinations represent a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. Goodwill is not deductible for tax purposes. Acquisition balance sheets are deemed provisional when the post-acquisition integration period, typically up to 12 months post-acquisition, has yet to complete.

Acquisition of Victory Fire Limited

On 6 April 2023 the Group acquired Victory Fire Limited ("Victory Fire"), a provider of fire & security installation and maintenance services for a total consideration of £6.6m, satisfied by the payment of £5.5m in cash on completion, £0.1m payable subject to the satisfactory completion of certain integration tasks and £1.0m payable subject to the achievement of certain performance targets by the acquired business 12 months post-acquisition. The £1.1m contingent consideration payable has been discounted to its present value of £0.8m by applying the weighted average cost of capital used in the purchase price allocation.

One hundred percent of the equity of Victory Fire was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £0.1m have been charged to profit or loss.

If the acquisition had been completed on the first day of the financial year Victory Fire would have generated £2.0m revenue and £0.7m profit before tax.

Post completion, the acquisition of Victory Fire contributed £2.0m revenue and £0.7m profit before tax.

	Fair value at acquisition £'m
Intangible assets – customer relationships	1.1
Trade and other receivables	0.3
Cash	2.1
Inventories	0.1
Property, plant and equipment	0.1
Trade and other payables	(0.2)
Deferred tax liabilities	(0.3)
Tax liabilities	(0.1)
Net assets acquired	3.1
Goodwill	3.3
Consideration	6.4
Satisfied by:	
Cash to vendors	5.5
Contingent cash consideration to vendors	0.9

12. Business combinations continued

Acquisition of Clymac Limited

On 13 April 2023 the Group acquired Clymac Limited ("Clymac"), a provider of fire installation and maintenance services for a total consideration of £8.5m, satisfied by the payment of £8.2m in cash on completion, £0.3m payable subject to the satisfactory completion of certain integration tasks by the acquired business 3 months post-acquisition.

One hundred percent of the equity of Clymac was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £0.1m have been charged to profit or loss.

	Fair value at acquisition £'m
Intangible assets – customer relationships	4.8
Trade and other receivables	1.9
Cash	0.4
Inventories	0.3
Right-of-use assets	0.1
Property, plant and equipment	0.1
Trade and other payables	(3.0)
Deferred tax liabilities	(1.2)
Tax liabilities	(0.1)
Net assets acquired	3.3
Goodwill	5.2
Consideration	8.5
Satisfied by:	
Cash to vendors	8.2
Contingent cash consideration to vendors	0.3

If the acquisition had been completed on the first day of the financial year Clymac would have generated £11.1m revenue and £0.8m profit before tax.

Post completion, the acquisition of Clymac contributed £11.1m revenue and £0.8m profit before tax.

Acquisition of JCR Security Limited

On 20 April 2023 the Group acquired JCR Security Limited ("JCR Security"), a provider of fire installation and maintenance services for a total consideration of £0.7m, satisfied by the payment of £0.4m in cash on completion and £0.3m payable subject to the achievement of certain performance targets by the acquired business 36 months post-acquisition. The £0.3m contingent consideration payable has been discounted to its present value of £0.1m by applying the weighted average cost of capital used in the purchase price allocation.

One hundred percent of the equity of JCR Security was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £nil have been charged to profit or loss.

If the acquisition had been completed on the first day of the financial year JCR Security would have generated £1.9m revenue and £0.5m profit before tax.

Post completion, the acquisition of JCR Security contributed £1.9m revenue and £0.5m profit before tax.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.2
Trade and other receivables	0.2
Cash	0.1
Trade and other payables	(0.2)
Net assets acquired	0.3
Goodwill	0.2
Consideration	0.5
Satisfied by:	
Cash to vendors	0.4
Contingent cash consideration to vendors	0.1

12. Business combinations continued

Acquisition of Trans-Fire Holdings Ltd

On 13 June 2023 the Group acquired Trans-Fire Holdings Ltd ("Merryweather"), a provider of fire & security maintenance services for a total consideration of £0.9m, satisfied by the payment of £0.7m in cash on completion, £0.2m payable subject to the achievement of certain performance targets by the acquired business 6 months post-acquisition.

One hundred percent of the equity of Merryweather was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £nil have been charged to profit or loss.

If the acquisition had been completed on the first day of the financial year Merryweather would have generated £0.8m revenue and £0.3m profit before tax.

Post completion, the acquisition of Merryweather contributed £0.4m revenue and £0.2m profit before tax.

	Fair value at acquisition £'m
Intangible assets – customer relationships	0.4
Trade and other receivables	0.1
Cash	0.1
Deferred tax liabilities	(0.1)
Net assets acquired	0.5
Goodwill	0.4
Consideration	0.9
Satisfied by:	
Cash to vendors	0.7
Contingent cash consideration to vendors	0.2

Acquisition of IMSM Holdings Limited & International Management Systems Marketing Limited

On 25 July 2023 the Group acquired IMSM Holdings Limited & International Management Systems Marketing Limited (together "IMSM"), a provider of ISO certification and consultancy services for a total consideration of £20.6m, satisfied by the payment of £15.6m in cash and issuance of £3.0m of share-based consideration upon completion and £2.0m payable subject to the achievement of certain performance targets by the acquired business 12 months post acquisition. The £2.0m contingent consideration payable has been discounted to its present value of £1.7m by applying the weighted average cost of capital used in the purchase price allocation.

One hundred percent of the equity of IMSM was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £0.2m have been charged to profit or loss.

If the acquisition had been completed on the first day of the financial year IMSM would have generated £13.9m revenue and £2.6m profit before tax.

Post completion, the acquisition of IMSM contributed £10.6m revenue and £2.1m profit before tax.

	Fair value at acquisition £'m
Intangible assets – customer relationships	4.3
Intangible assets – trade name	0.8
Trade and other receivables	1.3
Cash	3.8
Tax assets	0.3
Trade and other payables	(2.1)
Deferred tax liabilities	(1.3)
Net assets acquired	7.1
Goodwill	13.2
Consideration	20.3
Satisfied by:	
Cash to vendors	15.6
Share-based consideration	3.0
Contingent cash consideration to vendors	1.7

13. Intangible assets

	Goodwill £'m	Customer relationships £'m	Applications software £'m	Content database £'m	Trade name £'m	Total £'m
Cost						
1 April 2022	395.5	185.0	45.4	7.5	6.1	639.5
Arising on acquisition of subsidiaries	29.5	19.7	3.0	0.5	-	52.7
Additions	-	-	9.5	-	-	9.5
Disposals	(0.3)	-	-	-	-	(0.3)
31 March 2023	424.7	204.7	57.9	8.0	6.1	701.4
Arising on acquisition of subsidiaries	22.3	10.8	-	-	0.8	33.9
Additions	-	-	10.7	-	-	10.7
Disposals	-	-	(0.6)	-	-	(0.6)
Reclassified as held for sale	(210.5)	(98.5)	(41.6)	(8.0)	(1.8)	(360.4)
31 March 2024	236.5	117.0	26.4	-	5.1	385.0
Accumulated amortisation and impairment						
1 April 2022	-	24.3	4.9	0.6	0.2	30.0
Charge for the year	-	18.1	7.3	1.3	0.6	27.3
31 March 2023	-	42.4	12.2	1.9	0.8	57.3
Charge for the year	-	19.6	8.7	1.3	0.7	30.3
Disposals	-	-	(0.6)	-	-	(0.6)
Reclassified as held for sale	-	(27.2)	(14.4)	(3.2)	(0.4)	(45.2)
31 March 2024	-	34.8	5.9	-	1.1	41.8
Carrying amount						
31 March 2024	236.5	82.2	20.5	-	4.0	343.2
31 March 2023	424.7	162.3	45.7	6.1	5.3	644.1

The customer relationships, application software, content databases and trade names have a remaining life of between 1 and 15 years.

Amortisation of £4.7m (2023: £3.3m) is included within application, software relating to internally developed software and included within administrative expenses. The remaining amortisation charge of £25.6m (2023: £24.0m) has been separately disclosed and included within amortisation of acquired intangibles.

Over 50% of the carrying amount of customer relationships has a remaining life of 10-15 years.

Over 50% of the carrying amount of application software has a remaining life of 7-13 years

Over 50% of the carrying amount of content data base has a remaining life of 6-8 years.

Over 50% of the carrying amount of trade names has a remaining life of 8 years.

The changes to goodwill during the year were as follows:

	£'m
Cost	
At 1 April 2023	424.7
Acquired – Victory Fire	3.3
Acquired – Clymac	5.2
Acquired – JCR Security	0.2
Acquired – Merryweather	0.4
Acquired – IMSM	13.2
Reclassified as held for sale	(210.5)
31 March 2024	236.5
Accumulated impairment	
As at 31 March 2023 and 31 March 2023	-
Net book value	
31 March 2024	236.5
31 March 2023	424.7

13. Intangible assets continued

Allocation to cash-generating units

Goodwill has been allocated for impairment testing purposes using the following cash-generating units. The carrying value is as follows:

	2024 £'m	2023 £'m
Testing, Inspection & Certification ("TIC")		
Fire Safety & Security	46.5	37.4
Water & Air Hygiene	71.2	71.4
Total	117.7	108.8
Occupational Health		
Occupational Health	118.8	118.6
Total	118.8	118.6
Discontinued operations		
Employment Law & HR	55.2	77.0
Health & Safety Compliance Software	147.1	112.1
Elogbooks Contractor Management Software	8.2	8.2
Total	210.5	197.3

Initial recognition

Intangible assets that are acquired as part of a business combination and meet the criteria for separate recognition are recognised at fair value. Fair value is estimated using the income approach, typically using the Multi-Period Excess Earnings Method for those intangibles judged to be the primary assets acquired and the Cost approach or Relief from Royalty method for secondary intangibles. These methods involve estimating fair value by discounting excess earnings to present value at an appropriate rate of return.

Goodwill is calculated as the residual measure of the excess of the fair value of consideration paid and payable over the fair value of assets and liabilities acquired.

The growth rates for beyond the forecasted five years do not exceed the long-term average growth rate for the industry. The key assumptions forming inputs to cash flows are in revenues and margins. Revenues for the first year have been assessed by reference to existing contracts and market volumes. Margins have been assumed to grow in line with historical performance of the acquired business and reflect management's view of the post-acquisition performance following integration into the Marlowe Group.

Annual impairment review

Goodwill is tested annually for impairment, or more frequently if there are indicators that an impairment may be required. For the purposes of impairment testing, goodwill, other intangible assets and property, plant and equipment are allocated to cash-generating units ("CGUs") which represent the smallest identifiable group of assets that generates cash inflows from continuing use, in this case of Marlowe this is considered to be the Business Unit level.

The recoverable amount of each CGU is determined from value-in-use calculations.

The calculations use pre-tax cash flow projections based on financial budgets for year one approved by the Directors and cash flow projections for years two to five using growth rates that are considered to be in line with the general trends in which each cash generating unit operates.

Terminal cash flows are based on these five year projections assumed to grow perpetually at 2%.

The forecasts have been discounted using a pre-tax discount rate specific to each CGU ranging from 12.5%-13.3% (2023: 12.95%).

13. Intangible assets continued

Annual impairment review continued

A summary of the management's base case value-in-use calculation, including key assumptions, is set out below:

	Fire Safety & Security	Water & Air Hygiene	Occupational Health
Discount rate	12.5%	13.3%	13.1%
Revenue growth	5%	5%	7%
Cost of sales growth	5%	5%	5%
Admin costs growth	4%	4%	5%
Capex growth	5%	5%	5%
Carrying value of assets	70.8m	107.9m	179.1m
Headroom	118.5m	81.4m	62.8m
Headroom as a % of carrying value (%)	167.4%	77.6%	35.0%
NPV of terminal year cashflows into perpetuity as a % of carrying value (%)	29.1%	19.0%	16.6%

Occupational Health is the cash generative unit most sensitive to changes in assumptions, with headroom of £62.8m. A number of sensitivities have been modelled to highlight the way in which changes in trading and/or market conditions affect the value in use calculations. A reduction in the revenue growth assumption by 1 percentage point reduces the headroom by £34.8m.

In Occupational Health, management have identified that a reasonably possible change in the revenue assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Reduction in growth rate from FY26-FY29	2%

14. Property, plant and equipment

	Freehold and long leasehold land & buildings £'m	Leasehold improvements £'m	Plant & machinery £'m	Office equipment fixtures & fittings £'m	Motor vehicles £'m	Total £'m
Cost						
1 April 2022	2.2	3.3	3.2	5.5	2.6	16.8
Additions	0.2	0.5	2.3	2.2	0.4	5.6
Disposals	(0.4)	(0.2)	(1.1)	(1.7)	(1.2)	(4.6)
Acquisitions	-	0.1	0.2	0.2	0.3	0.8
Reclassified as held for sale	(1.3)	-	-	-	-	(1.3)
31 March 2023	0.7	3.7	4.6	6.2	2.1	17.3
Additions	-	0.4	1.6	1.7	-	3.7
Disposals	(0.1)	(0.1)	(0.6)	(1.1)	(0.6)	(2.5)
Acquisitions	-	-	-	-	0.2	0.2
Reclassified to held for sale	(0.1)	(0.1)	-	(2.8)	(0.1)	(3.1)
31 March 2024	0.5	3.9	5.6	4.0	1.6	15.6
Accumulated amortisation and impairment						
1 April 2022	0.2	0.9	0.7	2.0	0.9	4.7
Charge for the year	-	0.5	1.3	1.9	0.4	4.1
Disposals	-	(0.1)	(0.7)	(1.7)	(0.7)	(3.2)
31 March 2023	0.2	1.3	1.3	2.2	0.6	5.6
Charge for the year	-	0.6	1.4	2.1	0.4	4.5
Disposals	(0.1)	-	(0.4)	(1.1)	(0.6)	(2.2)
Reclassified as held for sale	(0.1)	-	-	(2.2)	(0.1)	(2.4)
31 March 2024	-	1.9	2.3	1.0	0.3	5.5
Net book value						
31 March 2024	0.5	2.0	3.3	3.0	1.3	10.1
31 March 2023	0.5	2.4	3.3	4.0	1.5	11.7

15. Right of use assets

	Leasehold property £'m	Plant & machinery £'m	Office equipment fixtures & fittings £'m	Motor vehicles £'m	Total £'m
Cost					
1 April 2022	17.1	0.8	0.5	17.5	35.9
Additions	4.6	-	-	8.9	13.5
Disposals	(1.2)	(0.1)	(0.1)	(3.3)	(4.7)
Acquisitions	0.6	-	-	0.6	1.2
Effect of lease modifications	(0.7)	-	-	(0.2)	(0.9)
31 March 2023	20.4	0.7	0.4	23.5	45.0
Additions	1.8	-	0.1	11.6	13.5
Disposals	(1.1)	-	-	(4.3)	(5.4)
Acquisitions	0.1	-	-	-	0.1
Effect of lease modifications	(0.6)	-	-	(0.1)	(0.7)
Reclassified as held for sale	(5.2)	-	(0.1)	(0.2)	(5.5)
31 March 2024	15.4	0.7	0.4	30.5	47.0
Accumulated amortisation and impairment					
1 April 2022	4.5	0.2	0.3	6.8	11.8
Charge for the year	4.6	0.1	0.2	6.1	11.0
Disposals	(1.2)	(0.1)	(0.1)	(3.1)	(4.5)
Effect of lease modifications	(0.6)	-	-	(0.1)	(0.7)
31 March 2023	7.3	0.2	0.4	9.7	17.6
Charge for the year	4.4	0.1	0.1	7.1	11.7
Disposals	(1.1)	-	-	(4.1)	(5.2)
Effect of lease modifications	-	-	-	-	-
Reclassified as held for sale	(2.4)	-	(0.1)	-	(2.5)
31 March 2024	8.2	0.3	0.4	12.7	21.6
Net book value					
31 March 2024	7.2	0.4	-	17.8	25.4
31 March 2023	13.1	0.5	-	13.8	27.4

Depreciation is charged to profit or loss as an administrative expense.

Refer to notes 2 and 21 for additional disclosures relating to leases and right-of-use assets.

16. Inventories

	2024 £'m	2023 £'m
Finished goods and goods for resale	9.7	9.3

17. Contract assets and liabilities

(a) Contract assets

	31 March 2023 £'m	Reclassified as held for sale £'m	Additions £'m	Accrued income/trade receivables £'m	Acquisition of subsidiary £'m	31 March 2024 £'m
Amounts due from contract assets included in trade and other receivables	2.1	0.3	2.9	(2.7)	0.5	3.1
	2.1	0.3	2.9	(2.7)	0.5	3.1

	31 March 2022 £'m	Reclassified as held for sale £'m	Additions £'m	Accrued income/trade receivables £'m	Acquisition of subsidiary £'m	31 March 2023 £'m
Amounts due from contract assets included in trade and other receivables	2.2	-	2.3	(2.6)	0.2	2.1
	2.2	-	2.3	(2.6)	0.2	2.1

Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing further work under the relevant contracts. Contract assets are converted into accrued income at the point at which no further work is required to be complete and subsequently into trade receivables at the point that work delivered to the client is invoiced resulting in the Group's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts.

(b) Contract liabilities

	31 March 2023 £'m	Reclass- ified as held for sale £'m	Revenue recognised in financial year from advance payments received from customers during the financial year £'m	Revenue recognised in financial year which was included in the contract liability at 31/03/23 or on acquisition £'m	Advance payments received from customers £'m	Acquisition of subsidiary £'m	31 March 2024 £'m
Contract liabilities included in trade and other payables	28.7	(22.0)	(14.9)	(6.4)	21.7	0.4	7.5
	28.7	(22.0)	(14.9)	(6.4)	21.7	0.4	7.5

	31 March 2022 £'m	Reclass- ified as held for sale £'m	Revenue recognised in financial year from advance payments received from customers during the financial year £'m	Revenue recognised in financial year which was included in the contract liability at 31/03/22 or on acquisition £'m	Advance payments received from customers £'m	Acquisition of subsidiary £'m	31 March 2023 £'m
Contract liabilities included in trade and other payables	25.5	-	(52.3)	(27.4)	80.9	2.0	28.7
	25.5	-	(52.3)	(27.4)	80.9	2.0	28.7

These liabilities consist mainly of cash advances received from customers on account of orders received and the remaining liabilities relate to the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

18. Trade and other receivables

	2024 £'m	2023 £'m
Current		
Trade receivables	69.2	81.9
Less: provision for impairment of trade receivables	(2.1)	(1.9)
Trade receivables – net	67.1	80.0
Other receivables	1.0	2.8
Contract assets	3.1	2.1
Accrued income	20.9	22.8
Prepayments	5.9	8.1
Contingent consideration receivable in less than one year	-	0.6
	98.0	116.4
Non current		
Contingent consideration receivable in more than one year	-	4.8
	-	4.8

Contingent consideration represented the divestment of non-core activities within the Group's Air Quality business following the sale of Ductclean (UK) Limited in March 2020 for a consideration of up to £7.0m and additional amounts receivable on projects concluded before the transaction. These were financial assets classified as measured at fair value through profit or loss. As at 31 March 2024, the contingent consideration amounted to £nil (2023: £4.8m). During the year, a settlement agreement was made with the counterparty to settle the outstanding amount of contingent consideration.

Trade receivables, accrued income and contract assets are provided for based on, and in accordance with IFRS 9, an expect credit loss ("ECL") model. The Group have utilised a simplified approach which is permitted by the standard, which applies a credit risk percentage based against receivables that are grouped in age brackets, which range from 18% of those over 120 days past due to 1% of those between 0 and 30 days past due. The expected credit loss percentages have been calculated by reference to the credit losses experienced by age bracket in the previous 12 months. These percentages have been reviewed against our expectations of lifetime credit losses expected for certain customers, alongside considering the expected future economic outlook in the UK.

As at 31 March 2024, the remaining balance of trade receivables which were past due, after applying the ECL model to the age buckets was £33.6m (2023: £33.5m). No further provision has been recognised on these amounts because it has been deemed immaterial. These relate to a number of independent customers with no recent history of default.

19. Trade and other payables

	2024 £'m	2023 £'m
Current		
Trade payables	29.1	33.7
Other taxation and social security	15.0	19.9
Other payables	6.7	4.0
Accruals	22.4	28.9
Contract liabilities	7.5	28.7
Contingent consideration payable in less than one year	2.8	8.0
	83.5	123.2
Non-current		
Contingent consideration payable in one to three years	0.7	12.0
	0.7	12.0

Trade and other payables principally comprise amounts outstanding for trade purchases, ongoing costs and contingent consideration. Included within accruals is £9.9m (2023: £8.6m) in respect of Long Term Incentive Plans as shown in note 30.

19. Trade and other payables continued

Contingent consideration consists of the following amounts payable in respect of previous acquisitions:

	2024 £'m	2023 £'m
Core Stream	-	12.0
VinciWorks	-	1.8
Skill Boosters	-	1.5
Optima	1.1	-
Victory Fire	1.3	-
JCR	1.1	-
Other (comprising 17 acquisitions in FY23)	-	4.7
	3.5	20.0

At 31 March 2024, contingent consideration of £16.3m (2023: £nil) in respect of the disposal group had been reclassified as discontinued operations and shown within liabilities held for sale.

20. Financial liabilities: borrowings

	2024 £'m	2023 £'m
Current		
Bank loans – unsecured	206.0	-
	206.0	-
Non-current		
Bank loans – unsecured	-	191.0
	-	191.0

The bank debt is unsecured and due to HSBC UK Bank plc, National Westminster Bank plc, Citibank, N.A., Credit Industriel et Commercial, Fifth Third Bank, and The Governor and Company of the Bank of Ireland. The interest rate profile and an analysis of borrowings is given in note 22.

Analysis of net debt

	2024 £'m	2023 £'m
Continuing operations:		
Cash at bank and in hand	-	30.2
Bank overdrafts due within one year	(25.8)	-
Bank loans due within one year	(206.0)	-
Bank loans due after one year	-	(191.0)
Leases due within one year	(8.6)	(9.7)
Leases due after one year	(15.0)	(18.4)
Net debt for continuing operations	(255.4)	(188.9)
Discontinuing operations:		
Cash at bank and in hand	55.2	-
Leases due within one year	(0.9)	-
Leases due after one year	(2.1)	-
Net debt for total Group	(203.2)	(188.9)

Refer to note 21 for additional disclosures relating to leases.

20. Financial liabilities: borrowings continued

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings £'m	Lease liabilities £'m	Total £'m
1 April 2022	140.0	24.5	164.5
Cash flows:			
Drawdown	65.0	-	65.0
Repayment	(14.0)	(11.1)	(25.1)
Repayment of debt upon purchase of subsidiary undertaking	(0.5)	-	(0.5)
Non-cash			
Debt recognised upon purchase of subsidiary undertaking	0.5	-	0.5
Lease liabilities recognised upon purchase of subsidiary undertaking	-	1.0	1.0
Lease liabilities recognised in the year	-	13.7	13.7
31 March 2023	191.0	28.1	219.1
1 April 2023	191.0	28.1	219.1
Cash flows:			
Drawdown	51.3	-	51.3
Repayment	(36.3)	(10.8)	(47.1)
Repayment of debt upon purchase of subsidiary undertaking	(0.5)	-	(0.5)
Non-cash			
Debt recognised upon purchase of subsidiary undertaking	0.5	-	0.5
Lease liabilities recognised in the year	-	9.0	9.0
31 March 2024	206.0	26.3	232.3

21. Financial liabilities: lease liabilities

	2024 £'m	2023 £'m
Leases due within one year	9.4	9.7
Leases due after one year	16.9	18.4
Total lease liability	26.3	28.1
Gross obligation under leases repayable by instalments:		
In less than one year	10.1	10.4
In two to five years	16.7	17.4
Over five years	0.9	1.4
Total undiscounted gross obligation repayable by instalments	27.7	29.2

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2024 £'m	2023 £'m
Short term leases	0.3	0.5

22. Financial instruments

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

(Bank overdrafts)/cash at bank and in hand

	2024 £'m	2023 £'m
(Bank overdrafts)/cash at bank and in hand	(25.8)	30.2

The main financial risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Directors review and agree policies for managing each of these risks. Interest rates are regularly reviewed to ensure competitive rates are paid. Detailed cash flow forecasts are produced on a regular basis to minimise liquidity risks.

Carrying value of financial assets and (liabilities) excluding cash and borrowings

	2024 £'m	2023 £'m
Financial assets measured at amortised cost	88.9	105.6
Financial liabilities measured at amortised cost	(80.8)	(94.8)

All bank borrowings are due to HSBC UK Bank plc, National Westminster Bank plc, Citibank, N.A., Credit Industriel et Commercial, Fifth Third Bank, and The Governor and Company of the Bank of Ireland and are subject to floating interest rates, at SONIA plus a margin between 1.55% and 2.80%. Any undrawn borrowings continue to be charged as a % of lending margin and are not exposed to interest rate changes.

The interest rate risk profile of the Group's gross borrowings for the year was:

Currency	Total £'m	Floating rate financial liabilities £'m	Weighted average interest rates %
Sterling at 31 March 2024	206.0	206.0	7.5
Sterling at 31 March 2023	191.0	191.0	4.7

The exposure of Group borrowings to interest rate changes and contractual pricing dates at the end of the year are as follows:

	2024 £'m	2023 £'m
3 months or less	206.0	191.0

The exposure of the Group's undrawn borrowings to interest rate changes and contractual pricing dates at the end of the year are as follows:

	2024 £'m	2023 £'m
3 months or less	27.3	42.3

Interest rate sensitivity

At 31 March 2024, if interest rates had been 50 basis points higher and all other variables were held constant, it is estimated that the Group's profit before tax would be approximately £1.1m lower (2023: £0.9m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and is based on the change taking place at the beginning of the financial year and held constant throughout the year.

The Group's sensitivity to future interest rate changes increased during the current year due to the increased debt facility. This has reduced post year end as the debt has been repaid in full.

Financial assets recognised in the statement of financial position and interest rate profile

All financial assets are short-term receivables and cash at bank and in hand. The cash at bank earns interest based on the Bank of England Base rate less a margin of 0.09% and is held with HSBC UK Bank plc.

22. Financial instruments continued

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities (including interest payments) other than short-term trade payables and accruals which are due within one year was as follows:

	2024			2023		
	Bank debt £'m	Financial liabilities lease liabilities £'m	Total £'m	Bank debt £'m	Financial liabilities lease liabilities £'m	Total £'m
Within one year, or on demand	206.0	10.1	216.1	-	10.4	10.4
Between one and two years	-	16.7	16.7	191.0	17.4	208.4
Between two and five years	-	0.9	0.9	-	1.4	1.4
	206.0	27.7	233.7	191.0	29.2	220.2

Borrowing facilities

At 31 March 2024, the Group has a £180m revolving credit facility and an additional accordion facility of £60m with HSBC UK Bank plc, National Westminster Bank plc, Citibank, N.A., Credit Industriel et Commercial, Fifth Third Bank, and The Governor and Company of the Bank of Ireland which was due to expire on 9 February 2025. £206m of the total facility was drawn as at 31 March 2024. All of the Group's borrowings are in sterling.

Following the disposal of the GRC business this facility was repaid on 5 June 2024 and fully extinguished.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility (RCF) for £50m with Barclays Bank PLC and HSBC UK Bank plc. The RCF includes two 1-year extension options and an uncommitted accordion facility of £50m.

Fair values of financial assets and financial liabilities

The Group's financial assets and liabilities bear floating interest rates and are relatively short-term in nature. In the opinion of the Directors the book values of the assets and liabilities equate approximately to their fair value.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
31 March 2024				
<i>Financial liabilities</i>				
Contingent consideration (note 19)	-	-	(3.5)	(3.5)
Net fair value	-	-	(3.5)	(3.5)
31 March 2023				
<i>Financial assets</i>				
Contingent consideration (note 18)	-	-	5.4	5.4
Total assets	-	-	5.4	5.4
<i>Financial liabilities</i>				
Contingent consideration (note 19)	-	-	(20.0)	(20.0)
Net fair value	-	-	(14.6)	(14.6)

22. Financial instruments continued

Measurement of fair value of financial instruments

Measurement of contingent consideration payable

When acquiring a business, consideration may become payable subject to the achievement of certain performance targets by the acquired business in the future. The fair value of contingent consideration is determined by assessing the projected performance forecasts of the business and discounting the estimated consideration that would become payable if these forecasts were achieved. The discount rate used is based on the weighted average cost of capital of the operating segment in which it operates in.

Contingent consideration forms part of the total consideration for a number of the Group's current and prior year acquisitions. Each acquisition has specified targets which need to be met for the consideration to become payable, with performance assessed, over a period of typically between 12 to 48 months from the date of the acquisition.

Of the total balance disclosed above, £2.8m (2023: £8.0m) is either fixed and will be paid subject to the satisfactory completion of certain integration tasks, has been agreed with the vendors, is approaching maturity, or is otherwise subject to lower estimation uncertainty.

The remaining balance of £0.7m (2022: £12.0m) is calculated based on the performance of each of the acquired entities. £0.7m (2023: £nil) relates to consideration arising from the acquisition of JCR Security during FY24. The forecasted future EBITDA, on which the contingent consideration is based, results in the maximum consideration payable under the terms of the purchase agreement. As a result, there is limited estimation uncertainty from reasonably possible assumptions related to the performance of the business.

The fair value of the contingent consideration payable was estimated by applying an appropriate discount rate (being 12.5% for acquisitions in the TIC division), consistent with those used for the purpose of the goodwill impairment assessment.

During the year ended 31 March 2024 total contingent consideration of £10.6m was paid and all settled in cash (2023: £25.8m settled in cash). Of the £10.6m paid in FY24, £6.2m related to acquisitions included in the Disposal group classified as held for sale and discontinued operations; the remaining £4.4m related to Continuing operations.

Measurement of contingent consideration receivable

During the financial year ending 31 March 2020 the Group divested of non-core activities within its Air Quality business following the sale of Ductclean (UK) Limited. The contingent consideration receivable was settled during the year.

Reconciliation of level 3 fair values

	Financial assets £'m	Financial liabilities £'m
Balance at 1 April 2022	5.3	(28.5)
Additions	0.1	(0.8)
Acquisitions	-	(11.5)
Disposals	-	25.9
Gain/(loss) included in fair value losses in contingent consideration and acquisition related incentive schemes:		
Net change in fair value (realised)	-	0.9
Net change in fair value (unrealised)	-	(6.0)
Balance at 31 March 2023	5.4	(20.0)
Balance at 1 April 2023	5.4	(20.0)
Reclassified as held for sale	-	16.3
Acquisitions	-	(1.4)
Disposals	(4.3)	5.1
Loss included in fair value losses in contingent consideration and acquisition related incentive schemes:		
Net change in fair value (realised)	(1.1)	(1.2)
Net change in fair value (unrealised)	-	(2.3)
Balance at 31 March 2024	-	(3.5)

23. Deferred tax

Summary of balances

	2024 £'m	2023 £'m
Deferred tax liabilities	(55.7)	(58.2)
Deferred tax asset	11.7	11.4
Reclassified to disposal group net assets	22.4	-
	(21.6)	(46.8)

The movement in the year in the Group's net deferred tax position is as follows:

	2024 £'m	2023 £'m
1 April	(46.8)	(46.6)
Credit to profit for the year	6.8	6.9
Adjustment in respect of previous periods	(0.4)	(0.1)
Acquisitions	(2.8)	(5.8)
Deferred tax on share-based payments through reserves	-	(1.2)
Reclassified to disposal group net assets	21.6	-
31 March	(21.6)	(46.8)

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the year:

Deferred tax liabilities

	IFRS 16 timing differences £'m	Intangible assets £'m	Short term timing differences £'m	Total £'m
1 April 2022	(7.0)	(50.5)	-	(57.5)
Charge to income for the year	-	5.7	(0.5)	5.2
Adjustment in respect of previous periods	-	(0.1)	-	(0.1)
Acquisitions	-	(5.8)	-	(5.8)
31 March 2023	(7.0)	(50.7)	(0.5)	(58.2)
Set-off of deferred tax liabilities pursuant to set off previous	7.0	-	-	-
Net deferred tax as at 31 March 2023	-	(50.7)	(0.5)	(58.2)
Brought forward before set off provisions	(7.0)	(50.7)	(0.5)	(58.2)
Charge to income for the year	-	6.6	-	6.6
Adjustment in respect of previous periods	-	(0.4)	-	(0.4)
Acquisitions	-	(2.9)	-	(2.9)
31 March 2024	(7.0)	(47.4)	(0.5)	(54.9)
Reclassified to disposal group net assets	1.1	21.9	-	23.0
31 March 2024 – continuing	(5.9)	(25.5)	(0.5)	(31.9)
Set-off to deferred tax liabilities pursuant to set off previous	5.9	-	-	5.9
31 March 2024 – continuing	-	(25.5)	(0.5)	(26.0)

23. Deferred tax continued

Deferred tax assets

	PPE timing differences £'m	IFRS 16 timing differences £'m	Short term differences £'m	Losses £'m	Total £'m
1 April 2022	0.3	7.0	3.6	-	10.9
Adjustment in respect of previous periods	(0.3)	-	0.5	1.5	1.7
Deferred tax on share-based payments through reserves	-	-	(1.2)	-	(1.2)
31 March 2023	-	7.0	2.9	1.5	11.4
Set-off of deferred tax liabilities pursuant to set off previous	-	(7.0)	-	-	(7.0)
Net deferred tax at 31 March 2023	-	-	2.9	1.5	4.4
Brought forward before set off provisions	-	7.0	2.9	1.5	11.4
Charge to income for the year	-	0.4	(0.1)	(0.1)	0.2
Deferred tax on share-based payments through reserves	-	-	-	0.1	0.1
31 March 2024 – subtotal	-	7.4	2.8	1.5	11.7
Reclassified to disposal group net assets	-	(1.2)	(0.2)	-	(1.4)
31 March 2024 – continuing	-	6.2	2.6	1.5	10.3
Set-off of deferred tax liabilities pursuant to set off provisions	-	(5.9)	-	-	(5.9)
31 March 2024 – continuing	-	0.3	2.6	1.5	4.4

Deferred tax assets, in relation to tax losses, amounting to £0.2m (2023: £nil) have not been recognised as at 31 March 2024 as it is not considered probable that future taxable profits will be available against which the tax losses can be offset.

24. Provisions

	Provisions £'m
1 April 2023	2.6
Reclassified as held for sale	(0.5)
Acquired provision	0.2
Utilised in the year	(0.1)
31 March 2024	2.2

	2024 £'m	2023 £'m
Current	1.2	1.4
Non-current	1.0	1.2
Total	2.2	2.6

The balance above primarily represents dilapidation provisions which relate to the future anticipated costs to restore leased properties to their original state at the end of the lease term. Estimates are stated at nominal amount and therefore the impact of discounting is not material.

25. Called up share capital

	2024 £'m	2023 £'m
Allotted, issued and fully paid:		
96,807,718 ordinary shares of 50p each (2023: 95,882,065 ordinary shares of 50p each)	48.4	47.9

The issued ordinary share capital is as follows:

Date	Allotted, issued and fully paid £'m	Number of ordinary shares	Issue price
1 April 2022	47.9	95,833,853	
11 April 2022 - Share Options ("SAYE 2020")		1,630	460p
26 April 2022 - Share Options ("SAYE 2020")		2,065	460p
23 May 2022 - Share Options ("SAYE 2020")		923	460p
4 July 2022 - Marlowe plc Long Term Incentive Plan 2019		37,879	50p
5 July 2022 - Share Options ("SAYE 2020")		1,173	460p
18 August 2022 - Share Options ("SAYE 2020")		413	460p
19 October 2022 - Share Options ("SAYE 2020")		1,195	460p
24 November 2022 - Share Options ("SAYE 2020")		2,934	460p
31 March 2023	47.9	95,882,065	
18 August 2023 - Share-based consideration for IMSM acquisition		597,609	502p
11 August 2023 - Share Options ("SAYE 2020")		2,217	460p
2 October 2023 - Share Options ("SAYE 2020")		211,141	460p
9 October 2023 - Share Options ("SAYE 2020")		16,256	460p
16 October 2023 - Share Options ("SAYE 2020")		5,789	460p
23 October 2023 - Share Options ("SAYE 2020")		12,438	460p
30 October 2023 - Share Options ("SAYE 2020")		10,129	460p
13 November 2023 - Share Options ("SAYE 2020")		10,332	460p
27 November 2023 - Share Options ("SAYE 2020")		26,878	460p
14 March 2024 - Share Options ("SAYE 2020")		22,693	460p
18 March 2023 - Share Options ("SAYE 2020")		10,171	460p
31 March 2024	48.4	96,807,718	

26. Share premium

	2024 £'m	2023 £'m
1 April	384.8	384.8
Premium on shares issued during the year	1.4	-
Cancellation of share premium	(384.9)	-
31 March	1.3	384.8

In the year, the Company gained shareholder and court approval to release £384.9m (2023: £nil) from the share premium account to retained earnings.

27. Other reserves

a) Other reserves

	2024 £'m	2023 £'m
1 April	4.6	3.5
Charge for the year	(0.1)	2.3
Deferred tax on share-based payments through reserves	-	(1.2)
31 March	4.5	4.6

The other reserve comprises charges made to the statement of comprehensive income in respect of share-based payments under the Group's equity compensation schemes.

b) Merger reserve

	2024 £'m	2023 £'m
1 April	9.9	9.9
Issue of shares	2.6	-
31 March	12.5	9.9

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in other companies. The merger reserve applies to both current and accumulated transactions hence the limitation on share premium. During the current year £2.6m was recognised on the acquisition of the share capital of IMSM Holdings Limited and International Management Systems Marketing Limited (together, "IMSM").

28. Net cash generated from operating activities before interest, tax, acquisition and disposal costs and restructuring costs

	2024 £'m	2023 £'m
Continuing operations		
Loss before tax	(10.9)	(6.9)
Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of non-acquisition intangibles	20.9	18.4
Amortisation of acquired intangibles	25.6	24.0
Loss on sale of fixed assets	(0.2)	-
Share based payments (excluding SAYE schemes)	(0.8)	1.7
Fair value losses in contingent consideration and acquisition related incentive schemes	5.0	8.4
Net finance costs	20.5	13.3
Increase in inventories	-	(1.7)
Increase in trade and other receivables	(1.2)	(12.0)
(Decrease)/increase in trade and other payables	(1.1)	5.3
Net cash generated from operating activities before interest, tax, acquisition and disposal costs and restructuring costs	57.8	50.5

29. Pensions

The Group operates a number of defined contribution schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The total cost charged to profit or loss of £8.7m, of which £6.9m relates to continuing and £1.8m relates to discontinued operations, (2023: £8.0m, of which £6.4m relates to continuing and £1.6m relates to discontinued operations) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans.

30. Share based payments and long term incentive plans

The Group operates a number of long-term incentive schemes to incentivise and reward management and employees. Legacy incentive plans were established to incentivise certain key members of the Group's senior management to create shareholder value through the successful acquisition, restructuring and integration of businesses in their chosen service sectors.

The following charges were made through share based payments (excluding SAYE schemes):

	2024 £'m	2023 £'m
Marlowe plc EIP	(0.9)	1.5
Marlowe plc LTIP 2020	-	0.1
Marlowe plc LTIP 2021	0.1	0.1
Total	(0.8)	1.7

The following charges were made through admin expenses:

	2024 £'m	2023 £'m
2020 Save As You Earn	0.1	0.2
2021 Save As You Earn	0.3	0.3
2022 Save As You Earn	0.3	0.1
Total	0.7	0.6

The following charge was included within fair value (losses)/gains in contingent consideration and acquisition related incentive schemes:

	2024 £'m	2023 £'m
Long Term Incentive Plan	0.9	4.7

Of the above charges the following are share settled and are treated as share-based payments within the Consolidated Statement of Changes of Equity:

	2024 £'m	2023 £'m
Marlowe plc EIP	(0.9)	1.5
Marlowe plc LTIP 2020	-	0.1
Marlowe plc LTIP 2021	0.1	0.1
2020 Save As You Earn	0.1	0.2
2021 Save As You Earn	0.3	0.3
2022 Save As You Earn	0.3	0.1
Total	(0.1)	2.3

Marlowe plc Long Term Incentive Plan 2019

92,975 of the New Share Options were granted to Alex Dacre and 41,322 of the New Share Options have been granted to Mark Adams. The New Share Options vested in full on 1 April 2022 with the following performance conditions having been met over the preceding three year period:

Compound Annual Total Shareholder Return	Vesting
Less than 5%	0%
More than 15%	100%
Between 5% and 15%	0% - 100% on a straight-line basis

Upon vesting, the New Share Options will be exercisable at a price of 50 pence per ordinary at any time prior to expiry on 31 March 2029. Unless special circumstances apply, the New Share Options will normally lapse immediately on cessation of employment. Options granted to Mark Adams were exercised in prior periods. As at 31 March 2024 Alex Dacre's fully vested 92,975 New Share Options were unexercised. Subsequent to the year end, 92,975 New Share Options were exercised.

A charge of £nil (2023: £nil) was recognised in respect of the Long Term Incentive Plan 2019.

30. Share based payments and long term incentive plans continued

Marlowe plc Long Term Incentive Plan 2020

63,380 of the New Share Options were granted to Alex Dacre and 26,400 of the New Share Options have been granted to Mark Adams. Following Mark Adams retirement on 31 December 2021 the 26,400 New Share Options were reduced proportionately to 15,400 from his final date of departure. The New Share Options did not vest, in whole or in part, on 1 April 2023 as the performance conditions were not met. There were no options outstanding as at 31 March 2024 which had vested and were exercisable. The conditions are detailed in the below table:

Compound Annual Total Shareholder Return	Vesting
Less than 5%	0%
More than 15%	100%
Between 5% and 15%	0% - 100% on a straight-line basis

Unless special circumstances apply, the New Share Options will normally lapse immediately on cessation of employment. Upon vesting, the New Share Options will be exercisable at a price of 50 pence per ordinary at any time prior to expiry on 31 March 2030.

A charge of £nil (2023: £0.1m) was recognised in respect of the Long Term Incentive Plan 2020.

Marlowe plc Long Term Incentive Plan 2021

44,321 New Share Options were granted to Alex Dacre. The New Share Options will vest, in whole or in part, on 1 April 2024 (or upon a change of control) subject to the following performance conditions having been met over the preceding three-year period:

Compound Annual Total Shareholder Return	Vesting
Less than 5%	0%
More than 15%	100%
Between 5% and 15%	0% - 100% on a straight-line basis

Unless special circumstances apply, the New Share Options will normally lapse immediately on cessation of employment. Upon vesting, the New Share Options will be exercisable at a price of 50 pence per ordinary at any time prior to expiry on 31 March 2031.

A charge of £0.1m (2023: £0.1m) was recognised in respect of the Long Term Incentive Plan 2021. Subsequent to the year end, upon Alex Dacre's resignation the options lapsed.

2020 Save As You Earn Scheme

The Group operates a Save As You Earn ("SAYE") scheme which is open to all employees with more than 3 months continuous service. This is an approved HMRC scheme and was established in September 2020.

Under the SAYE, participants remaining in the Group's employment at the end of the three years savings period are entitled to use their savings to purchase shares in the Company at a stated exercise price.

Employees leaving for certain reasons as set out in the scheme rules are able to use their savings to purchase shares within six months of their leaving. 699,000 SAYE options were granted during 2021.

Options were valued using a stochastic model. The fair value per option and the assumptions used in the calculation for the options issued in 2021 were as follows.

Grant date	2021
Share price at grant date	509p
Exercise price	460p
Share options	699,000
Expected volatility	31%
Risk free rate	1%
Fair value per option	120p

The total fair value of options issued during 2021 was £0.8m. The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements.

A charge of £0.1m (2023: £0.2m) was recognised in respect of the SAYE scheme.

30. Share based payments and long term incentive plans continued

2021 Save As You Earn Scheme

The Group operates a Save As You Earn ("SAYE") scheme which is open to all employees with more than 3 months continuous service. This is an approved HMRC scheme and was established in September 2021.

Under the SAYE, participants remaining in the Group's employment at the end of the three years savings period are entitled to use their savings to purchase shares in the Company at a stated exercise price.

Employees leaving for certain reasons as set out in the scheme rules are able to use their savings to purchase shares within six months of their leaving. 426,508 SAYE options were granted.

Options were valued using a stochastic model. The fair value per option and the assumptions used in the calculation for the options issued in 2022 were as follows:

Grant date	2022
Share price at grant date	805p
Exercise price	725p
Share options	426,508
Expected volatility	33%
Risk free rate	0.20%
Fair value per option	0p

The total fair value of options issued during 2022 was £0.7m. The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements.

A charge of £0.3m (2023: £0.3m) was recognised in respect of the SAYE scheme.

2022 Save As You Earn Scheme

The Group operates a Save As You Earn ("SAYE") scheme which is open to all employees with more than 3 months continuous service. This is an approved HMRC scheme and was established in September 2022.

Under the SAYE, participants remaining in the Group's employment at the end of the three years savings period are entitled to use their savings to purchase shares in the Company at a stated exercise price.

Employees leaving for certain reasons are able to use their savings to purchase shares within six months of their leaving. 413,340 SAYE options were granted.

Options were valued using a stochastic model. The fair value per option and the assumptions used in the calculation for the options issued in 2022 were as follows:

Grant date	2023
Share price at grant date	692p
Exercise price	758p
Share options	413,340
Expected volatility	39%
Risk free rate	4.38%
Fair value per option	0p

The total fair value of options issued during the year was £0.7m. The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements.

A charge of £0.3m (2023: £0.1m) was recognised in respect of the SAYE scheme.

30. Share based payments and long term incentive plans continued

Marlowe plc Executive Incentive Plan

The Directors believe the success of the Group will depend to a significant degree on the future performance of the management team. With Marlowe's historical 2016 Incentive Scheme having concluded in February 2021, and no other meaningful long term incentive scheme currently in place, an Executive Incentive Plan ("EIP") was approved by a Shareholder General Meeting on 21 May 2021. The EIP formed the cornerstone of the Company's remuneration structure to retain and motivate its senior management team, focusing them on long term value creation and aligning their interests directly with shareholders.

The EIP (together with other share plans) operates within a 10% in 10 years dilution limit in line with corporate governance best practice.

Participants in the EIP have been awarded with performance units that will convert into new ordinary shares in the Company in the form of nil-cost options ("EIP Performance Units") at the end of a five-year performance period ending on 31 March 2026 (the "Performance Period"), provided that the value created for Marlowe shareholders during the Performance Period is in excess of a hurdle calculated by reference to 10% annualised growth in the Company's share price from the start of the Performance Period on 1 April 2021 based on an opening share price of £6.90 per share ("Threshold Hurdle"). Providing the Threshold Hurdle has been achieved by the end of the Performance Period, the EIP participants will be entitled to receive, in aggregate, 10% of the value created for shareholders above the Threshold Hurdle. This value sharing percentage will apply only to the ordinary shares in issue on 1 April 2021 and is capped at a maximum aggregate award of 4,902,295 new ordinary shares, subject to the Remuneration Committee retaining discretion to scale back the formulaic vesting of the EIP in line with corporate governance best practice. Awards under the EIP are subject to customary malus provisions during the Performance Period and to clawback for a period of 2 years post vesting.

Alex Dacre, former Chief Executive, and Adam Councill, Group CFO, were allocated 56.5% and 18.0% respectively of the EIP Performance Units and agreed that they will receive below market salaries, forgo an annual bonus and not receive further incentives for the duration of the EIP. The remaining EIP Performance Units were allocated to other senior executives.

The EIP units were valued using a Monte Carlo model. The effective dates of the award are deemed to be 25 May 2021 (80% of the units following shareholder approval) and 4 October 2021 (20% of the units following the appointment of Adam Councill as CFO).

Assumptions

Grant date	25 May 2021	4 October 2021
Proportion of total award granted	80%	20%
Projection period	4.85 years	4.49 years
Initial share capital	76,969,849 shares	76,969,849 shares
Share price at grant date	£7.72	£8.95
Share price to which hurdle applies	£6.90	£6.90
Hurdle	10% per annum	10% per annum
Dividend yield	Nil	Nil
Risk free rate	0.33%	0.55%
Volatility	26%	26%
Fair value of award	£5.3m	£2.0m

The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements of a selection of Marlowe's peers. During the year, units allocated to Alex Dacre as well as some other senior executives were reassessed and expected not to vest.

Subsequent to the year end, upon Alex Dacre's resignation, these units have lapsed, as well as other leavers from the Group. Further details of current and future plans of incentive schemes are set out in the Directors' Remuneration Report on pages 58 to 62.

A credit of £0.9m (2023: £1.5m charge) was recognised in respect of the EIP scheme.

30. Share based payments and long term incentive plans continued

Phantom Award Scheme

The Phantom Award Scheme (the "Scheme") provides eligible participants with the right to receive cash based on the appreciation in the Company's share price between the date of grant and the vesting date. Under the scheme, such eligible participants are granted phantom shares. Phantom shares are settled in cash and contain a service condition of 3 years. The fair value of the liability for the awards made is remeasured at each reporting date and at the settlement date. The fair value is recognised over the vesting period. The amount of expense recognised takes into account the best available estimate of the number of equity instruments expected to vest under the service and performance conditions underlying each phantom share granted:

Assumptions		
	1 July 2021	1 July 2023
Grant date		
Share price at grant date	800p	560p
Number of employees	1	1
Phantom shares granted	20,000	10,000
Vesting period	3-4	3
Expected volatility	40.20%	33.96%
Risk free rate	4.26%	3.97%
Fair value per phantom share	0p	0p

The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements.

Long Term Investment Plan

LTIP awards were issued during the year to senior management of the Occupational Health and Employment Law and HR businesses. The Occupational Health LTIP can be exercised in respect of financial years ending 31 March 2025 - 2027. The Employment Law and HR LTIP can be exercised in respect of financial years ending 31 March 2023 - 2025. The LTIP is calculated by reference to the financial performance of the Occupational Health and Employment Law and HR businesses, respectively.

LTIP awards remain in place for Robert Flinn, Chief Executive of the Fire & Security businesses, Andy Walls, Chief Executive of the Water & Air businesses, and Beatriz Shorrock, Chief Executive of William Martin, which can be exercised between the third and fifth year of their employment, which commenced on 1 September 2019, 3 January 2018 and 1 April 2019 respectively. The LTIP Awards have been extended to certain senior management individuals of the Fire, Water and William Martin businesses. The LTIP is calculated by reference to the financial performance of the Fire & Security, Water & Air and William Martin businesses.

The fair value of the liability for the LTIPs is remeasured at each reporting date and at the settlement date. The fair value is recognised over the vesting period.

In total, a charge of £0.9m (2023: £4.7m) was recognised in respect of the Phantom Award Scheme and Long Term Investment Plan.

As at 31 March 2024, the liability was £9.9m (2022: £8.6m).

31. Related party transactions and key management compensation

The remuneration of key management personnel and details of the Directors' emoluments are shown in note 7.

There were no related party transactions during the current or prior period.

32. Post balance sheet events

Disposal of certain GRC Software & Service Assets

On the 3 June 2024, the Group announced the completion of the sale of certain GRC Software & Service Assets ("The Divestment") for an Enterprise value of £430m.

Refinancing

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million with an accordion facility of £50 million (see note 22).

Return of capital

On the 5 July 2024 and following receipt of the cash proceeds of the Divestment, the Group paid a special dividend of £1.55 per Marlowe ordinary share equating to £150.3m. Additionally, the Group commenced a share buyback programme on the 5 July 2024, to return up to £75m to Marlowe shareholders ("Buyback Programme"). The terms of the Buyback Programme were announced by the Company on 22 May 2024.

As at 5 August 2024, the Group as part of the BuyBack Programme, has bought 8,730,304 ordinary shares of 50 pence each in the capital of the Company for a weighted average price of 454.0p for a total price of £40.3m. The shares acquired will, in due course, be cancelled.

33. Disposal group classified as held for sale and discontinued operations

During the financial year, management decided to discontinue its GRC business in line with the Group's strategy to refocus on its TIC and OH businesses. On 31 May 2024, the Group completed on the sale of the disposal group to Inflexion Private Equity. For further details of this post balance sheet event, refer to note 32.

Consequently, certain assets and liabilities included in the GRC segment were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been disclosed separately on the face on the Consolidated Statement of Comprehensive Income.

In the prior year, the Group held £1.3m property for sale at 31 March 2023. The freehold property was sold in FY24 to Ductclean (UK) Limited.

The carrying amounts of assets and liabilities in these disposal groups are summarised as follows:

	2024 £'m	2023 £'m
Intangible assets	315.2	-
Property, plant and equipment	0.7	1.3
Right-of-use assets	3.0	-
Trade and other receivables	24.1	-
Cash and cash equivalents	55.2	-
Assets classified as held for sale	398.2	1.3
Current tax liability	(2.8)	-
Trade and other payables	(54.4)	-
Financial liabilities – lease liabilities	(3.0)	-
Deferred tax liabilities	(21.6)	-
Provisions	(0.5)	-
Liabilities directly associated with assets classified as held for sale	(82.3)	-

Cash flows used in these disposal groups for the reporting periods under review are as follows:

	2024 £'m	2023 £'m
Operating activities	19.1	-
Investing activities	(25.6)	-
Financing activities	(1.2)	-
Cash used in discontinued operations	(7.7)	-

Company statement of changes in equity

For the year ended 31 March 2024

	Note	Attributable to owners of the parent					Total equity £'m
		Share capital £'m	Share premium £'m	Merger relief reserve £'m	Other reserves £'m	Retained earnings £'m	
Balance at 1 April 2022		47.9	384.8	9.9	3.5	(25.3)	420.8
Profit for the year		-	-	-	-	47.1	47.1
Total comprehensive profit for the year		-	-	-	-	47.1	47.1
Transaction with owners							
Share-based payments		-	-	-	2.3	-	2.3
Deferred tax on share-based payments		-	-	-	(1.2)	-	(1.2)
		-	-	-	1.1	-	1.1
Balance at 31 March 2023		47.9	384.8	9.9	4.6	21.8	469.0
Loss for the year		-	-	-	-	(24.4)	(24.4)
Total comprehensive loss for the year		-	-	-	-	(24.4)	(24.4)
Transaction with owners							
Share based payments		-	-	-	(0.1)	-	(0.1)
Issue of shares during the year	41	0.5	1.4	2.6	-	-	4.5
Cancellation of share premium	42	-	(384.9)	-	-	384.9	-
		0.5	(383.5)	2.6	(0.1)	384.9	4.4
Balance at 31 March 2024		48.4	1.3	12.5	4.5	382.3	449.0

The accompanying notes on pages 120 to 131 form an integral part of the financial statements.

Company statement of financial position

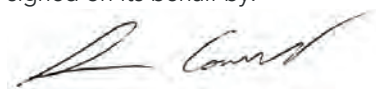
As at 31 March 2024

	Note	31 March 2024 £'m	31 March 2023 £m
ASSETS			
Non-current assets			
Investments	35	361.8	363.5
Intangible assets		0.1	0.1
Property, plant and equipment	37	0.2	0.2
Right-of-use assets	36	1.0	1.4
Trade and other receivables	38	314.7	395.8
Deferred tax asset		0.4	0.3
		678.2	761.3
Current assets			
Trade and other receivables	38	104.2	4.9
Cash and cash equivalents	40	11.8	17.0
Tax asset		-	3.2
Assets classified as held for sale	33	-	1.3
Total current assets		116.0	26.4
Total assets		794.2	787.7
LIABILITIES			
Current liabilities			
Trade and other payables	39	(138.0)	(113.6)
Financial liabilities - borrowings	40	(206.0)	-
Financial liabilities - lease liabilities		(0.4)	(0.4)
Total current liabilities		(344.4)	(114.0)
Non-current liabilities			
Trade and other payables	39	-	(12.5)
Financial liabilities - borrowings	40	-	(191.0)
Financial liabilities - lease liabilities		(0.8)	(1.2)
Total non-current liabilities		(0.8)	(204.7)
Total liabilities		(345.2)	(318.7)
Net assets		449.0	469.0
EQUITY			
Share capital	41	48.4	47.9
Share premium	42	1.3	384.8
Other reserves	43	4.5	4.6
Merger reserve	43	12.5	9.9
Retained earnings		382.3	21.8
Equity attributable to owners of parent		449.0	469.0

The accompanying notes on pages 120 to 131 form an integral part of the financial statements.

In accordance with section 408 of the Companies Act 2006, the Company has not presented its own income statement in these financial statements. The Company results for the year included a loss after tax of £24.4m (2023: profit after tax of £47.1m)

These financial statements were approved by the board of Directors and authorised for issue on 8 August 2024 and were signed on its behalf by:



Adam Cuncell, Chief Financial Officer

Company accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). In preparing these financial statements, the Company applies the recognition and measurement requirements of adopted IFRS amended where necessary in order to comply with Companies Act 2006. The Company has adopted the following accounting policies, which are the same as applied by the Group: Revenue, Interest Income, Property, Plant and Equipment, Acquisition and Other Costs, Leased Assets, Investments, Trade and Other Receivables, Cash and Cash Equivalents, Trade Payables, Borrowings, Taxation, Provisions, Share-based Payments, Pensions and Financial Instruments.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 45 (b) and 46-52 of IFRS 2 "Share based Payment" because equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated;
- The requirements of IFRS 7 "Financial Instruments: Disclosures" because equivalent disclosures are included within the consolidated financial statements of the Group in which the entity is consolidated;
- The requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement" because equivalent disclosures are included within the consolidated financial statements in which the entity is consolidated;
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 "Property, Plant and Equipment and paragraph 118 (e) of IAS 38 "Intangible Assets".
- The requirements of paragraphs 10(d), 10(f), 39(c), 40A-40D and 134-136 of IAS 1 "Presentation of Financial Statements";
- The requirements of IAS 7 "Statement of Cash Flows";
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The requirements of IFRS 16 paragraph 58 Lessee maturity analysis of lease liabilities;
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 "Impairment of Assets"; and
- Statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead).

Going concern

The going concern basis has been applied in these accounts on the basis the Company generates management charges, has access to funds made available from other Group companies and has a financing facility in place.

The going concern position is discussed further in the consolidated financial statements of the Group on page 74 and applies to the Parent Company.

Company profit and loss account

In accordance with section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The results for the financial year of the Company are given on pages 118 and 119 of the financial statements.

Critical accounting judgements and estimates

In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses, see note 2 for further explanation.

Notes to the Company Financial Statements

For the period ended 31 March 2024

34. Directors and employees

Staff costs during the year

	2024 £'m	2023 £'m
Wages and salaries	3.2	3.0
Social security costs	0.4	0.4
Share-based payments and legacy long-term incentives	(0.8)	1.7
Total	2.8	5.1

Average monthly number of employees during the year

	2024 £'m	2023 £'m
Directors	7	7
Corporate Development	9	9
IT	3	2
Finance	2	2
Administration	6	6
Sales	3	2
Total	30	28

Total amounts for Directors' remuneration and other benefits

	2024 £'m	2023 £'m
Emoluments for Directors' services:		
Salary and benefits	1.1	1.0
Directors' remuneration shown above included the following amounts in respect of the highest paid Director:		
Salary and benefits	0.4	0.4

Key management compensation

	2024 £'m	2023 £'m
Short-term employment benefits	1.2	1.2
Social security costs	0.2	0.2
Share-based payments charge	0.6	1.1
Total	2.0	2.5

35. Investments

Shares in subsidiary undertakings

	£'m
1 April 2022	314.9
Cedrec	4.2
PCS	9.4
Healthwork	34.0
Network of Staff Supporters	1.0
31 March 2023	363.5
1 April 2023	363.5
IMSM	20.3
Transfers of investments	(22.0)
31 March 2024	361.8
Provision for impairment	
At 31 March 2023 and 31 March 2024	-
Net Book Value:	
31 March 2024	361.8
31 March 2023	363.5

The transfer of investments relates to group reorganisation activity during the year, resulting in acquisitions previously held by Marlowe plc being now directly owned by Group undertakings.

The investments reclassified as discontinued operations total £109.9m and are listed in the table below

Further information on discontinued operations can be found in note 33.

At 31 March 2024, the Company held directly and indirectly equity and voting rights of the following undertakings:

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
All Management Divisions					
All companies are registered at Marlowe plc, 20 Grosvenor Place, London, SW1X 7HN unless noted below.					
For all trading subsidiaries registered in England, Wales and Scotland for the year ended 31 March 2024, Marlowe plc has provided a guarantee in respect of all liabilities due by these subsidiaries.					
Marlowe 2016 Limited ¹	Ordinary	100%	England & Wales	Holding Company	Continuing
William Martin 2018 Limited ¹	Ordinary	100%	England & Wales	Holding Company	Discontinued
William Martin Compliance Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
Nestor Business Consulting Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
Law at Work (Holdings) Limited ^{2,3}	Ordinary	100%	Scotland	Holding Company	Discontinued
Law at Work (IS) Ltd ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
Law at Work Limited ^{2,3}	Ordinary	100%	Scotland	Employment Law Compliance Services	Discontinued
Law at Work Empire Limited ^{2,4}	Ordinary	100%	Scotland	Employment Law Compliance Services	Discontinued
N-ov8 Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Cirrus Holdco Limited ¹	Ordinary	100%	England & Wales	Holding Company	Discontinued
Marlowe Occupational Health Group Limited ¹	Ordinary	100%	England & Wales	Holding Company	Continuing
WCS Environmental Engineering Ltd ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
RiskWize Limited ^{2,5}	Ordinary	100%	Ireland	HR Compliance Services	Discontinued

35. Investments continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
Elogbooks Facilities Management Limited ¹	Ordinary	100%	England & Wales	Contractor Management Services	Discontinued
Elogbooks Holdings Ltd ¹	Ordinary	100%	England & Wales	Holding Company	Discontinued
Elgoboos Facilities Services Ltd ¹	Ordinary	100%	England & Wales	Contractor Management Services	Discontinued
Worknest (Holdings) Limited ²	Ordinary	99%	England & Wales	Holding Company	Discontinued
Worknest Limited ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
Nile Holdco Limited ²	Ordinary	100%	England & Wales	Holding Company	Discontinued
DeltaNet International Limited ²	Ordinary	100%	England & Wales	Health & Safety, Compliance & HR Services	Discontinued
Connect Monitoring ²	Ordinary	100%	England & Wales	Dormant	Continuing
Marlowe Fire & Security Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Marlowe Fire & Security Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Fire Alarm Fabrication Services Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Hentland Limited ²	Ordinary	100%	England & Wales	Dormant	Continuing
Marlowe Fire & Security (BBC) Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
WCS Environmental Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Advance Environmental Limited ²	Ordinary	100%	England & Wales	Dormant	Continuing
Guardian Water Treatment Ltd ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
G.P.C.S. Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Tersus Consultancy Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Tersus Training Services Ltd ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Island Fire Protection Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Kingfisher Environmental Services Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Atana Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Fire Alarm Fabrication Services (South) Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Marlowe Kitchen Fire Suppression Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
WCS Services Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Clearwater Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Clearwater Compliance Limited ^{2,6}	Ordinary	100%	Ireland	Water Treatment Services	Continuing
Clearwater Technology Ltd ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Aquatreat Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Aquatreat Chemical Products Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Quantum Risk Management ²	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
FSE Fire & Security Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
FSE Security & Systems Ltd ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
FSE Sprinklers & Risers Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Eurosafe UK Group Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Eurosafe Plus Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Eurosafe UK (CDM Services) Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing

35. Investments continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
Eurosafe (UK) Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Clouds Ultimate Manager Limited ²	Ordinary	100%	England & Wales	Testing & Inspection Services	Continuing
Managed Occupational Health Limited ²	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
MOH Limited ²	Ordinary	100%	England & Wales	Dormant	Continuing
Solve HR Limited ^{2,3}	Ordinary	100%	Scotland	Employment Law Compliance Services	Discontinued
ESP Law Limited ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
ESP Safeguard Limited ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
The Employment Services Partnership Limited ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
WCS Services Invicta Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Black & Banton Occupational and Physical Health Limited ²	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
The HR Services Partnership Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Hadrian technology Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Wrightway Health Limited ²	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Network of Staff Supporters Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Youmanage HR Ltd ^{2,3}	Ordinary	100%	Scotland	HR Compliance Services	Discontinued
Caritas Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Caritas Limited ²	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Deminos Consulting Ltd ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
Morgan Fire Protection Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Fire & Security (Group) Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Alarm Communication Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Barbour EHS Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
ESP Solicitors Limited (formerly Cater Leydon Millard Limited) ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
Core Stream Ltd ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
CQC Compliance Limited ²	Ordinary	100%	England & Wales	Occupational Health Services	Discontinued
Cylix Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Essential Skillz Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Healthwork Group Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Healthy Performance Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Hydro-X Air Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing

35. Investments continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
Hydro-X Engineering Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Hydro-X Group Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Hydro-X Training Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Hydro-X Water Treatment Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Agriteck Solutions Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Inclusive Learning Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Integral Occupational Health Ltd ^{2,7}	Ordinary	100%	Scotland	Occupational Health Services	Continuing
OH Assist Finance Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
OH Assist Intermediate Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
OH Assist Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Optima Health Group Limited ¹	Ordinary	100%	England & Wales	Holding Company	Continuing
Optima Health Ltd ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
S F Fire Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Santia Access Solutions Limited ²	Ordinary	100%	England & Wales	Contractor Management Services	Continuing
Santia Asbestos Management Limited ²	Ordinary	100%	England & Wales	Contractor Management Services	Continuing
Santia Construction Management Limited ²	Ordinary	100%	England & Wales	Contractor Management Services	Continuing
Santia Holdings Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Santia Limited ²	Ordinary	100%	England & Wales	Contractor Management Services	Continuing
Skill Boosters Limited ²	Ordinary	100%	England & Wales	Dormant	Discontinued
Sterling Hydrotech Holdings Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Sterling Hydrotech Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Vinci Legal Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
VinciWorks (HK) Ltd ^{1,8}	Ordinary	100%	Hong Kong	Risk Compliance Consultancy Services	Discontinued
VinciWorks IL Limited ^{1,9}	Ordinary	100%	Israel	Risk Compliance Consultancy Services	Discontinued
Working on Wellbeing Ltd ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Marlowe US Holdings Inc ^{1,10}	Ordinary	100%	Delaware, US	Holding Company	Discontinued
WCS Environmental South East Ltd ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Griffin and General Fire Services Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
TP Health (Holdings) Limited ¹	Ordinary	100%	England & Wales	Holding Company	Continuing
TP Health Limited ¹	Ordinary	100%	England & Wales	Occupational Health Services	Continuing
Ruthven Alarms Limited ^{2,11}	Ordinary	100%	Scotland	Fire and Security Services	Continuing
The Compliance Office Ltd ²	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued

35. Investments continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
MJ Fire Safety Ltd ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Cedrec Information Systems Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
Business Human Resources Solutions Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Business HR Solutions (Consultancy) Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Essential Safety Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Vista Employer Services Ltd ²	Ordinary	100%	England & Wales	Employment Law Compliance Services	Discontinued
Care 4 Quality Limited ²	Ordinary	100%	England & Wales	HR Compliance Services	Discontinued
Phase Technology 2gen Holdings Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Phase Technology Holdings Limited ²	Ordinary	100%	England & Wales	Holding Company	Continuing
Phase Technology Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
PCS Asbestos Consultants Limited ²	Ordinary	100%	England & Wales	Water Treatment Services	Continuing
Victory Fire Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Clymac Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Trans-fire Holdings Ltd ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Trans-fire Protection Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Merryweather & Sons Ltd ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
Marlowe Smoke Control Limited ²	Ordinary	100%	England & Wales	Fire and Security Services	Continuing
IMSM Holdings Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
Q A S International Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
IMSM Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
IMSM Franchising Ltd ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
IMSM Canada Ltd ^{1,12}	Ordinary	100%	Canada	Risk Compliance Consultancy Services	Discontinued
Norme Impact SARL ^{1,13}	Ordinary	100%	France	Risk Compliance Consultancy Services	Discontinued
IMSM Asia Pacific Limited ^{1,14}	Ordinary	100%	Hong Kong	Risk Compliance Consultancy Services	Discontinued
IMSM Kenya Ltd ^{1,15}	Ordinary	100%	Keyna	Risk Compliance Consultancy Services	Discontinued
Pacific Heights Investments 212 Pty Ltd ^{1,16}	Ordinary	100%	South Africa	Risk Compliance Consultancy Services	Discontinued
Internacional de Consultoria de Calidad Y, Certificaciones S.L. (ICCC) ^{1,17}	Ordinary	100%	Spain	Risk Compliance Consultancy Services	Discontinued
IMSM Inc ^{1,18}	Ordinary	100%	Delaware, US	Risk Compliance Consultancy Services	Discontinued
IMSM New Zealand Limited (IMSM NZ) ^{1,19}	Ordinary	100%	New Zealand	Risk Compliance Consultancy Services	Discontinued
IMSM Philippines Corporation ^{1,20}	Ordinary	38%	Philippines	Risk Compliance Consultancy Services	Discontinued
IMSM Pty Ltd ^{1,21}	Ordinary	100%	Australia	Risk Compliance Consultancy Services	Discontinued

35. Investments continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Continuing / Discontinued
QAS International GmbH ^{1,22}	Ordinary	100%	Germany	Risk Compliance Consultancy Services	Discontinued
QAS Training Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
International Management Systems Marketing Limited ¹	Ordinary	100%	England & Wales	Risk Compliance Consultancy Services	Discontinued
IMSM GmbH ^{1,22}	Ordinary	100%	Germany	Risk Compliance Consultancy Services	Discontinued

1 Held directly

2 Held via Marlowe 2016 Limited

3 The registered address is Kintyre House, 205 West Geroge Street, Glasgow, Lanarkshire, G2 2LW

4 The registered address is Unit F10 Aberdeen Energy Park, Exploration Drive, Bridge Of Don, Aberdeen, Scotland, AB23 8GX

6 The registered address is Unite 17, Axis Business Park, Clara Road, Tullamore, Offaly, Ireland

3 The registered address is The Beacon, 176 St. Vincent Street, Glasgow, Scotland, G2 5SG

7 The registered address is 4th Floor, 10-14 West Nile Street, Glasgow, Scotland, G1 2PP

8 The registered address is 303 St. Geroge's Building 2 Ice House Street Central, Hong Kong

9 The registered address is Derech Agudat Sport HaPo'el 2, Jerusalem, Israel

10 The registered address is 3 World Trade Center, 175 Greenwich Street, New York, NY, 10007

5 The registered address is The Hub, Galway Technology Park, Galway, Ireland

11 The registered address is Rhymers Mill, Mill Road, Earlston, Scotland, TD4 6DG

12 The registered address is 15 Toronto Street, Suite 700, Toronto, Ontario M5C 2E3

13 The registered address is 21 Av Georges Pompidou 69003 Lyon

14 The registered address is 26th Floor Beautiful Group Tower 77 Connaught Road Central Central Hong Kong

15 The registered address is P.O Box 66217 Westlands

16 The registered address is Suite 104 Lupin House, 101 Dr. RD Naidu Drive, Asherville, 4091

17 The registered address is Paseo Castellana 93 13. 28046, Madrid (Madrid). España

18 The registered address is The Corporation Trust Company, 120 Orange Street, Wilmington, DE 19801

19 The registered address is Ralph Taylor, Chartered Accountants, 268-270 Manukau Road, Epsom, Auckland, 1023, New Zealand

20 The registered address is 28th Floor, Tower 2, The Enterprise Center, 6766 Ayala Avenue cor Paseo de Roxas, Makati City

21 The registered address is C/- D C Carr & Associates, Level 6, 65 York Street Sydney NSW 2000

22 The registered address is Königsallee 92a 40212 Düsseldorf Germany

Dormant companies are exempt from filing accounts under section 394A of the Companies Act 2006.

36. Right-of-use assets

	Leasehold property £'m	Motor vehicles £'m	Total £'m
Cost			
1 April 2023	1.5	0.1	1.6
Additions	-	-	-
31 March 2024	1.5	0.1	1.6
Accumulated depreciation			
1 April 2023	0.2	-	0.2
Charge for the year	0.3	0.1	0.4
31 March 2024	0.5	0.1	0.6
Net book value			
31 March 2024	1.0	-	1.0
31 March 2023	1.3	0.1	1.4

Depreciation is charged to profit or loss as an administrative expense.

37. Property, plant and equipment

	Leasehold improvements £'m	Office equipment fixtures & fittings £'m	Total £'m
Cost			
1 April 2023	0.2	0.1	0.3
Additions	-	0.2	0.2
31 March 2024	0.2	0.3	0.5
Accumulated depreciation			
1 April 2023	-	0.1	0.1
Charge for the year	0.1	0.1	0.2
31 March 2024	0.1	0.2	0.3
Net book value			
31 March 2024	0.1	0.1	0.2
31 March 2023	0.2	-	0.2

38. Trade and other receivables

	2024 £'m	2023 £'m
Current		
Trade receivables	2.1	2.4
Less: provision for impairment of trade receivables	-	-
Trade receivables – net	2.1	2.4
Other receivables	-	0.2
Prepayments and accrued income	1.1	1.7
Contingent consideration receivables in less than one year	-	0.6
Amounts due from Group undertakings	101.0	-
	104.2	4.9
Non-current		
Contingent consideration receivable in more than one year	-	4.8
Amounts due from Group undertakings	314.7	391.0
	314.7	395.8

The amounts due from Group undertakings that have been classified as current of £101.0m (2023: nil) are in respect of the Divestment and were settled on completion subsequent to the year end.

Of the remaining £314.7m (2023: £391.0m) amounts due from Group undertakings, £145.4m (2023: £152.3m) relates to amounts due from Marlowe 2016 Limited in respect of investments made since inception. All such balances are unsecured and repayable on demand with no interest charged. IFRS 9 probability weighted expected credit loss has been applied to these balances and no provision has been recognised based on materiality. While these amounts are repayable on demand, the Directors do not expect to receive settlement or anticipate needing to recall any funds within the next twelve months.

39. Trade and other payables

	2024 £'m	2023 £'m
Current		
Trade payables	1.7	2.2
Other taxation and social security	0.1	0.1
Amounts due to Group undertakings	122.1	107.3
Other payables	0.6	0.8
Accruals and deferred income	0.8	0.7
Contingent consideration payable	12.7	2.5
	138.0	113.6
Non-current		
Contingent consideration payable	-	12.5
	-	12.5

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame. £122.1m (2023: £107.3m) amounts due to Group undertakings are unsecured and repayable on demand with no interest charged.

40. Financial liabilities - borrowings

	2024 £'m	2023 £'m
Current		
Bank loans - unsecured	206.0	-
	206.0	-
Non-current		
Bank loans - unsecured	-	191.0
	-	191.0

The bank debt is unsecured and due to HSBC UK Bank plc, National Westminster Bank plc, Citibank, N.A., Credit Industriel et Commercial, Fifth Third Bank, and The Governor and Company of the Bank of Ireland. The bank debt facility expires in February 2025. Please see note 32 for information on changes to borrowing facilities following the disposal of the GRC business. Under the bank facility the Group is required to meet quarterly covenant tests in respect of interest cover and leverage. All tests were met during the year and the Directors expect to continue to meet these tests.

Analysis of net debt

	2024 £'m	2023 £'m
Cash at bank and in hand	11.8	17.0
Bank loans due within one year	(206.0)	-
Bank loans due after one year	-	(191.0)
	(194.2)	(174.0)

41. Share capital

	2024 £'m	2023 £'m
Allotted, issued and fully paid:		
96,807,718 ordinary shares of 50p each (2023: 95,882,065 ordinary shares of 50p each)	48.4	47.9

The issued ordinary share capital is as follows:

Date	Allotted, issued and fully paid £'m	Number of ordinary shares	Issue price p
1 April 2022	47.9	95,833,853	
11 April 2022 - Share Options ("SAYE 2020")		1,630	460p
26 April 2022 - Share Options ("SAYE 2020")		2,065	460p
23 May 2022 - Share Options ("SAYE 2020")		923	460p
4 July 2022 - Marlowe plc Long Term Incentive Plan 2019		37,879	50p
5 July 2022 - Share Options ("SAYE 2020")		1,173	460p
18 August 2022 - Share Options ("SAYE 2020")		413	460p
19 October 2022 - Share Options ("SAYE 2020")		1,195	460p
24 November 2022 - Share Options ("SAYE 2020")		2,934	460p
31 March 2023	47.9	95,882,065	
18 August 2023 - Share-based consideration for IMSM acquisition		597,609	502p
11 August 2023 - Share Options ("SAYE 2020")		2,217	460p
2 October 2023 - Share Options ("SAYE 2020")		211,141	460p
9 October 2023 - Share Options ("SAYE 2020")		16,256	460p
16 October 2023 - Share Options ("SAYE 2020")		5,789	460p
23 October 2023 - Share Options ("SAYE 2020")		12,438	460p
30 October 2023 - Share Options ("SAYE 2020")		10,129	460p
13 November 2023 - Share Options ("SAYE 2020")		10,332	460p
27 November 2023 - Share Options ("SAYE 2020")		26,878	460p
14 March 2024 - Share Options ("SAYE 2020")		22,693	460p
18 March 2024 - Share Options ("SAYE 2020")		10,171	460p
31 March 2024	48.4	96,807,718	

42. Share premium account

	2024 £'m	2023 £'m
1 April	384.8	384.8
Premium on shares issues during the year	1.4	-
Cancellation of share premium	(384.9)	-
31 March	1.3	384.8

In the year, the Company gained shareholder and court approval to release £384.9m (2023: £nil) from share premium to retained earnings.

43. Other reserves

a) Other reserves

	2024 £'m	2023 £'m
1 April	4.6	3.5
Charge for the year	(0.1)	2.3
Deferred tax on share-based payments through reserves	-	(1.2)
31 March	4.5	4.6

The other reserve comprises charges made to the statement of comprehensive income in respect of share-based payments under the Group's equity compensation schemes.

b) Merger relief reserve

	2024 £'m	2023 £'m
1 April	9.9	9.9
Issue of shares	2.6	-
31 March	12.5	9.9

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in other companies. The merger reserve applies to both current and accumulated transactions hence the limitation on share premium. During the current year £2.6m was recognised on the acquisition of the share capital of IMSM Holdings Limited and International Management Systems Marketing Limited (together, "IMSM").

44. Share-based payments

Details of the share-based payments are set out in note 30.

45. Related party transactions

Details of related party transactions can be found in note 31.

46. Post balance sheet events

Details of post balance sheet events can be found in note 32.



Trading record

Year ended 31 March	FY24	FY23
Revenue	£503.2m	£465.7m
Adjusted profit before taxation*	£46.8m	£53.6m
Adjusted earnings per share*	36.4p	45.3p
Net debt	£(176.6)m	£(188.9)m
Net assets	£437.5m	£443.8m

* Before amortisation of acquisition intangible assets, share based payments and legacy long term incentives and acquisition and restructuring costs.

Financial calendar

Annual General Meeting
September

Half year results
December

Financial year end
31 March

Full year results
July

Officers & advisers

Company Secretary
Christopher Bone

Registered Office
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London SW1X 7HN

Company number
09952391

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Adam Councill
Lord Ashcroft
Peter Gaze
Rachel Addison
Gillian Kent
Julia Robertson

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& Joint Broker**
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Markets Limited
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Joint Broker
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