MARLOWE
PLC

Annual Report and Financial Statements

for the year ended 31 March 2025

Marlowe goes to market as two business lines: Fire Safety & Security and Water & Air Hygiene.

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At a glance

Marlowe's continuing operations focus on delivering business-critical compliance services across two core areas: Fire Safety & Security and Water & Air Hygiene. These services are essential for ensuring adherence to stringent regulations and insurance requirements.

With a comprehensive national footprint, Marlowe serves a diverse client base, including office complexes, high streets and leisure facilities, manufacturing plants, and industrial estates. Our customers encompass thousands of SMEs, local authorities, facilities management providers, multi-site NHS trusts, and FTSE 100 companies.

Marlowe operates in highly attractive and resilient markets, underpinned by strict regulations that render our services largely non-discretionary.

Our focus areas are experiencing structural growth driven by regulatory developments, an increasing emphasis on Environmental, Social, and Governance (ESG) priorities, and a growing enforcement landscape, where non-compliance can result in significant penalties. These factors underscore the essential nature of our compliance services, positioning us as a trusted partner to organisations committed to upholding the highest standards of safety and regulatory adherence.

Key points:

Service visits
1m

Customers across the UK & Ireland
>27,000

Fee earners
>1,700

Recurring revenues
~75%

Customer compliance rates
98%

UK postcode coverage
100%

FY25 key highlights

"Marlowe has undergone a year of significant strategic transformation. We successfully completed the divestment of certain Governance, Risk & Compliance (GRC) software and service businesses for £430 million, alongside the demerger of our Occupational Health division. These transactions have enabled us to return substantial value to shareholders, including a £150 million special dividend and the near completion of a £75 million share buyback programme. Our continuing operations are now focused on the attractive and resilient Fire Safety & Security and Water & Air Hygiene markets. We have positioned the Group to deliver sustainable growth and to enhance operational efficiency in these core areas."

Adam Councell, Chief Financial Officer

Financial performance of continuing operations

Adjusted measures are reconciled to statutory measures in the Finance Review on page 18 and explained in note 5.

Revenue

FY25	£304.5m	4%
FY24	£292.3m	

Adjusted EBITDA

FY25	£32.8m	4%
FY24	£31.6m	

Adjusted PBT

FY25	£18.2m	37%
FY24	£13.3m	

Adjusted EPS

FY25	15.3p	47%
FY24	10.4p	

Statutory PBT

FY25	£2.8m
FY24	£(9.2)m

Statutory EPS

FY25	5.0p
FY24	(7.7)p

Financial performance of Group

Includes the trading performance of the GRC assets and Occupational Health discontinued operations. The statutory measure also includes the profit on disposal.

FY25 Revenue	£373.0m	FY25 stat PBT	£144.9m
FY25 adjusted EBITDA	£46.5m	FY25 Stat EPS	159.7p
FY25 adjusted PBT	£27.7m	FY25 Net Debt (including lease liabilities)	£(1.0)m
FY25 adjusted EPS	23.5p	FY25 Net cash (excluding lease liabilities)	£22.2m


MARLOWE
FIRE & SECURITY

Group Structure

Marlowe delivers business-critical services through a single division: Testing, Inspection & Certification (TIC).

Following the divestment of certain Governance, Risk and Compliance software and service assets, and the demerger of our Occupational Health division, Marlowe now operates as a focused, market leading Testing, Inspection and Certification business.

This division comprises two core service areas, Fire Safety & Security and Water & Air Hygiene, each operating under its own dedicated management team. Our operations are UK focused, serving clients across a wide range of sectors with essential compliance, safety and risk management services.

We specialise in field-based assurance, delivering recurring testing, inspection and certification regimes that keep properties and systems safe, compliant and operational. Both service areas share consistent financial and operational characteristics, supported by strong regulatory drivers and resilient recurring revenue models.

Overall

Together, these businesses enable Marlowe to provide high-quality, regulatory-driven services through expert-led teams focused on long-term client partnerships. Our structure ensures clarity, accountability, and consistent delivery across our core service areas.

FY25 Divisional Performance

Revenue
£304.5m

Adjusted EBITDA
£36.9m

EBITDA Margin
12.1%

Fire Safety & Security

Our Fire Safety & Security business unit provides the systems, services, and strategies required to protect people, property, and operations from the risks of fire and unauthorised access.

We help clients ensure that buildings are legally compliant, operationally secure, and prepared for the unexpected. Services include fire detection and alarm systems, suppression, passive fire protection, emergency lighting, and security solutions such as CCTV, access control, and intruder monitoring.

These integrated systems play a critical role in preventing incidents, enabling fast and safe evacuations, and supporting continuity of operations.

Key regulations:

- Regulatory Reform (Fire Safety) Order 2005
- Fire Safety Act 2021
- Fire Safety (England) Regulations 2022
- Building Safety Act 2022
- British Standards (BS)

MARLOWE FIRE & SECURITY

Fee earners
~700

Customers
~13k

Total acquisitions
28

Market position
#3

Water & Air Hygiene

Our Water & Air Hygiene business unit focuses on maintaining safe, compliant, and efficient environmental systems within buildings.

We deliver services including water treatment, air hygiene, and wastewater engineering that protect public health and ensure regulatory compliance.

These solutions are vital in high-risk environments such as healthcare, as well as in industrial and commercial settings where environmental safety and operational resilience are essential.

Key regulations:

- Health and Safety at Work etc. Act 1974
- COSHH
- The Control of Asbestos Regulations 2012
- ACoP L8 2013
- HSG274 2024
- Water Supply (Water Quality) Regulations 2016
- AMP-8 (2025-2030)

MARLOWE ENVIRONMENTAL SERVICES

Fee earners
~1,000

Customers
~14k

Total acquisitions
25

Market position
#1

Strategic Report

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Business review

FY25 has been a year of significant strategic progress for Marlowe.

In November 2023, we announced a strategic review of the Group's structure, recognising that our operations had diversified into sectors with differing operational and financial characteristics. Following this announcement, we received an offer for a number of our Governance, Risk and Compliance (GRC) software and service businesses.

Accordingly, in February 2024, we announced a binding agreement to divest these assets for an enterprise value of £430 million, representing 121% of Marlowe's market capitalisation on the day prior to the announcement.

On 3 June 2024, we confirmed completion of the divestment and our intention to return up to £225 million of the proceeds to shareholders, comprising a £150.3 million special dividend and a share buyback programme of up to £75 million. During the period, we also repaid the Group's old £234m debt facility and replaced it with a smaller £50m facility which remained undrawn throughout the year. On 5 July 2024, we returned £150.3 million to shareholders by way of a special dividend, equating to £1.55 per ordinary share, and commenced the share buyback programme.

In addition, on 12 September 2024, we announced the demerger of our Occupational Health division, now registered as a separate public limited company under the name Optima Health plc. The demerger enables Marlowe, now a focused market leading Testing, Inspection and Certification (TIC) business, and Optima Health, the UK's leading provider of technology enabled corporate health and wellbeing solutions, to pursue distinct strategies and growth opportunities as standalone listed entities.

Our continuing TIC operations, comprising the Fire Safety & Security and Water & Air Hygiene business units, have made strong progress. Our operations are focused on ensuring the safety and regulatory compliance of our customers' premises, serving approximately 27,000 customers across the UK. The TIC sector was Marlowe's initial area of focus and continues to benefit from strong structural growth drivers, underpinned by regulation, legislation and high levels of recurring income. Additionally, the markets in which we operate in are highly fragmented and acquisition remains an attractive route to deliver shareholder value.

On 5 June 2025, and subsequent to the year-end, the Group and Mitie announced that their respective Boards had reached agreement on a recommended cash and share offer for Mitie to acquire the entire issued and to be issued ordinary share capital of Marlowe (the "Acquisition"). The Acquisition implies a total value of 466 pence per Marlowe share*, valuing the Group at approximately £366 million and representing a premium of around 39% to the volume-weighted average share price of 335 pence over the three-month period ended 3 June 2025.

It is intended that the Acquisition will be implemented by means of a Court-approved scheme of arrangement under Part 26 of the Companies Act, subject to the approval of Marlowe Shareholders and the other conditions set out in the full announcement of the Acquisition published on 5 June 2025. Subject to these conditions, the Scheme is expected to become effective in the third quarter of 2025. The Marlowe Directors intend to recommend unanimously that shareholders vote in favour of the Scheme at the Court Meeting and General Meeting.

Nonetheless, Marlowe has a refocused strategy, strong operational momentum following FY25 and a clear capital allocation framework.

Financial results

Revenue from continuing operations grew 4% to £304.5 million benefitting from organic growth of 4% and a small contribution from acquisition made at the start of the prior year.

Adjusted EBITDA from continuing operations was up 4% to £32.8 million (FY24: £31.6 million). In our TIC division adjusted EBITDA margins improved to 12.1% (FY24: 12.0%) in a period of significant integration and transformation.

Statutory operating profit from continuing operations was £5.0 million (FY24: operating loss £3.2 million), largely reflecting a 7% increase in gross profit and lower acquisition and restructuring costs.

* Based on Mitie's closing share price of 160 pence as of 4 June 2025

Business review continued

The Group delivered strong cash generation in the year, with free cash flow remaining a key focus for the Board and management. Including discontinued operations, the Group generated £48.7 million of cash from operations before adjusting items, representing a cash conversion of 105%. This performance reflects disciplined cash management, including a working capital inflow of £6.5 million.

Attractive and resilient business model

Marlowe operates in compliance-led markets that are essential, non-discretionary, and resilient across the economic cycle. Our Fire Safety & Security and Water & Air Hygiene business units provide critical services to ensure the safety, regulatory adherence, and operational continuity of our customers' premises. Demand across both markets is underpinned by legislation that is evolving and becoming increasingly onerous, supported by greater regulatory enforcement and rising customer expectations around compliance and risk management.

Approximately 75% of our revenues are recurring, secured through multi-year contracts that offer strong visibility and stability. Our scale and national coverage enable us to serve over 27,000 customers, the majority of which are complex or multi-site organisations. These attributes, combined with broader trends in the professionalisation of procurement and consolidation of service contracts, position Marlowe as a trusted compliance partner of choice.

The markets we operate in also present attractive structural growth opportunities. Regulatory complexity and investment cycles, such as AMP8 in the water sector, continue to drive long-term demand for our services. Furthermore, both business units remain highly fragmented, providing significant scope for M&A activity.

Strong balance sheet and disciplined approach to capital allocation

The Group ended the financial year in a strong financial position. As at 31 March 2025, adjusted net cash (excluding lease liabilities) was £22.2 million, compared to an adjusted net debt position (excluding lease liabilities) of £176.6 million as at 31 March 2024. This reflects the successful £430 million divestment of certain GRC businesses, the settlement of the Group's previous debt facility, and the return of capital to shareholders through a £150.3 million special dividend and £66.4 million of share buybacks executed under the £75 million programme announced in February 2024. This net cash position was supplemented by strong cash generation from continuing operations.

On 24 June 2024, Marlowe entered into a new three-year £50 million unsecured Revolving Credit Facility ("RCF"), with an uncommitted £50 million accordion feature, providing financial flexibility to support future growth.

Subsequent to the year-end, Marlowe completed the acquisition of SludgeTek for an expected enterprise value of £6.2 million. The acquisition strengthens the Group's position as a leading provider of wastewater rental solutions and is highly complementary to its existing Water & Air Hygiene operations.

Environmental, Social and Governance (ESG)

Marlowe's services play a direct role in supporting the ESG objectives of our customers, particularly in relation to environmental compliance, building safety and employee wellbeing. Our Water & Air Hygiene business unit contributes to better environmental outcomes by helping clients meet stringent quality standards and reduce risk, while Fire Safety & Security supports regulatory adherence and life safety.

During the year, the Group made further progress on its internal ESG priorities. We continue to focus on employee engagement, carbon emissions reporting, and the development of responsible business practices across our operations. A Group-wide ESG working group helps coordinate initiatives and reporting and is aligned to investor and customer expectations.

As a focused TIC business, we remain committed to operating responsibly, supporting our customers' compliance and sustainability goals, and embedding ESG considerations into our risk management and strategic planning.

Board Changes

Following the completion of the Divestment in June 2024, Alex Dacre transferred with the divested business and stepped down as Chief Executive of Marlowe. On the same date, Kevin Quinn resigned as Executive Chairman. Lord Ashcroft KCMG PC, who joined the Board on 18 March 2024, assumed the role of Non-Executive Chairman on an interim basis.

The Board would like to express its sincere thanks to Kevin for his significant contribution to Marlowe's development.

We were also pleased to welcome Julia Robertson to the Board as an Independent Non-Executive Director. Julia brings extensive leadership and sector experience.

Outlook

The year began broadly in line with the Board's expectations, with continued strong demand in the Group's core compliance markets. As expected, the increase in national insurance contributions and the rise in the national minimum wage from 1 April 2025 have placed pressure on margins at the start of the year.

Nevertheless, the Group's resilient operating model, high levels of recurring revenue, and essential service offering provide a strong foundation for continued progress.

Investment proposition

Operating in Highly Attractive and Resilient Markets

Marlowe operates in specialist, regulated markets where services are non-discretionary, compliance driven, and largely insulated from economic cycles. These sectors benefit from structural growth, supported by more stringent legislation, increased regulatory enforcement, and a rising corporate focus on ESG, health, and safety standards.

The risks and costs of non-compliance continue to escalate, with penalties exceeding £1 million in some instances, far surpassing the cost of preventative measures. As a result, our services remain essential and are highly prioritised by our customers.

High Quality, Recurring and Predictable Revenue

We deliver services to over 27,000 customers across diverse industries, with no customer accounting for more than 3% of Group revenue. Our contracts typically run for three years, providing a stable and visible income stream.

Approximately 75% of Group revenue is recurring, derived from scheduled testing, inspection and certification services. The remaining 25%, while non-recurring, is predictable and typically non-discretionary. It arises from remedial works and regulatory driven upgrades that are often identified through our inspection regimes.

Our average customer relationship exceeds 10 years, and we consistently achieve compliance rates in the high 90 percent range, well above national benchmarks. This reflects the depth of our technical expertise and the trust placed in us by clients.

Strong Cash Generation and Disciplined Capital Deployment

Marlowe's capital light model drives strong operational cash flow, supported by modest working capital requirements. As at 31 March 2025, the Group held a net cash position of £22 million and maintains an undrawn debt facility of up to £100 million, providing significant financial flexibility.

We are comfortable operating with leverage of up to 1.5 times net debt to EBITDA, where appropriate to support value accretive growth.

We retain the flexibility to deploy capital through share buybacks or bolt on acquisitions, reflecting our confidence in the business and commitment to a balanced approach to capital allocation. While bolt on acquisitions remain a core pillar of our strategy, we continue to assess opportunities to return capital to shareholders where appropriate.

National Scale with Market Leading Positions

We are the UK market leader in Water and Air Hygiene and a top three provider in Fire Safety and Security. Our combination of national scale and comprehensive service capability positions us well to win complex, multisite contracts that most regional players cannot fulfil.

Clients increasingly look to consolidate suppliers in favour of those offering scale, reliability and integrated compliance solutions, areas where Marlowe is demonstrably advantaged.

Proven M&A Track Record with Clear Runway

The UK compliance market remains highly fragmented, with Marlowe holding less than 10% share in both segments. We have a strong track record of acquiring and integrating bolt on businesses and are well positioned to continue executing transactions at attractive multiples.

Given our reputation as a trusted acquirer, we are increasingly approached directly, often in the context of owner led retirement sales, resulting in a strong pipeline of proprietary opportunities. M&A remains a core strategic lever for long term growth and value creation.

Scalable Platform Supported by Technology

Ongoing investment in our technology infrastructure has enhanced the efficiency, scalability and quality of our service delivery. These systems support better engineer utilisation, reduced return visits and increased service density, all of which contribute to improved customer satisfaction and stronger compliance outcomes.

Marlowe's Model for Creating Growth

Marlowe's growth is driven by four levers: expanding our share of customer wallet, improving operational efficiency, allocating capital with discipline, and executing a focused M&A strategy.

Expand Share of Customer Wallet

Marlowe operates in two specialist compliance segments, Fire Safety & Security and Water & Air Hygiene, each with its own dedicated divisional management team and national operating platform. Our broad service offering within each vertical allows us to serve multiple needs for the same customer, giving us a clear advantage over single-service providers.

Customers are increasingly looking to consolidate their supplier base. This creates meaningful opportunities to expand share of wallet, for example by delivering both water treatment and air hygiene services to a healthcare customer, or combining fire detection, suppression, and emergency lighting for a commercial site. These cross-sell opportunities are enhanced by our shared channel to market, typically a Head of Compliance or Health & Safety, and are a key contributor to our above-market growth.

Drive Operational Efficiency

While we have made strong progress in integrating our TIC platform, operational efficiency remains a key value lever, particularly in our Water & Air Hygiene segment where further gains in scheduling, route density and productivity remain available.

To close this gap, we are investing in operational infrastructure and systems that improve scheduling accuracy, labour utilisation and first-time fix rates.

These investments allow us to better match engineers to job types, triage site visits more effectively, and increase the number of services completed per visit. Route density, servicing more sites and delivering more per site each day, continues to be a core efficiency lever, driving improvements in revenue per engineer per day and overall margin expansion.

Strong Cash Generation, Disciplined Capital Allocation and Balance Sheet Strength

Our capital-light model consistently delivers strong operational cash flow. We expect to convert over 90 percent of adjusted EBITDA into operating cash flow.

We maintain a strong balance sheet and held a £22 million net cash position as at 31 March 2025. In addition, we have access to a debt facility of up to £100 million. This provides us with the flexibility to reinvest in the business, pursue bolt on acquisitions, and return capital to shareholders.

M&A Led Growth Strategy

M&A is a core component of the Marlowe proposition. We have completed 53 acquisitions within our TIC division, giving us a well-rehearsed and highly disciplined playbook for identifying, acquiring and integrating businesses at attractive EBITDA multiples.

We actively pursue acquisitions that:

- Increase scale in attractive regional markets, supporting route density and margin expansion
- Deepen or broaden our service offering within existing compliance verticals
- Drive operational and cost efficiencies through integration into one of our two national platforms
- Acquire specialist capabilities to upskill our workforce to deliver best-in-class solutions

We regularly secure off-market, proprietary deals, often working with retiring founders who recognise Marlowe as a trusted acquirer. Our central team works in close coordination with divisional leadership to ensure strategic fit and successful execution. Post-acquisition, our proven integration approach enables us to unlock commercial uplift, phase out duplicated overheads, and enhance compliance and account performance, ultimately strengthening customer retention and expanding share of wallet.

Key Performance Indicators (KPIs)

Continuing operations – financial performance

Adjusted measures are reconciled to statutory measures in the Finance Review on page 18 and explained in note 5.

Revenue +4%

FY25	£304.5m
FY24	£292.3m

Driven by organic growth of +4% and small contribution from M&A

Adjusted EBITDA +4%

FY25	£32.8m
FY24	£31.6m

Driven by a strong performance in Fire Safety & Security

Adjusted EBITDA margins –bps

FY25	10.8%
FY24	10.8%

Strong performance in Fire Safety & Security slightly off-set by Water & Air hygiene

Balance Sheet and cash flow – Group

Net cash generated from operations before interest and tax

FY25	£41.2m
FY24	£55.3m

The decrease reflects the in-year Divestment and Demerger, partially offset by strong cash generation from continuing operations

Net capital expenditure

FY25	£8.4m
FY24	£13.0m

The decrease reflects the in-year Divestment and Demerger

Net Cash/(debt) excluding lease liabilities

FY25	£22.2m
FY24	£(176.6)m

Following the Divestment and subsequent shareholder returns in year

Operational & ESG Metrics – Continuing operations

Compliance Rates

FY25	98%
FY24	98%

Consistent year on year compliance rates

H&S incidents

FY25	10
FY24	3

While RIDDOR-reportable incidents increased in FY25, we believe this reflects a one-off increase against an unusually low comparable in the prior year

Emission intensity (tCO2e/£m)

FY25	6.9
FY24	7.1

Progress as we start to see the benefits from initiatives put in place


MARLOWE
FIRE & SECURITY
Foam
FIRE EXTINGUISHER

Testing, Inspection & Certification

Marlowe's TIC division delivered a resilient performance in FY25.

The division, which comprises our Fire Safety & Security and Water & Air Hygiene businesses, generated revenue of £304.5 million (FY24: £292.3 million), driven by 4% organic growth and a modest contribution from acquisitions completed at the beginning of FY24. Adjusted EBITDA increased to £36.9 million (FY24: £35.2 million), with EBITDA margins improving to 12.1%. This performance reflects a year in which the Group focused on completing the final phase of its integration programme, while continuing to align systems, processes and teams across the division. The formal conclusion of major integration activity on 30 September 2024 marked the end of associated one-off restructuring costs. While the heavy structural work is now complete, ongoing investment in operational consistency, systems and process improvement continues as part of normal business activity.

TIC Division	FY25 £'m	FY24 £'m	Change
Revenue	304.5	292.3	4%
Adjusted EBITDA[1,2]	36.9	35.2	5%
Adjusted operating profit[2]	24.6	23.2	6%
Adjusted EBITDA margin[1,2]	12.1%	12.0%	+10bps

1) Earnings before interest, taxes, depreciation and amortisation ("EBITDA")
2) Explanation of non-IFRS measures are contained within the Financial Review and note 5

Fire Safety & Security

Fire Safety & Security, which represents close to half of divisional revenues, delivered mid-single-digit organic revenue growth and high single-digit EBITDA growth. Growth was led by our mechanical fire protection operations, particularly in sprinkler systems, kitchen fire suppression, and smoke ventilation. Engineer productivity continued to improve, with revenue per day per fee earner reaching up to £800 in certain areas, supported by inhouse training, improved scheduling and route optimisation. Compliance performance remained strong, with customer compliance rates maintained at 98% and first-time fix rates increasing to 78%. Marlowe Academy continues to play a key role in building internal capability, reducing subcontractor reliance, and enabling experienced engineers to focus on complex installations. Subcontractor usage, which had increased during the prior year, has now normalised, positively supporting margins.

Performance within our passive fire operations, which had a more challenging start to the year, improved in the second half following changes in leadership and targeted reorganisation. Enhanced use of management data enabled a more detailed review of contract profitability and led to the reallocation of resources from lower-margin work to higher-yielding opportunities. We also continued to benefit from our strategic focus on critical national infrastructure customers, which helped maintain a strong installation order book and support overall resilience.

Operational productivity was supported by further investment in vehicle tracking and fuel monitoring technology, enabling us to drive behavioural improvements across our engineering workforce in areas such as route planning, driving efficiency, and fuel management. This has contributed to improved margin performance and operational consistency. We are also currently evaluating investment in a next-generation route optimisation tool, which we expect to improve revenue per day per fee earner.

Looking ahead, continued developments in the regulatory and insurance landscape are expected to support underlying demand for the services provided by our Fire Safety & Security sector. The large integration programmes that concluded on 30 September 2024 enables the business to operate as a more cohesive and responsive platform in a changing market environment. We remain confident that our scale, value proposition and essential service offering will support us over time.

Water & Air Hygiene

Water & Air Hygiene, which accounts for just over half of divisional revenue, delivered low single-digit organic growth during the year. Adjusted EBITDA margins were impacted due to lower operational efficiency of our field engineers in the first half in the core Water business. However, margins improved in the second half as we aligned and improved our operating system.

The business is now structured into three core operational areas, Water, Risk & Compliance, and Environmental Engineering, all operating under the new umbrella brand Marlowe Environmental Services. This branding alignment has enabled the business to improve consistency in service delivery, increase internal collaboration, and present a clearer integrated proposition to customers, particularly those requiring multi-service compliance solutions.

During the year, a new Chief Financial Officer joined the Water & Air Hygiene business unit, bringing a renewed focus to financial discipline and control across the business. As part of this, a detailed review of legacy balance sheet items within the Water business unit was undertaken, leading to a one-off, non-cash adjustment. While this revision had no impact on ongoing trading performance or future cash generation, it marked a significant step in the broader programme of integration and commercial alignment. The insight gained through this process has strengthened financial governance and supports the wider transformation underway across the Water business.

Performance in the main Water operations was constrained in the first half by weaknesses in the existing operating system, which impacted productivity in certain regions. The underlying causes of regional variations in fee earner utilisation have now been identified. In response we are implementing tighter commercial controls across pricing, discounting, authority limits, and vehicle tracking, alongside improved scheduling to match engineer skills and proximity to jobs. Operationally, the business remained robust, maintaining compliance rates of 98% all Risk & Compliance services.

The Risk & Compliance operations, which includes asbestos surveying, air quality monitoring, training and UKAS-accredited testing services, performed in line with the Board's expectations. Strong demand from telecommunications, housing and education sectors continued to support growth, and we are starting to see benefit from our best-in-class in-house training facilities and compliance programmes.

Environmental Engineering delivered a strong performance, achieving high single-digit revenue growth and attractive EBITDA margins. The team focuses on the design, installation and optimisation of wastewater and clean water treatment systems, delivering tailored solutions to commercial, industrial and public sector clients. The recent acquisition of SludgeTek, a provider of wastewater rental solutions and dewatering services, enhances this offering further by extending our rental fleet and in-house expertise. The breadth and flexibility of our engineering capability, ranging from pump services and greywater reuse to full-system builds and chemical dosing, is a clear differentiator, particularly in regulated and high-risk sectors such as utilities and healthcare. Our in-house chemical production capabilities and proprietary solutions also contribute to operational speed, margin control and service responsiveness.

Marlowe Environmental Services' ability to deliver these services under a single, accountable brand positions it strongly as customers increasingly look to consolidate supply chains. This is particularly relevant as compliance and environmental standards continue to tighten. The upcoming AMP8 regulatory cycle, running from 2025 to 2030, represents a record £104 billion investment into water infrastructure, and is expected to drive long-term demand for treatment, testing and engineering services across the UK. Combined with continued regulatory focus on workplace safety, indoor air quality, and property risk management, the structural backdrop for the Water and Air Hygiene business unit remains highly supportive. The foundations laid in FY25, including improved commercial control, organisational alignment, strategic investment and enhanced financial governance, have strengthened the business and reinforced its market position.

Our Water & Air Hygiene Segment: Marlowe Environmental Services

Marlowe Environmental Services (MES) provides integrated environmental compliance solutions that help clients across the UK and Ireland operate safely, meet complex regulatory standards, and enhance operational efficiency.

MES directly controls many parts of its own vertical supply chain enabling the consistent delivery of high-quality outcomes through streamlined operations and assured oversight at every stage.

Revenues
>£150m

Market position
#1

Fee-earners
>1,000

Customers
>10,000

Compliance Rates
98%

UK and Ireland postcode coverage
100%

Service Overview

Water Hygiene and Treatment:
Ensuring safe and compliant water systems across all sectors, including steam boiler treatment, district energy water treatment, cooling water treatment, specialist healthcare water treatment in line with HTM04-01, point of use and in line bacterial filtration, Legionella risk assessments, bacterial and chemical sampling, swimming pool and spa testing monitoring, remote monitoring equipment and software, ongoing monitoring and remediation in line with ACoP L8 and other regulatory requirements.

Air Hygiene:
Maintaining healthy indoor air quality to protect employee well-being and meet workplace safety standards through duct cleaning, ventilation assessments, LEV testing, indoor air quality assessments, fire damper testing and remediation, mould testing, radon testing.

Clean Water Engineering:
Designing innovative water treatment systems to assist clients needs in reducing risk, improving efficiency and achieving their sustainable goals, including process water treatment, secondary disinfection, grey water re-use, pump services, water storage installation and service, chemical dosing, and full-system engineering solutions.

Wastewater Management:
Responsible design, handling, and disposal of wastewater to minimise environmental impact and ensure regulatory compliance. MES offers new build, asset replacement or support to repurpose existing infrastructure, optimising the systems and maximising lifecycle of equipment on site. Covering scale of individual homeowners to commercial businesses and large water companies, robust wastewater treatment process solutions that are environmentally compliant.

MARLOWE
ENVIRONMENTAL SERVICES

Property Compliance & Asbestos:
Helping clients meet environmental and health and safety regulations through services including asbestos surveys, asbestos air monitoring, consultancy, fire risk assessments, and CDM compliance and project design and maintenance, in-house UKAS accredited asbestos laboratories for sampling and analysis.

Compliance Training:
Empowering teams with accredited training in water hygiene, healthcare, fire safety, confined space, mechanical, electrical, asbestos, petroleum and health and safety, ensuring in-house capability to manage risk and stay compliant across 3 training centres or on client sites.

Water Treatment Hire Services:
Tightening environmental standards mean the need to be more agile in response for our clients' needs. MES offers a full suite of hire equipment to support commercial sewerage, utilities, industrial wastewater and trade effluent as well as multiple clean-water process applications.

Swimming Pool and Spa
Design, supply installation and service of swimming pool, spa and hydro-therapy water treatment equipment supporting our clients in maintaining PWTAG best practice guidelines. MES offers a full service offering from plant room design covering the largest pools in the UK.

Bespoke Chemical Production
Two purpose built chemical production facilities strategically placed to support rapid turnaround of bulk and niche water treatment and water hygiene chemicals delivered across the UK and into Europe.

Regulatory Landscape and Market Drivers

MES's growth is underpinned by increasingly stringent regulations and a growing need for organisations to mitigate risk, protect health, and avoid costly penalties. Key drivers include legislation such as the Health and Safety at Work etc. Act 1974, COSHH, Social Housing (Regulation) Act 2023, The Control of Asbestos Regulations 2012, ACoP L8 2013, HSG274 2024, HTM04-01 2024 and the Water Supply (Water Quality) Regulations 2016. The upcoming Asset Management Period 8 (2025–2030), with a record £104 billion investment, further highlights the critical importance of robust water and wastewater compliance.

Practical Application: Supporting a Healthcare Facility

Consider a regional NHS Trust operating multiple hospital sites. MES would deliver a full suite of environmental compliance services to support patient and staff safety:

- **Water Hygiene and Treatment:** Conducting Legionella risk assessments, regular water sampling, and treatment services to ensure patient-facing environments remain safe and compliant. MES would also provide point of use filtration to maintain patient and colleague safety.
- **Chemical Production:** Blending and providing chemicals for the secondary dosing system, the hospitals closed heating and chilled systems as well as the hospitals cooling towers and steam boilers.
- **Hydrotherapy pool:** Plant install, maintenance, chemical supply and sampling all provided to ensure the hydrotherapy pool remains compliant and safe for patient use.
- **Air Hygiene:** Performing duct cleaning and ventilation assessments to maintain air quality in critical care areas and across the estate, as well as testing the hospitals fire dampers.
- **Clean Water Engineering:** Implementing secondary disinfection equipment and water treatment tailored to the infrastructure of the Trust's facilities.
- **Wastewater Management:** Ensuring responsible and compliant handling of wastewater, particularly from high-risk hospital functions ensuring it is discharged within its consent parameters.
- **Property Compliance & Asbestos:** Managing asbestos surveys, fire risk assessments, and other critical compliance checks across all hospital sites.
- **Compliance Training:** Equipping the Trust's estates and facilities teams with the knowledge and accreditation to maintain internal compliance standards.

Through these integrated services, MES enables the NHS Trust to maintain a safe environment for patients and staff while ensuring full compliance with all relevant regulations.

With a proven track record of supporting high-risk sectors like healthcare, MES combines regulatory expertise and technical innovation to deliver reliable, end-to-end compliance solutions across the UK and Ireland.

Financial review
For the year ended 31 March 2025

"In FY25, our continuing operations generated strong cash flows, reflecting the quality and resilience of our earnings. With one off restructuring costs now behind us, we enter the new financial year in a strengthened position, supported by a robust balance sheet and improved financial flexibility. This enables us to continue investing in our core compliance businesses while delivering long term value to shareholders."

Adam Councell Chief Financial Officer

Overview

Revenue was £373.0 million (FY24: £503.2 million) reflecting the Divestment and Demerger in the year, and 4% growth in continuing operations.

Statutory profit before tax was £144.9 million (FY24 loss before tax £10.9 million) largely reflecting £141.4 million profit recognised from the Divestment. The profit recognised from the Divestment is largely exempt from corporation tax due to substantial shareholder exemption with the exception of IMSM which was acquired within 12 months of the disposal. Statutory basic earnings per share was 159.7 pence (FY24 loss per share of 10.6 pence).

Acquisition and disposal costs totalled £4.1 million (FY24: £7.8 million) largely reflecting the Demerger that took place in the year. These costs are one-off in nature. Other adjusting items include restructuring costs, amortisation of acquired intangibles, share-based payments (including SAYE schemes) and fair value losses in contingent consideration and acquisition related incentive schemes.

Total finance costs decreased to £4.4 million (FY24: £20.5 million) and largely reflects the utilisation of the old debt facility in the first two months of the year before repaying in full and retiring the old debt facility. This has since been replaced with a £50 million RCF which remained undrawn at year end.

Following the Divestment and the Demerger of the Occupational Health division, our financial results for FY24 have been restated to classify these businesses as discontinued operations. The rest of this report is therefore mainly focused on our continuing operations which comprise the TIC division and head office costs.

Revenue from continuing operations increased by 4% to £304.5 million (FY24: £292.3 million), with a statutory operating profit of £5.0 million compared to a statutory operating loss of £3.2 million in the comparable prior period. Adjusted EBITDA from continuing operations was £32.8 million (FY24: £31.6 million), reflecting the increase in revenues while maintaining margins.

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 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 operating profit and EBITDA from continuing operations is shown below:

Continuing operations	FY25 £'m	FY24 £'m
Operating profit/(loss)	**5.0**	**(3.2)**
Amortisation of acquisition intangibles	6.1	6.3
Depreciation and amortisation of non-acquisition intangibles	12.5	12.4
EBITDA	**23.6**	**15.5**

A reconciliation between adjusted and statutory performance measure for the continuing operations is shown below:

Year ending 31 March 2025 Continuing operations	Profit before tax £'m	Operating profit £'m	EBITDA £'m
Statutory reported	**2.8**	**5.0**	**23.6**
Restructuring costs	5.2	5.2	5.2
Amortisation of acquired intangibles	6.1	6.1	-
Share-based payments (including SAYE schemes)	2.0	2.0	2.0
Fair value losses in contingent consideration and acquisition related incentive schemes	2.0	2.0	2.0
Exceptional finance costs	0.1	–	–
Adjusted reported	**18.2**	**20.3**	**32.8**

Year ending 31 March 2024 Continuing operations	Profit before tax £'m	Operating profit £'m	EBITDA £'m
Statutory reported	**(9.2)**	**(3.2)**	**15.5**
Acquisition and disposal costs (including strategic review costs)	5.1	5.1	5.1
Restructuring costs	8.3	8.3	8.3
Amortisation of acquired intangibles	6.3	6.3	-
Share-based payments (including SAYE schemes)	(0.1)	(0.1)	(0.1)
Fair value gains losses in contingent consideration and acquisition related incentive schemes	2.8	2.8	2.8
Exceptional finance costs	0.1	-	-
Adjusted reported	**13.3**	**19.2**	**31.6**

Adjusting items

There were no acquisition and disposal costs (including strategic review costs) in the period for continuing operations as the Group did not undertake any business acquisitions. The prior period costs of £5.1 million were the costs associated with the Strategic Review and the four bolt-on acquisitions that took place at the start of FY24.

Restructuring costs, which relate to the integration of acquired businesses, have been a key component in delivering shareholder value by enhancing the future returns generated from acquisitions. For continuing operations, restructuring costs totalled £5.2 million in FY25 (FY24: £8.3 million). This includes £2.1 million incurred in the first half of the year with the final phase of integration activity, and a £3.1 million non-cash revision to the carried forward balances within the Water and Air Hygiene business unit. As part of completing the integration process, the Group conducted a detailed review of certain balance sheet items. The revision primarily reflects a reassessment of the recoverability of historic balances. While this resulted in a one-off impact in FY25, it does not affect the Group's ongoing trading performance or future cash generation. Although the Group completed the acquisition of SludgeTek after the year end, we do not anticipate this acquisition will give rise to any restructuring costs. In the absence of further acquisitions, no additional restructuring costs are expected.

Amortisation of acquired intangible assets for the year was £6.1million (FY24: £6.3 million). Non-cash share-based payment (including SAYE schemes) charge for the period was £2.0 million (FY24: gain £0.1 million) and largely relates to the charge for executive share-based plans.

A £2.0 million loss (FY24: £2.8 million) was recognised in relation to movements in contingent consideration in FY25, which are considered part of the Group's investing activities and not reflective of underlying trading performance.

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 continuing operations 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 reflects the actual tax charge.

Earnings per share (EPS) – Continuing Operations	FY25	FY24
Basic adjusted earnings per share	15.3p	10.4p
Basic earnings/(loss) per share	5.0p	(7.7)p

Financial review continued

Weighted average number of shares in issue was 88,360,741 (FY24: 96,418,045) with the reduction reflecting the ongoing share buyback programme where the Company purchased 16,510,507 in the year. Following the cancellation of the shares repurchased, Marlowe had 80,439,317 ordinary shares of 50 pence each in issue as at 31 March 2025.

Interest

Total finance costs for the continuing operations amounted to £2.2 million in the period (FY24: £6.0 million). This primarily reflects the apportioned interest relating to the utilisation of the previous debt facility at the start of the reporting year which has since been retired and interest costs from lease liabilities.

Taxation

UK Corporation Tax is calculated at 25% of the estimated assessable profit for the year.

Statement of financial position

The Group maintains a strong balance sheet with net assets as at 31 March 2025 of £189.5 million (31 March 2024: £437.5 million). At the same date total assets were £287.1 million (31 March 2024: £890.3 million), and total liabilities were £97.6 million (31 March 2024: £452.8 million). Total assets primarily consist of intangible assets of £149.2 million and trade and other receivables of £69.1 million. Total liabilities include current trade payables of £64.2 million and deferred tax liabilities of £9.1 million which largely relate to intangible assets.

Cash flow, net debt and financing

The primary movements in net debt during the period reflect the completion of the Divestment and the associated return of capital to shareholders. This was supported by a renewed focus on cash generation, resulting in a cash conversion of 105%.

During the period, Marlowe generated £48.7 million of cash from operations before adjusting items. A strong focus on improving accrued income and aged receivables led to a working capital inflow of £6.5 million, supporting an excellent cash conversion rate of 105%.

The Group had £11.3 million of lease expenses of which £10.8 million relates to continuing operations. Net capital expenditure totalled £8.4 million of which £5.3 million relates to the continuing operations.

In the period the Group repaid its old debt facility following the proceeds received on the completion of the Divestment. The Group then returned £150.3 million to shareholders via a dividend and subsequently £66.4 million via the share buyback programme[1] in the period.

	FY25 £m
Cash generated from Group operations before adjusting items	**48.7**
Cash conversion[2] (%)	105%
Acquisitions & disposal	(4.1)
Restructuring costs (cash element)	(3.4)
Cash generated from Group operations before interest and tax	41.2
Lease repayments	(11.3)
Net finance costs paid	(3.4)
Income tax paid	(4.8)
Net capex	(8.4)
Net Divestment proceeds (net of cash from discontinued operations)	402.6
Purchase of subsidiary undertakings net of cash acquired	(0.7)
Proceeds from share issuance	0.3
Dividend	(150.3)
Share repurchases (inc. costs associated with repurchases[1])	(66.4)
Movement in net debt	**198.8**
Opening net debt (excluding leases)	(176.6)
Closing net cash (excluding leases)	22.2

Net debt as at 31 March 2025, excluding *inter alia* £23.2 million of lease liabilities, amounted to £1.0 million (31 March 2024 net debt £202.9 million). Adjusted net cash (excluding lease liabilities) was £22.2 million (31 March 2024 net debt £176.6 million). Since the period end, the Group has returned a further £6.2 million to shareholders via the share buyback programme, as of 2 July 2025.

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, as at the year-end the facilities were 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.

1 Costs associated with repurchase of shares in the period amounted to £0.2 million

2 Against a Group adjusted EBITDA of £46.5m million reflecting both continuing and discontinued operations

Environmental, Social and Governance (ESG) report

"With our renewed focus on core operations, we remain steadfast in our responsibility to protect and enhance the wellbeing of our employees, customers, and communities, while minimising our environmental footprint and contributing to a sustainable future."

Gillian Kent, ESG Board representative

The Group has undergone significant changes in the past year, following the completion of the disposal of certain GRC software and service businesses in June 2024, and the subsequent demerger of its Occupational Health division in September. This sustainability report focuses on the Group's remaining businesses in Water & Air Hygiene and Fire Safety & Security within the Testing, Inspection, and Certification market. Additionally, we have provided several restated FY24 KPIs to reflect the new structure of the Group.

In FY24, we introduced a unified mission statement:

"Protecting What Matters: Safeguarding Our People, Preserving Our Planet, and Building a Sustainable Future."

This mission reflects our ongoing commitment to creating long-term value for all stakeholders while ensuring a positive environmental, social, and governance (ESG) impact.

UN Sustainable Development Goals (SDGs) Alignment

To reflect the new make-up of the Group, we have updated our internal strategic alignment to the United Nations Sustainable Development Goals (SDGs).

Five goals have been identified as core to Marlowe's sustainability ambitions both from an internal and external focus, it is where the Group can have the largest ESG impact to create a sustainable future for all. These goals are SDG 3 (Good Health and Wellbeing), SDG 6 (Clean Water and Sanitation), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action).

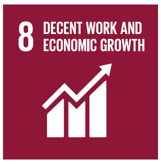
SDG 3: Good Health and Wellbeing

Both Marlowe Fire & Security Group and Marlowe Environmental Services place significant emphasis on promoting health and wellbeing. Our initiatives include mental health support through training, counselling services, and wellness programmes such as free flu vaccinations and potential annual health checks. Additionally, our Water & Air Hygiene division works to ensure water and air systems are free from harmful contaminants, directly contributing to public health by preventing diseases such as legionella.

SDG 6: Clean Water and Sanitation

Marlowe Environmental Services focuses on ensuring the sustainable management of water systems. Our Water & Air Hygiene division conducts regular inspections and maintenance to prevent contamination, ensuring safe water quality. We also provide bespoke water recycling solutions that meet environmental and trade effluent compliance standards, reinforcing our commitment to sustainable water use and management.

SDG 8: Decent Work and Economic Growth



Marlowe is dedicated to providing equal opportunities for personal and professional development. Our divisions offer extensive training and development programmes, including state-of-the-art technical academies and in-house training facilities. We support decent work by promoting safe working environments through our fire and security services and ensuring the safety of water and air systems. Our commitment to economic growth is evident through our expansion and innovation strategies, creating stable employment opportunities.

SDG 10: Reduced Inequalities

Our approach to reducing inequalities is embedded in our policies and practices, such as equal opportunities policies and diversity initiatives. Marlowe actively recruits from diverse backgrounds, including ex-armed forces personnel, and is a signatory to the Armed Forces Covenant. We are working towards BS 76005 accreditation to further cement our commitment to inclusivity and fairness. By promoting diversity and offering merit-based career progression, we strive to create an equitable workplace for all employees.

SDG 13: Climate Action

Climate action is a key focus for Marlowe. We have set a net zero target for scope 1 and 2 emissions by 2035, with each division contributing through their carbon reduction plans. Initiatives include increasing the fuel efficiency of our vehicle fleet, promoting the use of electric vehicles, and implementing energy-efficient technologies in our operations.

By integrating these SDGs into our operations, Marlowe is committed to making a tangible impact on the environment and society, ensuring that we contribute to a sustainable and equitable future.

Environmental, Social and Governance (ESG) Committee report continued

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.

tC02	FY25	FY24
Gas	208.1	225.3
Company Vehicle	11,484.2	11,269.7
Scope 1	**11,692.3**	**11,495.0**
Electricity	349.7	256.6
Scope 2	**349.7**	**256.6**
Total scope 1 & 2	**12,042.0**	**11,751.6**
Intensity measure per £m revenue	59.2	60.6
Intensity measure per FTE	6.9	7.1

Kwh	FY25	FY24
Natural Gas	1,051,655	1,231,481
Fleet	21,296,787	22,618,441
Electricity	5,723,517	5,655,839
Total energy consumption	28,071,959	29,505,761

Waste	FY25	FY24
Total tonnes of waste	151.1	152.4
Waste diverted from landfill	99%	98%

In FY25, total Scope 1 and 2 emissions increased to 12,042 tCO_2e (FY24: 11,752 tCO_2e), primarily due to expanded emissions coverage across a larger proportion of the Fire Safety & Security division, now 83% of the segment, up from 64% in FY24. Despite this, both intensity measures improved year-on-year, with emissions per £m revenue decreasing from 60.6 to 59.2 tCO_2e, and emissions per FTE falling from 7.1 to 6.9 tCO_2e. This reflects the positive impact of initiatives such as the rollout of more fuel-efficient fleet vehicles and increased use of renewable electricity.

Scope 1 and 2 emissions are calculated in accordance with the GHG Protocol, using an operational control boundary. Each division is responsible for collating relevant environmental data including fuel use, electricity consumption and vehicle mileage, and submitting a year end report using a standardised template.

These submissions are reviewed centrally for completeness and consistency. Emissions are then calculated using published emissions factors, primarily from UK Government (Defra) and IEA sources, and are reported in tonnes of CO_2 equivalent. Scope 2 emissions are disclosed using both the location based and market-based approaches. We also report emissions intensity per full time equivalent and per £m revenue to track operational efficiency over time.

Waste performance also improved, with total waste volumes slightly reduced to 151.1 tonnes (FY24: 152.4 tonnes) and 99% of waste diverted from landfill, up from 98% in the prior year. Further information on emissions, energy, and waste initiatives can be found in the sections below.

Tackling Climate Change

Recognising the critical importance of addressing climate change, our Group remains steadfast in its commitment to achieving net-zero emissions. Building on the targets introduced in 2022, we continue to aim for net-zero Scope 1 and Scope 2 emissions by 2035. Both of our continuing segments are looking at how to introduce a Scope 3 net-zero target with the aim of aligning this with UK legislation of 2050. Whilst we are not in a position to report on this, both segments are implementing programmes to accurately track our scope 3 emissions with Fire Safety & Security segment introducing a dedicated ESG hire. While we strive to surpass the 2050 goal, we understand the complexities involved in managing supply chain emissions and are committed to working closely with our supply chain partners to catalyse collective action.

Sustainability Leadership Across Divisions

Our Environmental Management policy, which underscores our dedication to climate change action, has been fully implemented across the Group. This policy applies to all employees and contractors, ensuring that climate considerations are integral to our operations. The board is responsible for overseeing adherence to this policy and fostering a culture of environmental responsibility.

Each of our business units operates autonomously, developing tailored strategies to effectively address climate change within their specific contexts. This decentralised approach allows each division to set and pursue its unique sustainability goals. To enhance transparency and accountability, both divisions have their detailed sustainability reports which are available on the Marlowe plc website.

By empowering each division to take the lead on sustainability while aligning with the Group's overall vision, we are well-positioned to drive meaningful progress across all aspects of our operations, ensuring continuous improvement in our efforts to combat climate change.

Carbon Reduction & Offsetting

As of FY25, Water & Air Hygiene now receive 100% of energy for its offices from renewable sources. Additionally, an increased use of LED lightening has been implemented across all office and, where appropriate, hybrid working continues to be incorporated to reduce transport emissions.

Fire Safety & Security have made good progress in the year and now receive 100% of energy from renewable sources. In FY24, the Fire Safety & Security division committed to a carbon offsetting initiative, planting one tree for every fire door installed. This initiative was implemented in partnership with the National Trust, where we donated £5 per fire door installed, and in return, the National Trust planted a tree on our behalf. The division received a receipt for each donation as part of our commitment to offsetting its carbon emissions.

As part of the Group's efforts to reduce our carbon footprint, the Fire Safety & Security division aim to offset a minimum of 10% of their CO2 emissions per year over the next five years and have been working with carbon offsetting specialists to further accelerate our progress in 2025.

We recognise that while direct action is essential, offsetting will play a key role in reducing our macro impact on the environment in areas where we cannot immediately make substantial reductions. We look forward to sharing further updates on our progress in this area throughout the coming year.

Cycle to work

We have now implemented cycle to work schemes across the majority of the Group and are pleased to report strong uptake in the scheme which will hopefully help continue to reduce grey fleet emissions.

Waste Management

Over the past year, we have strengthened our data collection process, which has allowed us to track and report more accurate waste management metrics. We now have access to waste management data across our Group businesses via online portals, enabling us to consistently monitor and report on our waste activities.

Our commitment to sustainability is evident across both our Water & Air Hygiene and Fire Safety & Security businesses. In Water & Air Hygiene, we prioritise initiatives such as avoiding single-use plastics and opting for long-lifespan products in our complex engineering projects. To prevent pollution in the rare event of a chemical spill, we have implemented flap stoppers in our production facilities. Our recycling efforts extend beyond paper and plastics, with dedicated recycling for batteries in our offices and work with Clarity, a sustainability platform, for our statutory waste return. Additionally, we actively support our local communities by offering old assets like laptops and phones for continued use rather than disposal. These initiatives reflect our ongoing dedication to minimising our environmental impact, and we are committed to further improving our waste management practices in the future. Over the past 12 months, we have ensured the safe removal of asbestos from 1,340 buildings, contributing to both environmental protection and the safe repurposing of spaces, reducing the need for new construction and minimising waste generation.

Similarly, in our Fire Safety & Security business, we pride ourselves on the procurement of refurbished IT equipment rather than purchasing new. Four years ago, only around 20% of our field engineers had laptops, but today all engineers are equipped with laptops to better support our customers and improve our first-time fix rate.

Environmental, Social and Governance (ESG) Committee report continued

Planet

We source refurbished laptops from a trusted partner who upgrades the memory and storage to meet our needs, providing us with cost-effective 'remanufactured' units. This approach not only supports our environmental goals by giving equipment a second life, but it also delivers significant cost savings. In FY25, 283 laptops were purchased, 80% of which were refurbished, resulting in a saving of over 65% on purchase costs and generating environmental savings by reducing waste. Additionally, we replace damaged screens, batteries, and other components in-house to extend the lifespan of our equipment. Only when items are beyond economical repair do we strip them for reusable parts, such as storage and Wi-Fi cards, and ensure the remaining waste is processed through the appropriate WEEE procedures. This approach allowed the business to generate around £100K in savings while contributing to our sustainability objectives.

Recycling Fire Extinguishers

No. of Extinguishers	FY25	FY24	FY23
Foam	24,700	26,529	23,567
CO_2	31,202	21,020	23,537
Water	15,716	19,811	15,964
Powder	29,100	13,534	9,624
Total	**100,718**	**80,894**	**72,692**

Additional to the recycling of fire extinguishers, the Fire Safety & Security business reused or recycled more than 90% of its security system components at the end of their life.

Group Sustainability Commitment and Achievements

We recognise the growing importance that sustainability holds for our customers and partners. We are dedicated to fostering a robust approach to environmental protection, not only within our own operations but also by supporting our partners to achieve their sustainability goals.

We are proud to demonstrate our commitment through significant achievements, such as our recent Silver Medal in our Fire Safety & Security division from EcoVadis, the world's most trusted sustainability ratings platform. This recognition places us in the top 25% of companies assessed by EcoVadis, showcasing our ongoing dedication to maintaining high sustainability standards across the business.

Water & Air Hygiene has now received ISO9001 accreditation showcasing the segment's commitment to integrating sustainability into business operations.

Partnerships and Future Sustainability Reporting

In line with our commitment to transparency and continuous improvement, both divisions continue to collaborate closely with EcoVadis to support performance reporting. This partnership enables us to rigorously assess our sustainability practices, track our progress, and ensure that we remain proactive in achieving our environmental and sustainability targets.

As we look ahead, we will continue to review and refine our strategies, driving innovation and operational efficiencies to meet our sustainability goals and exceed the expectations of our customers, partners, and stakeholders.

Our Fleet

Our Group is dedicated to advancing sustainability across all divisions, with a core focus on reducing our carbon footprint and transitioning to environmentally responsible practices. Both the Fire Safety & Security and Water & Air Hygiene divisions play critical roles in achieving these objectives through strategic fleet management and sustainable initiatives. Sustainability is integral to our fleet operations, encompassing environmental stewardship and economic responsibility. We aim to minimise the negative environmental impact of our fleet while ensuring cost-efficiency and operational effectiveness.

Fire Safety & Security Fleet Initiatives

Our key segmental goal with Fire Safety & Security is to become carbon neutral by 2035, with a 10% annual reduction in carbon emissions. The division is now looking at implementing more carbon offsetting initiatives as part of strategy meetings.

Our fleet team constantly reviews the feasibility of introducing electric vehicles into our fleet, especially as batteries within electric vans continue to improve. Currently, the limitations on the range of electric vans make them unsuitable for our engineers who travel extended distances daily and carry heavy equipment. However, electric vans are likely the future for businesses and the environment, and we aim to fully leverage this technology once it becomes practical.

In FY24, we introduced fuel-efficient vans with 1.5-litre engines, replacing the older 2.0-litre diesel models. This continual transition resulted in approximately 10% fewer CO2 emissions in FY25. The average CO2 emission per vehicle in our fleet is now 111g/km, outperforming the national average of 129g/km.

Key initiatives in the coming year are the onboarding of a new scheduling tool which will cover a large proportion of our business, and we then look at efficiencies in route density modelling, both for engineer wellbeing and fuel efficiency

As of FY25, 22% of our total vehicle fleet consists of electric vehicles, up from 15% in FY23 and 19% at the end of FY24.

Fleet Size
2,209 vehicles

1.5-litre Van CO2 Emissions
176g/km

2.0-litre Van CO2 Emissions
205g/km

Electric Vehicle (EV) Integration on company cars:

FY25 EV Percentage
22%

FY24 EV Percentage
19%

FY23 EV Percentage
15%

Environmental, Social and Governance (ESG) Committee report continued

Planet

Water & Air Hygiene Fleet Initiatives

Our core fleet objective is that all new cars leased from 2027 will be hybrid or electric, with a fully hybrid/electric fleet by 2029. For us, fleet sustainability involves the day-to-day management and operation of our vehicles in an environmentally and economically responsible manner. Our aim is to minimise the environmental impact of our fleet while ensuring cost-effectiveness and operational efficiency.

Fleet Size

2,209 vehicles

Electric Vehicle (EV) Integration :

FY25

484 Hybrid/EV

FY24

388 Hybrid/EV

FY23

247 Hybrid/EV

We employ various strategies to reduce our fleet's carbon footprint and promote long-term financial sustainability. These strategies include reducing emissions, utilising alternative fuels, and focusing on efficient vehicle utilisation. We also emphasise maintenance and repairs to ensure vehicles operate at peak efficiency, leading to better fuel economy, fewer emissions, and enhanced customer service.

All routes are planned by our dedicated planning team, supported by a vehicle tracking system that enables us to optimise journeys for efficiency and sustainability. We have installed EV charging points at key office locations to support the transition to low-emission vehicles. As we transition to a new fleet provider, all non-commercial vehicle leases will be electric (EV), plug-in hybrid (PHEV), or hybrid models. No new internal combustion engine (ICE) vehicles will be procured as part of this change.

To further our sustainability goals, we prioritise route optimisation by using fleet management software and telematics technology. These tools help determine the most efficient routes, decreasing fuel consumption and reducing time spent on the roads. Additionally, we implement emissions reduction initiatives and monitor our progress through comprehensive reporting.

We recognise the importance of technology in optimising our operations. This includes designing and identifying jobs local to specific operatives, using technology to assign the nearest engineer to a job, and ensuring a seamless process that enhances efficiency and reliability. Our entities control fleet optimisation to maximise performance and efficiency daily, supporting both environmental and customer service goals.

Fleet overall

Sustainability is at the core of our fleet operations, encompassing environmental stewardship and economic responsibility. Our Geotab fleet management system supports sustainable driving, enhances driver safety, and monitors key metrics to reduce collision rates. To support the transition to a more electric fleet, charging stations have been installed at a vast majority of Group office locations ensuring that our growing EV fleet is adequately supported. By focusing on life cycle analysis, implementing sustainable practices, and leveraging fleet management software, we aim to achieve our sustainability objectives and foster a more resilient, eco-friendly operation.

Innovation in our Fire Safety & Security: Electric Dry Riser Pumps

We are proud of the innovations introduced throughout last year, particularly our collaboration with the sprinkler departments across the Group, where we trialled a new electrical pump for our dry riser work. Previously, our diesel Godiva pumps were used for flush testing at customer premises. These pumps presented several challenges: they were heavy, contributing to increased vehicle fuel consumption during transit, required carrying spare diesel to ensure readiness, and emitted fossil fuels during operation, all of which had a direct environmental impact.

In FY24, we addressed these challenges by replacing the diesel pumps with electric pumps that are self-charging through the company vehicle, eliminating the need for diesel fuel. While we are still measuring the full benefits of this change, the immediate improvements in safety and reduced fuel consumption are industry-leading, making the work safer and more sustainable for our engineers.

Innovation in Our Water & Air Hygiene Segment: Chemical Manufacture & Supply

B&V, a Marlowe Environmental Services Group Company that manufactures chemicals, has implemented several innovative sustainability initiatives aimed at reducing environmental impact and improving cost efficiency:

- Reduction of Zinc-Containing Products: We have reduced the number of products containing zinc by 20% over the last three years. This reduction addresses zinc's environmental hazards and underscores our commitment to sustainability.
- Reduction of Borax-Containing Products: The number of products containing borax, a Substance of Very High Concern (SVHC), has been reduced by 20% over the past three years. This initiative mitigates environmental risks and supports our sustainability objectives.
- Reduction of Cyclohexylamine Products: We have cut the number of products containing cyclohexylamine by 30% in the last three years. Known for its reproductive toxicity, reducing cyclohexylamine also contributes to cost savings.
- Increased Product Concentration: Over the past five years, we have increased the concentration of five products, achieving significant sustainability and cost-saving benefits. For our most substantial product, this change has eliminated the need for 1,000 25-liter drums annually, reducing associated transport costs.
- Launch of Film Forming Amines in 2024: Our new range of Film Forming Amines aims to deliver substantial energy savings when used in steam boilers. One customer has reported potential savings exceeding £100,000 annually, highlighting the energy efficiency benefits.

These innovations reflect our ongoing dedication to sustainability within the chemical manufacture and supply sector of our Water & Air Hygiene business. Through these efforts, B&V continues to deliver environmentally conscious solutions while advancing our sustainability goals.

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Task Force on Climate-related Financial Disclosures ('TCFD')

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.

The table below sets out the 11 TCFD recommendations and summarises where additional information can be found. We have considered our 'comply or explain' obligation under TCFD and the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022.

Table 1 – TCFD Compliance

	TCFD recommendation	Compliance Status	Alignment
Governance			
a.	Describe the board's oversight of climate-related risks and opportunities	Compliant	The ESG Committee is the Board-level delegation for reviewing and monitoring climate-related risks. Additionally, any material climate related risks and opportunities will be presented to the Board through divisional Board Packs
b.	Describe management's role in assessing and managing climate related risks and opportunities	Compliant	Divisional management teams are responsible for identifying, addressing, and integrating climate risks and opportunities into their business strategies
Strategy			
a.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Compliant	Climate scenarios have been analysed to identify material risks and opportunities across short, medium, and long-term horizons, alongside mitigation actions
b.	Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning	Compliant	The Group has identified several key risks, which have been integrated into our business continuity and risk management strategies However, as part of our ongoing sustainability efforts, we have not yet fully disclosed the financial impacts of identified climate-related risks and opportunities. We are actively progressing with comprehensive analysis to quantify these opportunities
c.	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	Compliant	Marlowe plc has conducted an analysis of various climate scenarios, including both physical and transition risks, to evaluate the potential impacts on our operations, strategy, and long-term sustainability
Risk Management			
a.	Describe the organisation's processes for identifying and assessing climate-related risks	Compliant	Climate risks are identified through collaboration between the ESG Committee, divisional management teams, and the Board
b.	Describe the organisation's processes for managing climate related risks	Compliant	Climate risks are managed within divisional risk management processes, with financial impacts considered at Group level
c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Compliant	Climate risks are assessed alongside operational and financial risks. While currently managed separately due to their unique nature, integration into the broader risk framework is ongoing

Metrics and Targets			
a.	Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	Compliant	Industry metrics and examples disclosed on waste, fleet transition and industry innovation
b.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Explain	Marlowe plc discloses its Scope 1 and Scope 2 greenhouse gas (GHG) emissions, in line with the Streamlined Energy and Carbon Reporting (SECR) requirements. The Group also outlines the associated risks related to our ambition of achieving net-zero emissions. While Scope 3 emissions are not yet reported, we are implementing systems to enhance data accuracy and support future disclosures
c.	Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	Compliant	Marlowe describes its science-based net-zero emission targets including near-term and long-term targets within each division. The Group has partnered with EcoVadis on a divisional level to proactively improve our approach and strategy to meet the Group's Net Zero Target

Governance: a.
Board oversight of climate-related risks & opportunities

The Board of Directors holds ultimate responsibility for Marlowe's ESG strategy, ensuring that sustainability remains at the core of our operations. In close collaboration with management and employees, the Board drives initiatives that create long-term value for the environment, society, and our stakeholders.

Since establishing the ESG Committee in 2021, we have strengthened our governance framework to align with global best practices. In 2022, we reaffirmed the appointment of Gillian Kent as the Board-level ESG representative to oversee the integration of ESG priorities across the Group, driving continued strategic evolution and oversight.

The ESG Committee meets quarterly to review progress and ensure alignment with the Group's sustainability objectives. This year, we have placed a stronger emphasis on achieving our net-zero target for Scope 1 and Scope 2 emissions by 2035, alongside new initiatives focused on our people, supply chain, and improving data capture.

We are fully committed to aligning our sustainability strategy with the UN Sustainable Development Goals (SDGs), ensuring that our ESG efforts contribute to broader global objectives for a more sustainable and equitable future. We recognise that our actions must have a positive impact on both the environment and society, and we continuously assess our activities in light of the SDGs to ensure meaningful contributions.

We actively engage with our stakeholders, including investors, employees, customers, and suppliers, to ensure our strategy addresses global environmental challenges while integrating diversity, inclusion, and social impact. In response to stakeholder feedback, we have introduced new diversity and inclusion programmes and strengthened our commitment to social impact through community-driven initiatives. More information on our diversity and inclusion programmes can be found in the "People" section of this report.

Our governance structure also supports continuous improvement, with regular reviews of our strategy in line with the latest scientific insights, regulatory changes, and stakeholder expectations.

Additionally, each of our divisions now has its own dedicated sustainability report, which can be found on the Marlowe plc website. These reports provide further insight into the specific ESG initiatives and progress made within each division, ensuring transparency and accountability at every level of the Group.

Each division is responsible for risk management oversight and regularly reviews and reports on significant risks. Where deemed impactful enough, this includes climate-related risks, both transitional and physical. A broad climate-related risk is included in the Group risk register; however, no specific climate-related risks have been identified as substantial enough to be included in the Group Risk Register. Gillian Kent, the Board representative, has been made aware of key climate related risks and opportunities through presentations and meetings.

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Governance: b.
Management Role in assessing & managing climate-related risks & opportunities

Marlowe adopts a tiered governance framework to ensure effective management of climate-related risks and opportunities across our two key business lines. This approach ensures that both operational and strategic actions to reduce carbon emissions are aligned with our long-term sustainability goals while addressing customer needs through climate-positive solutions.

Each division is equipped with dedicated management resources to assess and manage climate-related risks. In our Water & Air Hygiene business, the divisional CFO has been appointed to lead on the integration of climate-related considerations into operational practices. In the Fire Safety & Security business, the 'Group HR Director and ESG Lead' focuses on embedding climate-related priorities and advancing sustainability initiatives within the division. Both of these key roles are members of the ESG Committee, which is responsible for guiding the Group's sustainability agenda. Additionally, both divisions are increasing their sustainability resource to meet our sustainability goals, improve transparency and meet requirements from larger customers.

These roles report directly to their respective divisional CEOs, ensuring that climate-related risks and opportunities are consistently reviewed at the highest management levels. Through segmental Board meetings climate related risks and opportunities are discussed. Through this governance structure, we are able to drive both operational efficiencies and strategic innovations, positioning Marlowe well in reducing environmental impact and delivering sustainable solutions to our customers.

Remuneration and climate-related objectives

While we do not currently have direct ESG performance measures tied to executive bonuses, the Board recognises the importance of sustainability and climate-related objectives in our broader business operations and is considering implementing such measures in due course. Looking ahead, we will continue to assess the integration of climate-related objectives into remuneration practices, with a view to developing a more formal structure that directly links executive incentives to the Group's environmental performance. This may include considering environmental factors as part of executive compensation, particularly as the importance of ESG continues to grow in our industry. The effectiveness of ESG-related targets and performance within the Group will remain a key consideration as we adapt and evolve our remuneration policies over time.

In recent years, the tender process for large customer contracts has evolved to require stringent ESG criteria. As a result, the success of our management team in securing new business is now indirectly linked to the fulfilment of these rigorous ESG requirements. If the management team does not meet the necessary environmental and sustainability standards, there is a significant risk that we would not be awarded these new contracts. This effectively connects ESG performance with business outcomes, aligning leadership actions with the long-term sustainability goals of the Group.

Training

While Environmental Management training is available to our employees, it is not currently a mandatory requirement across the business. However, we recognise the importance of equipping our team with the necessary knowledge and skills to effectively manage and mitigate environmental impacts. As part of our ongoing commitment to sustainability, we are actively working to improve and expand our training programmes.

In our Water & Air Hygiene business 64% of staff have undertaken environmental training through Hisako Environmental Training. Similarly, the Fire Safety & Security business offers environmental training, however we are looking to enhance and make sustainability training compulsory in due course.

In the future, we aim to improve participation rates and improve accessibility with the goal of fostering a more environmentally conscious workforce. We will provide relevant statistics and progress updates on this initiative in due course.

Strategy: a.
The climate-related risks and opportunities identified over the short, medium and long term

In FY22/23, Marlowe undertook a comprehensive review of its climate-related risks and opportunities, involving subject-matter experts from across the organisation, including teams from procurement, facilities, network management, finance, products, and business continuity. This review, led by the ESG Committee, was supported by data provided by an external consultant, which used various climate change scenarios and assumptions about global warming trajectories.

Marlowe's ESG Committee conducted a comprehensive review of climate-related risks and opportunities, considering short-term (up to 2030), medium-term (up to 2035), and long-term (up to 2050) horizons using the data from the comprehensive review above alongside internal research and consultants when required.

For the short-term horizon, the committee concentrated on immediate physical risks, such as extreme temperatures and flooding, which could directly impact business operations. This short-term horizon examines risks and opportunities over the next five years, chosen as the first milestone towards our Net Zero target for Scope 1 and Scope 2 emissions by 2035. It also aligns with the UK Government's Nationally Determined Contribution (NDC), which commits the UK to reducing economy-wide GHG emissions by at least 68% by 2030 compared to 1990 levels.

The medium-term horizon is set to 2035, in line with our goal to achieve Net Zero for Scope 1 and Scope 2 emissions. This period also provides an opportunity to explore new technologies and solutions that can support our sustainability efforts and create value for the business. Finally, the long-term horizon extends to 2050, enabling us to assess the impact of operations and explore potential opportunities over a longer period, ensuring we remain on track to meet our environmental targets and adapt to future climate-related challenges.

Climate scenario analysis methodology

Climate scenario analysis provides valuable insights into potential future outcomes and is essential for understanding the risks and opportunities associated with climate change. We have used climate scenario analysis to inform its risk identification and to better understand how climate change could impact its operations.

Marlowe plc uses climate scenario analysis to assess potential climate-related risks and opportunities across different emissions and policy trajectories. This analysis helps the Group to understand the impact of climate change and ensure that climate considerations are incorporated into its decision-making and risk management processes.

To conduct this analysis, Marlowe plc uses the Network for Greening the Financial System (NGFS) climate scenarios, which represent three possible future climate outcomes based on varying levels of greenhouse gas (GHG) emissions and policy reactions. These scenarios help Marlowe plc assess both physical and transition-related risks under different global climate futures.

The three NGFS scenarios considered by Marlowe plc are:

- **Orderly –** Net Zero 2050: This scenario assumes a smooth and immediate policy response, limiting global temperature rise to 1.6°C by the end of the century. This is consistent with the transition to net-zero emissions by 2050, in line with the EU and UK's commitments made at COP26.
- **Disorderly –** Delayed Transition: This scenario predicts a temperature rise of 1.6°C, but with a delayed policy reaction, which could result in more abrupt transition risks as governments implement corrective measures later in the process.
- **Hot House World –** Current Policies: This scenario anticipates a rise in global temperatures of 3°C+ by 2100, assuming no additional policy measures are implemented, and current policies remain in place without any significant shift toward achieving climate targets.

These scenarios provide insight into the potential climate risks Marlowe plc may face, including both physical risks (such as changes in temperature, precipitation, and extreme weather events) and transition risks (such as changes in policy, market conditions, and regulatory frameworks).

The Net Zero 2050 scenario is particularly relevant to Marlowe plc, as it aligns with the UK and EU's commitment to reaching net-zero emissions (scope 1, 2 & 3) by 2050. While physical risks under this scenario are expected to remain relatively low, transition risks could increase as the Group navigates evolving climate policies, carbon pricing, and market shifts.

This scenario analysis allows Marlowe plc to understand how different climate futures could affect its operations and strategic decisions, helping the Group to build resilience and identify opportunities in the transition to a lower-carbon economy.

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Principle Climate Related Risks

Risks have been evaluated based on a combination of business impact, financial impact, and likelihood. The climate-related risks outlined below are considered to have the potential for a material impact on Marlowe's operations.

More detailed modelling is taking place with the below being based on questionnaires and segmental reviews.

Likelihood (post mitigation)

Category	Definition	Criteria
D	Very likely >80%	D>80%
C	Likely (between 50% to 80%)	50% < C < 80%
B	Possible (10%-50%)	10% < B < 50%
A	Unlikely (<10%)	A <10%

Financial impact (exposure post-mitigation)

Category	Definition	Criteria
Severe	Greater than £10m	>£10m
Significant	Between £4m and £10m	£4m < significant < £10m
Moderate	Between £1m and £4m	£1m < moderate < £4m
Minor	Between £0k and £1m	£0k < minor < £1m

1. Orderly – Net Zero 2050 (1.6°C with smooth and immediate policy reaction)

Risks:

Regulatory Risks

Increased regulatory requirements related to energy efficiency, carbon emissions, and sustainability could impose new compliance obligations on Marlowe.

Time horizon	Financial impact	Likelihood
2030	Moderate	B
2035	Moderate	B
2050	Moderate	B

Mitigation: Marlowe has initiated a transition to electric and hybrid vehicles across its fleet. Both the Fire Safety & Security and Water & Air Hygiene divisions have implemented policies to ensure compliance with evolving regulations, with Water & Air Hygiene using an external provider to manage regulatory requirement and legal registers. Additionally, Marlowe continues to invest in employee training and internal audits to stay ahead of regulatory changes.

Operational Risks:

Regulatory-driven changes may increase costs for certain materials, particularly those with high carbon footprints, potentially disrupting supply chains.

Time horizon	Financial impact	Likelihood
2030	Minor	B
2035	Minor	B
2050	Minor	B

Mitigation: Marlowe's reliance on a service-based model minimises exposure to complex supply chains. However, to mitigate fuel supply risks, the Group is progressing the shift to fuel-efficient and electric vehicles. Marlowe's in-house chemical blending facilities for the Water & Air Hygiene division also help reduce dependence on external suppliers.

Transition Costs:

Regulatory-driven changes may increase costs for certain materials, particularly those with high carbon footprints, potentially disrupting supply chains.

Time horizon	Financial impact	Likelihood
2030	Minor	A
2035	Minor	A
2050	Minor	A

Mitigation: Marlowe is proactively integrating sustainability into its operations. The Group is developing innovative solutions such as electric dry riser pumps and enhancing sustainable chemical manufacturing processes. These measures help manage costs while aligning with customer and regulatory expectations.

2. Disorderly – Delayed Transition (1.6°C with delayed policy reaction)

Risks:

Market Volatility:

Sudden regulatory changes could create uncertainty and disrupt operations.

Time horizon	Financial impact	Likelihood
2030	Significant	A
2035	Moderate	B
2050	Moderate	B

Mitigation: Marlowe is progressively transitioning to a sustainable fleet, which could be accelerated if required. The Group's services are underpinned by regulatory frameworks, some of which might become more stringent but also potentially beneficial, driving demand for Marlowe's efficiency-improving and sustainable solutions.

Stranded Assets:

Products and technologies not aligned with future regulations might become obsolete.

Time horizon	Financial impact	Likelihood
2030	Minor	A
2035	Minor	A
2050	Minor	A

Mitigation: Marlowe's compliance teams continuously monitor regulatory developments. Recent transitions, such as moving away from environmentally harmful foam extinguishers, illustrate the Group's proactive approach to preventing asset obsolescence.

Reputation Risk:

Failing to meet climate goals could damage Marlowe's reputation, affecting customer relationships.

Time horizon	Financial impact	Likelihood
2030	Moderate	B
2035	Moderate	B
2050	Moderate	B

Mitigation: Marlowe actively collaborates with large customers and suppliers to meet sustainability metrics. The Group's compliance teams regularly review and ensure adherence to the latest regulations, reinforcing its reputation as a sustainability leader.

3. Hot House World – Current Policies (3°C+ with no additional policy reaction)

Risks:

Physical Risks:

Increased severity of climate impacts such as extreme weather events could disrupt operations and damage infrastructure.

Time horizon	Financial impact	Likelihood
2030	Minor	A
2035	Minor	B
2050	Moderate	C

Mitigation: Marlowe's extensive service network across the UK allows for operational flexibility. In the event of extreme weather, the Group can reallocate resources and ensure continued service delivery. Marlowe also diversifies its customer base to minimise revenue loss from localised disruptions.

Insurance Costs:

Higher risk of extreme weather could lead to increased insurance premiums, impacting operational costs.

Time horizon	Financial impact	Likelihood
2030	Minor	A
2035	Moderate	B
2050	Moderate	C

Mitigation: Marlowe maintains multiple office and service locations, reducing reliance on any single high-risk area. This strategy minimises potential cost increases associated with heightened insurance premiums in vulnerable regions.

Operational Disruptions:

Supply chain issues due to extreme climatic events could lead to delays in product availability and service delivery.

Time horizon	Financial impact	Likelihood
2030	Moderate	A
2035	Moderate	A
2050	Moderate	B

Mitigation: Marlowe's service-oriented business model reduces dependence on physical supply chains. For the Water & Air Hygiene division, in-house chemical blending facilities provide flexibility to adapt to supply chain disruptions, ensuring continuity of service.

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Opportunities

As part of the Group's commitment to achieving net-zero emissions for Scope 1 and 2 by 2035, we have identified several key opportunities to support this goal:

- Rising demand for sustainable solutions: As global awareness of climate change increases and regulatory pressures intensify, the demand for environmentally responsible products and services is expected to grow. Marlowe can leverage this trend by expanding its portfolio of sustainable offerings across its Fire Safety & Security and Water & Air Hygiene businesses, which are specifically designed to improve efficiency and reduce environmental impacts. This enables us to meet the evolving needs of our customers while aligning with regulatory requirements.
- Innovative solutions for enhanced efficiency: There is a clear opportunity for Marlowe to develop new and innovative solutions that address efficiency challenges within our business sectors. By focusing on energy-efficient technologies and sustainable practices, we can both reduce operational costs and contribute to broader environmental goals. These solutions will not only enhance the value of our offerings but also strengthen our competitive position.
- Circular economy opportunities: Embracing a circular economy model, where products are reused, repaired, or recycled rather than disposed of, can present substantial opportunities for Marlowe. This could involve repurposing fire safety equipment, water filtration units, and air hygiene systems, contributing to sustainability while reducing waste and offering customers a cost-effective, environmentally friendly solution.

Strategy: b.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Marlowe plc's strategy is focused on becoming a leading provider of critical services in Fire Safety & Security and Water & Air Hygiene, with a commitment to integrating sustainability into its operations. While Marlowe is in the mid-stages of its sustainability journey, significant steps are being taken to build a more sustainable business model. The Group's exposure to climate-related risks and opportunities influences its ability to deliver services efficiently, manage supply chains, and ensure that its workforce can operate effectively in a changing climate. We are actively working towards incorporating climate scenario planning and risk assessments into key decision-making processes, such as forecasts, going concern reviews, impairment reviews, and assessments of the useful life of assets. Additionally, significant judgements in the accounts will consider climate-related factors, ensuring that these risks are embedded into our financial planning and reporting processes.

Assessment and Mitigation of Climate-Related Risks

Reputation – Stakeholder Concerns and Compliance

Marlowe recognises that achieving its sustainability goals is a work in progress. The Group has initiated several measures to address stakeholder concerns around climate change and align with regulatory requirements.

Key initiatives include:

- **Sustainable Product Development**: Marlowe is exploring innovations in sustainable product offerings, such as energy-efficient fire safety equipment and greener chemical solutions for water and air hygiene.
- **Stakeholder Engagement:** Active engagement with customers, suppliers, and regulators ensures that Marlowe stays ahead of evolving sustainability standards, reinforcing its commitment to long-term environmental responsibility. Several larger contracts now require detailed sustainability metrics and standards to be disclosed, and Marlowe are working with these customers to ensure compliance.

Operational Risks – Acute and Chronic Climate Impacts

A key operational risk for Marlowe involves the accelerated phasing out of existing equipment and petrol vehicles due to tightening environmental regulations. This rapid transition could affect the availability and compliance of essential assets.

Mitigation strategies include:

- **Fleet Transition:** Marlowe is progressing with the phased transition of its fleet to electric and hybrid vehicles. This strategy is designed to stay ahead of any regulatory mandates that might accelerate the phase-out of petrol vehicles, minimising operational disruption.
- **Legislative Monitoring:** A robust system is in place to monitor changes in environmental legislation, allowing Marlowe to anticipate and prepare for quicker phasing out of non-compliant assets. This ensures a smooth transition with minimal impact on operations.

Financial Planning – Integrating Climate Considerations

Climate-related risks and opportunities are starting to be factored into Marlowe's financial planning. While the integration is not yet comprehensive, steps are being taken to align investments with sustainability goals and to anticipate potential cost impacts.

Future Commitments and Targets

Marlowe is committed to advancing its sustainability goals, with a clear focus on achieving net-zero emissions and enhancing its environmental performance.

Current commitments include:

- Net-Zero Target: The continuing business remains committed to the net zero target (Scope 1 and Scope 2) emissions by 2035 introduced in 2022.
- Scope 3 target: The Group aims to achieve Scope 3 net zero emissions by 2050 in line with UK legislation.
- Sustainable Innovation: Continuous investment in innovative, sustainable solutions is at the core of Marlowe's strategy, ensuring that the Group not only meets but exceeds regulatory expectations.

Ongoing Monitoring and Adaptation

The ESG Committee oversees the integration of climate considerations into Marlowe's business strategy, ensuring that the Group remains agile and responsive to emerging risks. By maintaining a proactive approach to sustainability, Marlowe is well-positioned to navigate the evolving regulatory landscape and deliver long-term value to stakeholders while contributing to a more sustainable future.

Strategy: c.
Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario

Marlowe's strategy is designed to be resilient to a range of climate-related scenarios, including those outlined in the Network for Greening the Financial System (NGFS) climate scenarios. Under an "Orderly – Net Zero 2050" scenario, Marlowe is well-positioned due to its proactive transition to electric and hybrid vehicles, energy-efficient fire safety solutions, and sustainable practices in its Water & Air Hygiene divisions. These efforts align with regulatory requirements and the growing demand for products and services that reduce environmental impact, positioning Marlowe to benefit from tightening regulations and emerging market opportunities.

In a "Disorderly – Delayed Transition" scenario, Marlowe's resilience stems from its agile business model, including a service-oriented approach that limits exposure to supply chain disruptions. The Group's ongoing investments in sustainability, such as its local chemical blending facilities and electric fleet, help mitigate the risk of delayed regulatory shifts. Additionally, Marlowe's strong relationships with customers and suppliers on sustainability issues help manage reputational risks in this scenario.

Under a "Hot House World – Current Policies" scenario, while physical risks from extreme weather events and rising insurance costs pose challenges, Marlowe's geographic diversification and robust business continuity plans help reduce exposure. Furthermore, Marlowe's continued focus on energy-efficient technologies and sustainable service offerings ensures it remains competitive, even in a scenario with limited policy action.

Overall, Marlowe's strategy is resilient across all climate scenarios due to its ongoing commitment to sustainability, innovation, and adaptation to regulatory and market changes.

Risk Management: a.
Marlowe's Processes for Identifying and Assessing Climate-related Risks

The ESG Committee works closely with divisional management teams and their respective ESG representatives to identify and evaluate these risks across the business. This collaborative approach ensures that climate-related risks are effectively integrated into Marlowe's broader risk management framework.

Once identified, the risks are reviewed by the divisional CEO and subsequently signed off by the Group CFO. Any material climate-related risks are recorded in the risk register for ongoing management and monitoring. These risks encompass both physical risks, such as extreme weather events, and transition risks, including evolving regulations, market demand for sustainable products, and technological advancements. To assess these risks, Marlowe employs climate scenarios to evaluate the potential impacts of climate change over various time horizons, with particular focus on medium- and long-term risks.

This structured process ensures that climate-related risks are thoroughly identified, assessed, and managed in alignment with Marlowe's strategic objectives.

Risk Management: b.
Marlowe's Processes for Managing Climate-related Risks

The Board recognises that climate change risks could impact the Group's operations in various ways and is satisfied with the current processes for identifying those risks, both in the short and long term. While immediate effects may not be significant, the Group anticipates that climate-related risks will increasingly influence its business over the medium and long term. Using the Group's established risk management framework, a broad climate-related risk is included on the Group's risk register, but no other specific climate-related risks have been considered significant enough to raise with the Board. However, the potential for material impacts is actively monitored, and these risks will continue to be assessed as part of the ongoing risk management process.

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Risk Management: c.
Integration of Climate-related Risks into Marlowe's Overall Risk Management Framework

Climate-related risks are identified through collaboration between the ESG Committee, divisional leads, and the Board. These risks are assessed separately from other risks due to their unique nature, but the aim is to integrate this process into the broader risk management framework in the future. The Board evaluates any identified risks for materiality, and those deemed significant are added to the risk register for ongoing monitoring. At present, no specific climate-related risks have been deemed significant enough to raise with the Board. Risks such as regulatory changes are managed within relevant business areas, with business continuity plans in place to address potential disruptions. However, climate-related risks are included in divisional risk registers and actively monitored at that level.

Metrics and Targets: a.
Metrics Used to Assess Climate-related Risks and Opportunities in Line with the Strategy and Risk Management Process

Marlowe is embedding climate-related metrics into its strategic and risk management processes. Group-level targets include achieving net-zero Scope 1 and 2 emissions by 2035 and Scope 3 by 2050. Each division tracks specific metrics relevant to their operations, such as energy usage, fleet efficiency, and waste management, which support these broader goals. Detailed divisional metrics are available on pages 24 to 26 and in the divisional sustainability reports available on the Group's website.

Metrics and Targets: b.
Disclosure of Scope 1, Scope 2, and Scope 3 Greenhouse Gas (GHG) Emissions, and Related Risks

As reported in the "Planet" section, Marlowe's FY25 emissions include Scope 1 at 11,692.3 tCO2e and Scope 2 at 349.7 tCO2e. While we are currently focused on these categories, we are preparing to report on Scope 3 emissions in next year's reporting to provide a more comprehensive view of our climate impact and related risks, aligning with our long-term net-zero targets.

Metrics and Targets: c.
Targets Used to Manage Climate-related Risks and Opportunities and Performance Against Targets

Each division plays a crucial role by implementing specific initiatives, such as reducing fleet emissions and enhancing waste management practices. While the current targets reflect significant progress, the Group is committed to continuously improving its performance targets. If any of these targets are not met, corrective actions will be taken to ensure that we stay on track to meet our long-term climate objectives. Performance is tracked annually using verified Scope 1 and 2 emissions data, with year on year changes monitored across both absolute and intensity metrics. These metrics are reviewed by the ESG Committee and inform the development of divisional carbon reduction initiatives, including the transition to a more fuel efficient fleet and increased use of renewable electricity.

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People

At Marlowe plc, our people are central to our mission of ensuring the safety, compliance, and resilience of our customers' operations. We are committed to creating a working environment where employees feel supported, challenged, and recognised, and where they can develop to their full potential.

We recognise the mutual value that results from investing in our people and culture, and we are proud of the progress we have made over the past year across training, diversity, wellbeing, and employee engagement.

Training, Development and Recognition

We remain focused on attracting, developing, and retaining the best talent in our sector. All UK employees are paid at least the national living wage and are offered a minimum of 15 hours of work per week. We continue to maintain an above-market staff retention rate, with voluntary turnover at 25.1% for the year ended 31 March 2025 (2024: 26.0%).

Fire Safety & Security

Our Marlowe Academy provides state-of-the-art training to upskill existing employees and support new talent through our apprenticeship programme. We currently support over 50 apprentices, consistent with the prior year, and have delivered formal training to more than 30 individuals through Level 3 to Level 7 qualifications.

Our internal quality control team monitors service delivery, with underperforming fee earners receiving 'top-up' training to maintain our high service standards. More than 70% of our workforce have participated in at least one personal development and goal-setting discussion through our VIP continuous development programme.

Our people manager onboarding programme is progressing well, and we are implementing a competency framework to strengthen leadership and managerial effectiveness.

Water & Air Hygiene

We operate five dedicated training centres across the UK that support both apprentices and the continuous development of existing employees. These centres underpin high compliance standards and enable engineers to handle increasingly complex customer requirements.

All staff undergo biannual reviews incorporating both personal and business goal setting. During the year, the division invested £300,000 in training, including apprenticeships and the use of the apprenticeship levy. We currently support nine apprentices and seven graduates and offer tailored development programmes for both current and aspiring managers.

Environmental, Social and Governance (ESG) Committee report continued

People

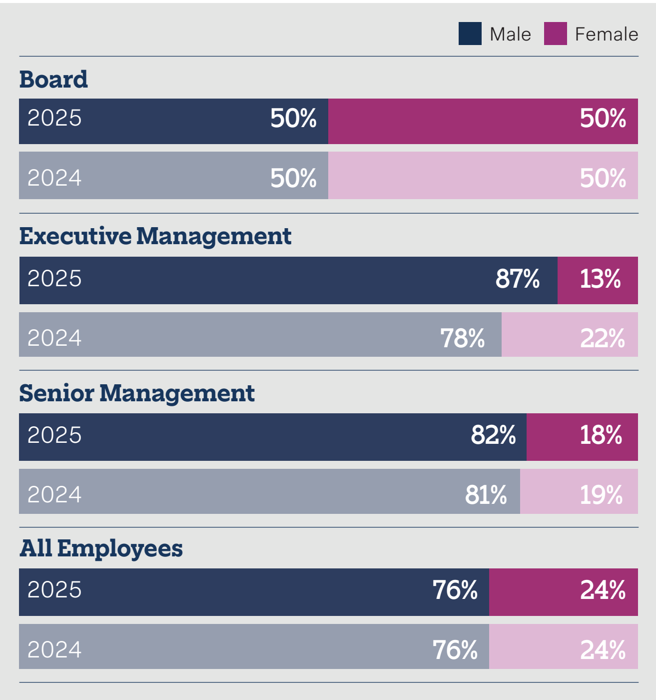
Inclusion and Diversity

Our approach to inclusion is grounded in respect, empowerment, and equal access to opportunity. We believe that diversity enhances our performance and culture, and we are committed to building a workforce that reflects the communities we serve. Our Group Code of Conduct and Diversity & Inclusion Policy guide our commitments and actions in this area.

We have created safe spaces in offices for religious observance and nursing mothers, and divisional EDI groups contribute to awareness initiatives and policy development across the Group. We are particularly proud of the work within our Fire Safety & Security division to support and encourage women in traditionally male-dominated roles.

Gender Equality

We continue to build a diverse leadership pipeline and support gender balance at all levels of the business. As at 31 March 2025, the percentage of employees identifying as female was as follows:



Notably, both the Chair of the Audit Committee and Chair of the Remuneration Committee are women. In line with UK reporting requirements, we disclose gender pay gap data for relevant Group entities on a transparent, standalone basis.

Health, Safety and Wellbeing

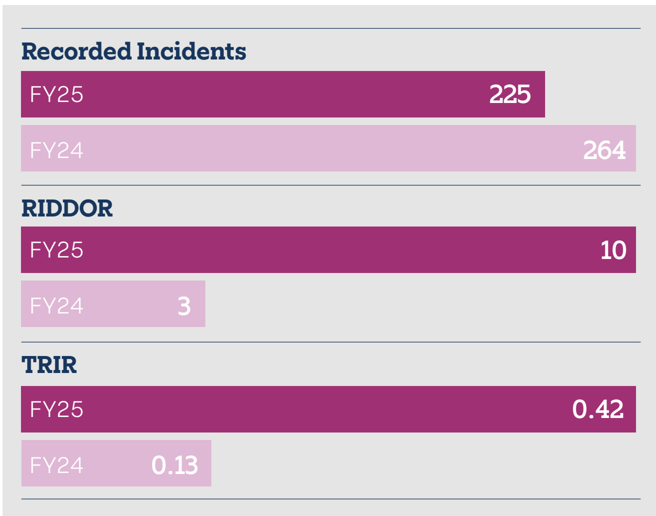
Ensuring the safety of our people remains a core operational priority. All Group businesses hold ISO 45001 accreditation, and we maintain comprehensive processes for training, risk assessment, incident reporting, and the provision of PPE. We seek to reduce incidents through proactive engagement and root cause analysis. For example, Marlowe Fire & Security's Board regularly reviews incident data to identify trends and implement preventative actions under its Protecting Tomorrow Policy.

All staff receive health and safety training, with a strong focus on mandatory, site-specific training for fee-earning employees. Competent advisers operate across the Group, supporting a consistent and sustained focus on safety culture, led by the executive leadership team.

Since our formation in 2015, we have had no work-related fatalities among employees or contractors. Our long-term goal remains zero significant lost-time incidents.

We continue to invest in mental health and wellbeing through a Group-wide Employee Assistance Programme, over 50 trained Mental Health First Aiders, and divisional wellbeing groups focused on mental, physical, spiritual, and social wellbeing. We also support flexible working where possible, including job sharing, adaptable hours, and return-to-work flexibility for parents.

While both RIDDOR-reportable incidents and our Total Recordable Incident Rate (TRIR) increased in FY25, we believe this reflects a one-off increase against an unusually low comparable in the prior year. Importantly, we continue to maintain robust governance, comprehensive training, and well-established health and safety processes across all divisions. Incident data is reviewed regularly at both divisional and Group level to ensure that any trends are quickly identified and addressed. We remain confident that the controls and culture we have in place are appropriate and effective in supporting our long-term goal of zero significant lost time incidents.



Engagement and Culture

We are committed to fostering a culture where employees feel heard and valued. Regular divisional meetings and Group-wide engagement surveys ensure ongoing communication and feedback. Employee-led committees influence culture and working practices, and their ideas are reviewed by divisional and Group management. As we continue to integrate newly acquired businesses, maintaining a cohesive, people-focused culture remains a top priority.

Community Engagement

Our businesses remain actively engaged in their local communities. The Water & Air Hygiene division, for example, has participated in various fundraising events, including a cold plunge challenge, and continues to support an armed forces employee network. We also offer matched funding for employee-led charitable initiatives.

In FY25, we achieved record levels of charitable donations, totalling £13,600 (FY24: £8,030), largely driven by employee-led fundraising and team-based activities supporting local causes.

Environmental, Social and Governance (ESG) Committee report continued

Products and Governance

The services we provide continue to play a critical role in supporting sustainability, compliance, and responsible business practices. Through our Fire Safety & Security and Water & Air Hygiene business units, we help organisations manage operational risk, comply with regulation, and protect their people, assets, and the environment — delivering benefits for both customers and wider society.

Quality and Responsible Service Delivery

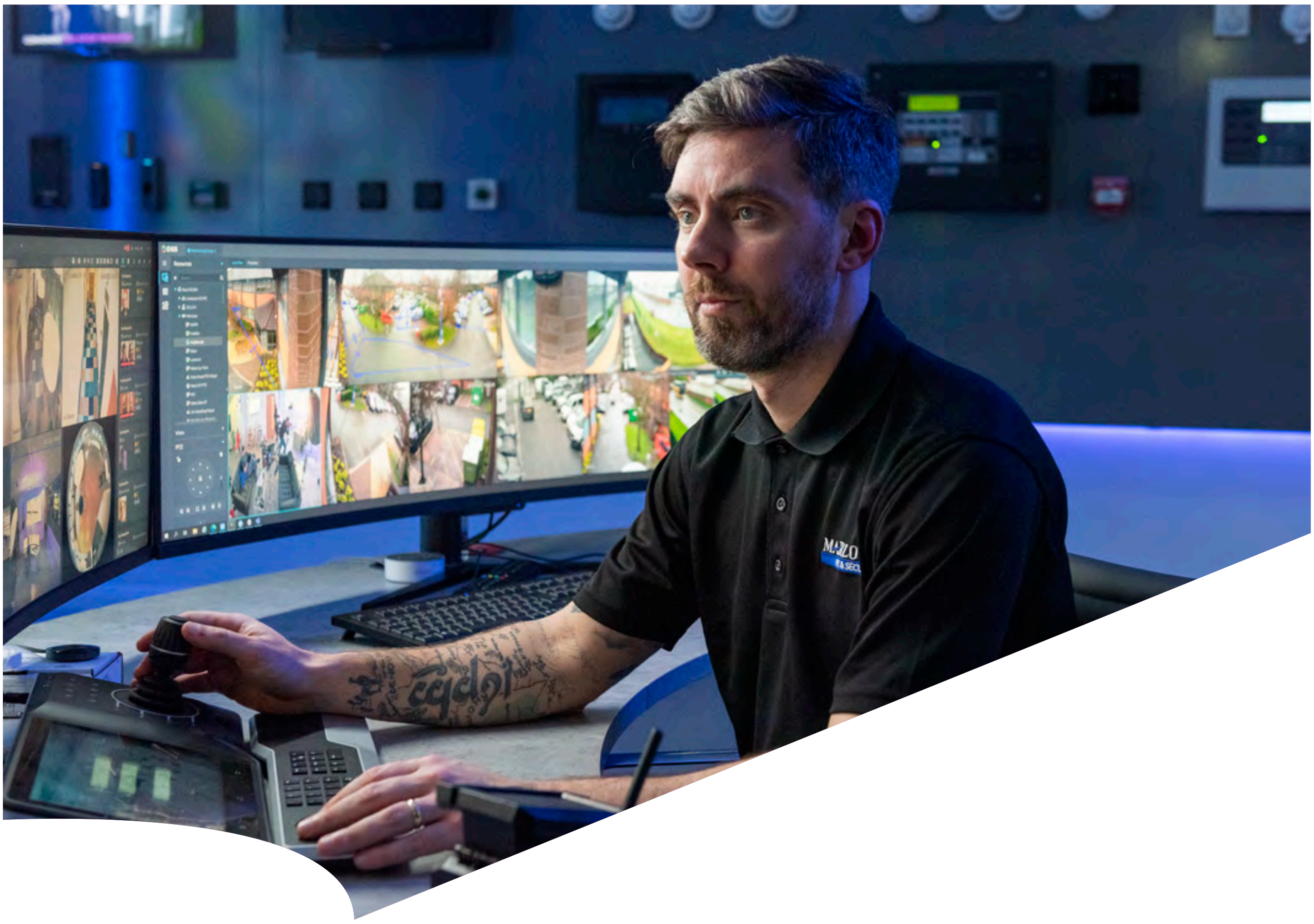
All major businesses across the Group hold ISO 9001 accreditation, underscoring our commitment to quality and responsible service delivery.

Our **Water & Air Hygiene** division helps organisations maintain high environmental and health standards. Through services such as air and water quality testing, legionella and asbestos inspections, and the manufacture of environmentally-conscious treatment chemicals, we directly support clients in safeguarding human health and minimising their environmental footprint.

Our **Fire Safety & Security** division protects life and property by delivering fire risk assessments, fire safety training, compliance inspections, and security system design and servicing. These services empower customers to manage hazards effectively, strengthen emergency preparedness, and promote governance and operational resilience. Internal innovations — including a new sales analytics dashboard and the upcoming launch of a mobile training and sales unit — aim to further improve customer responsiveness and decision-making.

Cybersecurity and Data Protection

Cybersecurity remains a priority across the Group. Our Water & Air Hygiene business unit continues to implement Group-level data protection and IT security policies, with training provided to all employees via mandatory online courses. Our Fire Safety & Security businesses hold Cyber Essentials accreditation, with several progressing to Cyber Essentials Plus and ISO 27001 in the coming year. Monthly phishing simulations and targeted training are used to ensure vigilance and continuous improvement. There have been no reported cyber incidents across either division in FY23–FY25.



Ethics, Whistleblowing and Supplier Conduct

Our Group Code of Ethics, Anti-Bribery Policy, Modern Slavery Statement, and Supply Chain Policy are in place across all divisions and regularly reviewed. Key compliance documents are distributed to staff at induction, displayed on site, and monitored through internal audits.

To strengthen our approach to whistleblowing, both Fire Safety & Security and Water & Air Hygiene divisions have transitioned to a unified, Group-wide platform operated by Crimestoppers, launched in April 2025. This platform allows employees to raise concerns anonymously via a 24/7 telephone line or digital form. Awareness campaigns and ongoing communications ensure all employees are informed of access routes and protections in place. The move to a single, independent platform marks a key step in standardising and enhancing our governance practices Group-wide.

Supplier due diligence practices are also in place across both divisions. Water & Air Hygiene conducts onboarding checks via a questionnaire that includes modern slavery-related questions. Fire Safety & Security requests supplier modern slavery policies at engagement, with a refreshed supplier compliance check process planned for FY26.

Circular Economy and Innovation

Innovation is a core part of our environmental responsibility strategy. In Water & Air Hygiene, this includes the development of sustainable treatment processes (e.g., phosphate removal using algae and nitrate reduction in effluent) and circular practices such as equipment refurbishment, long-lifespan product design, and reuse schemes under Build, Own, Operate models. These measures help customers reduce waste and resource consumption over the lifecycle of their systems.

While circular economy initiatives are at an earlier stage in the Fire Safety & Security division, the business is evaluating opportunities to expand reuse and refurbishment practices as part of its wider environmental strategy.

ESG Data for Customers

We increasingly support customers, particularly larger organisations, with ESG-related data as part of tender submissions and contract reviews. Our ability to consistently gather and present this information across the Group has become a valued aspect of our service offering and is an area where we are often better positioned than smaller competitors.

The strategic report on pages 7 to 43 has been approved by the Board and signed on its behalf by:

Adam Councell
Chief Financial Officer

2 July 2025

Corporate Governance

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Governance

At Marlowe, we exercise a robust internal governance, risk management and compliance framework that is supported by regular internal audit, public disclosure, and external audits.

The Code of Ethics and Group compliance policies have been approved by the Board of Directors. Business ethics form a mandatory topic at each of Marlowe's operational board meetings.

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 2023 QCA Code with the exception of Board evaluation.

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 FY25, there were no instances of employee discipline or dismissal related to non-compliance with our anti-bribery and corruption policy (FY24: zero, FY23: 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 wrongdoing 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 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 FY25 and for the previous two years.

Information security and cyber protection

Marlowe 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

Governance continued

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 or IT Directors have responsibility for the incorporating 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 Marlowe Fire & Security Group & Marlowe Environmental Services.

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 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 as at 24 February 2022.

Directors' duties

Section 172 of the Companies Act 2006 mandates that directors act in a manner they believe, in good faith, would most likely promote the success of the Group for the benefit of its shareholders as a whole. In doing so, directors must have regard to:

1. The likely consequences of any decisions in the long term;
2. The interests of the Group's employees;
3. The need to foster the Group's business relationships with suppliers, customers, and others;
4. The impact of the Group's operations on the community and the environment;
5. The desirability of the Group maintaining a reputation for high standards of business conduct; and
6. The need to act fairly as between shareholders of the Group.

During the year, the Board took a number of principal decisions with stakeholder interests in mind. This included approving the divestment of Governance, Risk and Compliance assets and the demerger of the Occupational Health division, both of which involved careful consideration of employee communication, long term strategic alignment and shareholder value. The Board also reviewed ESG transition and risk processes and the governance structures in place to support them. In light of an increase in RIDDOR and TRIR rates, the Board reviewed the Group's existing health and safety processes and concluded that the current controls, training and governance measures remain appropriate and proportionate.

Induction and Access to Advice

New Directors receive a comprehensive and tailored induction to the Group's operations, encompassing corporate governance, the legislative framework, and visits to Group premises. To perform their duties effectively, Directors have access to professional advice, either from the Company Secretary or, if deemed necessary, from independent advisors.

Risk management

The Group recognises the importance of identifying, evaluating, and managing risk. Given the nature of our services in assuring regulatory compliance for our customers, risk management is embedded within the Group's culture. All our businesses maintain risk registers, which are reviewed by divisional management and the Group's Executive Directors at least annually.

Details of the principal risks and uncertainties facing the Group are set out on pages 52 to 53. The Group's statement on going concern is included in the Directors' Report on page 57.

Employees

The Group is committed to being a responsible employer and strives to create a working environment where employees are actively engaged and contribute to its success. Initiatives such as diversity, inclusivity, and equality e-learning, coupled with employee questionnaires and surveys, ensure that staff are recognised for excellent performance and that their views inform the future direction of our businesses.

Certain employees are incentivised through long term incentive plans (LTIPs) and annual bonus schemes that align individual performance with the Group's strategic objectives.

Through our employee portal the Group provides biannual updates on financial performance, with additional updates as appropriate, such as addressing share price volatility. Individual divisions also provide relevant employee updates.

Further details of the Group's commitment to employees are included in our Environmental, Social, and Governance (ESG) Strategy on pages 40 to 41 and in the Directors' Report on page 56.

Business relationships

The Group understands the value of maintaining and developing relationships with its customers and suppliers, recognising that these strong relationships underpin current and future growth. Our investment proposition on page 10, along with our ESG Strategy on pages 42 to 43, 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. Further information on how the Group interacts with its community and environment can be found in the ESG Strategy on pages 38 to 43.

Business Conduct

The Group is dedicated to upholding high standards of business conduct. This commitment is reflected in our comprehensive Code of Conduct, which outlines the ethical principles and standards expected of all employees. Regular training sessions on compliance, anti-bribery, and corporate ethics are conducted to reinforce these standards.

Mechanisms are in place to monitor and enforce adherence to these standards, including internal audits and a confidential whistleblowing policy that encourages reporting of any unethical behaviour.

Shareholders

The Board is committed to acting fairly between all shareholders. We ensure that all shareholders have equal access to information through timely and transparent communications, including updates on our investor relations website and regular shareholder meetings.

Policies are in place to manage conflicts of interest, and procedures are established to treat minority and majority shareholders equitably. The Board actively considers the interests of all shareholders in its decision-making processes.

Letter from the audit committee chair

Dear Shareholder

On behalf of the Audit Committee, I am pleased to present the Audit Committee report for the year ended 31 March 2025.

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

Peter Gaze
since 29 February 2016

Kevin Quinn[1]
since 3 December 2018, resigned 3 June 2024

Rachel Addison
since 1 November 2021

Gillian Kent
since 1 February 2022

Julia Robertson
since 3 June 2024

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.
- 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.

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

Letter from the audit committee chair continued

Membership and meetings

During the year, the Audit Committee met 4 times and met privately with the External Auditor. Details of individual Directors' attendance can be found on page 58. 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 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 52 to 53.

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.

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.
- During the year, a new Chief Financial Officer joined the Water & Air Hygiene business unit, bringing a renewed focus to financial discipline and control across the business. As part of this, a detailed review of legacy balance sheet items within the Water business unit was undertaken, leading to a one-off, non-cash adjustment. While this revision had no impact on ongoing trading performance or future cash generation, it marked a significant step in the broader programme of integration and commercial alignment. The insight gained through this process has strengthened financial governance and supports the wider transformation underway across the Water business.

Letter from the audit committee chair continued

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 FY25, 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.

The Committee regularly reviews the independence and role of the external auditor and the scope of its audit. The Committee also considers the effectiveness of the external auditor including its independence, objectivity, appropriate mindset and professional scepticism. The Committee's conclusions are based on its own observations and interactions with the external auditor.

In respect of the financial year ended 31 March 2025, the Committee assessed the performance and effectiveness of the External Auditor as well as their independence and objectivity, based on feedback from Committee members, regular attendees and the management team. As part of this process, the Committee confirmed that no non-audit services were provided by RSM during the year, reviewed RSM's written confirmation of independence, and considered their compliance with relevant ethical and professional standards. This formed part of the Committee's ongoing monitoring of auditor independence throughout the corporate reporting cycle.

Key Reporting Matters

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

Area of focus	Reporting matter	Role of the Committee	Conclusion/actions taken
Revenue recognition and recoverability	The Group assesses the accuracy of revenue reporting and recovery of associated balances.	During the year, the Committee received an update from management in relation to the Group's revenue recognition policies, together with the results of the work performed by the internal finance teams and external auditor in this area.	The Committee is satisfied that the Group revenue recognition policies have been appropriately applied in the year and recoverability of associated balances are fairly stated as at 31 March 2025.

Letter from the audit committee chair continued

Area of focus	Reporting matter	Role of the Committee	Conclusion/actions taken
Classification of adjusting items	As outlined on page 87, 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 2025.
Impairment of intangible assets	As outlined on page 95, 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 2025.

Consideration of the final year-end audit report

Reporting materiality was set by the auditor at £1.69 million. In practice, a lower 'performance materiality' of £1.18 million is applied as a basis for their detailed work and report to the Committee all differences found over £84.5k.

Going concern

The Committee reviewed the going concern statement, set out on page 75 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.
- Evaluate the effectiveness of the Committee via internal review.
- Consider the implications for governance and reporting arising from the recommended acquisition of Marlowe plc by Mitie Group plc, subject to shareholder and regulatory approvals.

The Committee's report was approved by the Committee of the Board of Directors on 2 July 2025 and signed on its behalf by:

Rachel Addison
Chair of the Audit Committee

2 July 2025

Risk management

Risk management framework

The Board has overall responsibility for the Group's risk management framework. Risk is a standing agenda item at scheduled Board meetings, ensuring that all Directors are actively involved in identifying, evaluating and overseeing the principal risks that could affect the Group's performance, strategy and long-term viability.

Each of the Group's two operating segments maintains its own individual risk register, overseen and integrated into the Group-wide framework. This dual-register approach ensures that both segment-specific risks and Group-wide exposures receive focused management and accountability.

Key responsibilities of the Board in relation to risk include:

- Overseeing the Group's current and emerging risk exposures and agreeing risk appetite and strategy
- Reviewing the effectiveness of risk management systems and internal controls
- Monitoring the Group's ability to identify, assess and manage new and evolving risks
- Ensuring appropriate policies and procedures are in place to prevent and detect fraud and bribery

The Group maintains a central Risk Register alongside the two segment-level registers. These are reviewed and updated regularly. Risk owners are appointed across the business, ensuring clear accountability and alignment of operational risk management with Group strategy.

Progress made during the year

The Group continues to operate in a complex macroeconomic environment. While geopolitical tensions, including those in Ukraine, the Middle East and around global trade, have had no direct impact on operations, expanded US tariffs may affect some customers' supply chains and could indirectly influence demand for our services. The Board continues to monitor these developments closely.

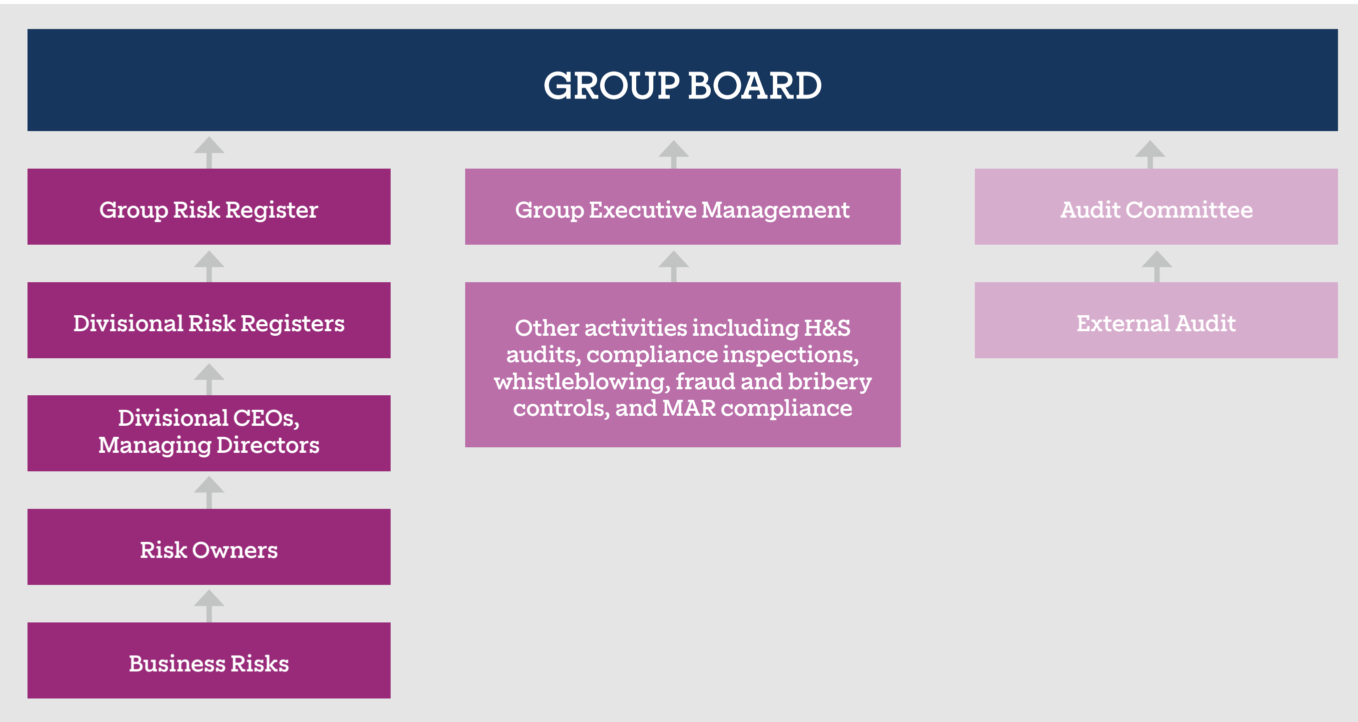
The Group has managed general inflation effectively, passing most input cost increases onto customers under contractual arrangements. The rise in National Insurance contributions during the year added further wage cost pressure, but we remain confident these will be recoverable over time through pricing mechanisms with our clients.

During the year, the Group completed the demerger of its Occupational Health business and disposed of certain GRC software and service assets. The Risk Register has been updated to reflect these structural changes and the revised operational risk profile.

Climate-related risks remain under active review and receive regular Board-level oversight, aligned with the Group's broader ESG strategy and TCFD disclosure framework.

Principal risks and uncertainties

A principal risk is one that could materially impact the Group's strategy, performance, or long-term prospects. The risks listed below are those currently considered most significant by the Board. Other risks may emerge over time, or risks currently deemed immaterial may evolve to become material.



Risk management continued

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 on service provision; supply of protective equipment; strong balance sheet; robust financial management; and 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, are regularly reviewed and designed to be competitive and to 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 regular 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 employee, customer or member of the public could result in reputational damage, bad publicity, an insurance claim and potential financial impact.	The Group has robust processes including training, detailed risk assessments, 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 fully aware of its regulatory requirements and assigns them the highest importance. Regulatory specialists and compliance teams are employed across the Group to maintain standards and ensure ongoing adherence.
Acquisition strategy	As the Group continues to pursue acquisitions as part of its growth strategy, there is a risk of overpaying, underestimating the resources required to integrate an acquired business or failing to realise anticipated benefits.	All transactions are subject to strict investment criteria and Board approval. Extensive due diligence processes are followed, and integration is managed by experienced and dedicated teams.
Climate and environmental risk	Increased impact of both climate change and related regulation on operations, supply chains or costs.	The Group has an ESG committee with Board-level representation. There is strong monitoring and planning capability in place to identify, assess and manage environmental risks. The Group's climate risk approach is aligned with TCFD and further detail is provided on pages 30 to 38.
Information security & cyber protection	As with other businesses, the Group faces increasing frequency and sophistication of cyber attacks; inadequate internal controls and procedures could lead to a data breach or loss.	There is strong awareness across the Group. IT Directors are responsible for ensuring divisional policies and controls are kept under review. Most businesses hold Cyber Essentials or Cyber Essentials Plus. All staff complete regular training including a cyber awareness programme.
Software systems & digital technology	Software and digital tools are central to service delivery. Failure to invest, maintain or secure systems could disrupt operations or result in data loss or poor performance.	Resources are focused on continuous system development and maintenance. Robust processes exist for system operation, data security, and disaster recovery.
Competition	Increased competition or failure to respond to evolving customer demands could reduce retention and hinder growth.	The Group benefits from low customer concentration and high service standards. There is a clear focus on relationship management and responsiveness to customer needs.
Liquidity	Poor financial performance could reduce access to bank funding and limit delivery of strategic objectives.	The Group holds a positive net cash position. All businesses benefit from high recurring revenue and strong visibility. Financial controls are robust, leverage is conservative, and investor engagement is proactive.
Fraud	Failure to detect or prevent fraud and/or corruption.	The Group operates with appropriate systems, authorisation processes, internal controls and anti-fraud policies to prevent and detect fraud.

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 KCMG PC
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 Councell 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 is a highly experienced global and multi-sector business leader whose experience spans managed services, staffing, support services and healthcare to both public and private sectors.

With a demonstrable track record of creating long term sustainable value through leading strategic and cultural change and delivering both organic growth and value creation through complex M&A, Julia recently stepped down from her Executive role at Headfirst Global plc/Impellam Group following a PE backed public to private transaction.

Julia now holds non-executive director roles in both public and private companies in the UK, US and global markets.

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

The Directors submit their report and the financial statements of Marlowe plc for the year ended 31 March 2025.

Christopher Bone, Company Secretary

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 7 to 9 includes a review of the ongoing business, the Group's trading for the year ended 31 March 2025, 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 2025 are set out in the consolidated statement of comprehensive income on page 71. The profit before tax for the year was £144.9 million (FY24: loss of £10.9 million) reflecting the profit on the Divestment.

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 this report:

Adam Councell (Chief Financial Officer)

Lord Ashcroft KCMG PC (Interim Chairman)

Peter Gaze (Non-Executive Director)

Rachel Addison (Non-Executive Director)

Gillian Kent (Non-Executive Director)

Julia Robertson (Non-Executive Director)

Biographical details of the Directors are given on pages 54 to 55.

During the year, 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 KCMG PC 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 59 to 61.

The Company maintains liability insurance for its Directors and Officers. The Company's articles of association allow the indemnification of Directors out of the assets of the Company to the extent permitted by law. Qualifying third-party indemnity provisions were in place during the year and remain in force at the date of this report.

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 2025, the Company had been notified of the following interests amounting to 3% or more of the Company's issued share capital:

Shareholder	Number of 50p ordinary shares	% of issued share capital
Lord Ashcroft KCMG PC	15,310,170	19.03%
Slater Investments	7,215,254	8.89%
UBS Securities	4,623,257	5.70%
Octopus Investments	4,566,556	5.63%
Canaccord	2,838,989	3.50%
Solas Capital	2,563,500	3.16%

Directors' report continued

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, ensuring that their views are considered when decisions are made that affect their interests.

Further information on how Directors have engaged with employees is included in our Environmental, Social and Governance Strategy on pages 40 to 41 and Directors' duties on page 48.

Business relationships

Information on how the Company has engaged with suppliers, customers and business relationships is detailed in the Directors' duties on page 48.

Emissions and energy use

The Company's Streamlined Energy and Carbon Report (SECR) for the financial year is included in our Environmental, Social and Governance Strategy on pages 26 to 38. The Group remains committed to reducing the environmental impact of its operations through the implementation of Group-wide Environmental policies and ESG training.

Disabled employees

Applications for employment by disabled persons are fully considered, having regard to their particular aptitudes and abilities. Where an employee becomes disabled, the Group makes every effort to continue their employment. The Group supports the training, career development and promotion of disabled persons on an equal basis with other employees.

Health and safety

Health and safety is a particular concern to our customers. Each of our operating segments has appointed Health and Safety Officers. The Group's monthly operational report to the Board includes updates 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 2 July 2025 have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to ensure 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 2025, 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 have 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 2025.

Approval

This Directors' Report was approved on behalf of the Board on 2 July 2025.

Adam Councell
Chief Financial Officer

2 July 2025

Corporate Governance Statement

Governance Report

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 2023 QCA Code with the exception of Board evaluation and succession planning. The Company does not currently undertake a formal annual Board performance evaluation, but this will be considered in the future as part of ongoing governance enhancements. Similarly, while a formal succession plan is not currently in place, the Board intends to develop one in the future.

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 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 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's 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.

Board Committees

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

The Audit Committee comprises 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 Board as a whole maintains oversight of the Company's principal and emerging risks, its risk management systems, internal controls, and the procedures for the prevention and detection of fraud and bribery. These matters are considered regularly as part of the Board's standing agenda.

The Remuneration Committee comprises the Chairman and Non-Executive Directors and is chaired by Gillian Kent. Its report is set out on pages 59 to 61.

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 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.

Number of meetings attended during the year ended 31 March 2025	Board	Audit Committee	Remuneration Committee	Nomination Committee
	Total: 10	Total: 4	Total: 2	Total: 0
Executive Directors			-	-
Alex Dacre	1	1	-	-
Adam Councell	10	4	-	-
Non-Executive Directors				
Lord Ashcroft KCMG PC	10	4	1	-
Peter Gaze	10	4	1	-
Rachel Addison	10	4	2	-
Gillian Kent	10	4	2	-
Julia Robertson	8	3	-	-
Kevin Quinn	2	-	-	-

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

Adam Councell
Chief Financial Officer

2 July 2025

Director's remuneration report

The Directors submit their report and the financial statements of Marlowe plc for the year ended 31 March 2025.

Gillian Kent, Chair of the Remuneration Committee

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

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 2025.

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 2024/25.

During FY25, the Committee took the decision to terminate the Executive Incentive Plan (EIP) as the Group's principal incentive arrangement, following the departure of the CEO, the demerger of the Occupational Health business, and the exit of most EIP participants. While the EIP technically remains in place until its scheduled expiry in March 2026, it is no longer expected to deliver meaningful outcomes and has been replaced by the Marlowe Incentive Plan (MIP).

The Marlowe Incentive Plan (MIP) was introduced during FY25 as the Group's primary executive incentive arrangement. It consolidates annual bonus and long term incentive elements into a single structure and is designed to align with the Group's current strategic priorities and stage of development. Further details are set out under "Key remuneration decisions for FY26" on page 60 and disclosed in note 30 of the financial statements. The Committee will review the approach for FY27 and beyond over the coming year.

The Marlowe Incentive Plan was implemented during the first half of the financial year with the CFO initially enrolled onto the scheme. Following the demerger of Optima Health in September 2024 the Committee concluded it would be appropriate to roll out the scheme to senior management. In order to align targets across the participants and to ensure a timely roll out the Committee concluded it was appropriate to set a performance period for the twelve months commencing on 1 October 2024 as this was the most appropriate starting period following the demerger from which the go forward Marlowe plc would be measured.

The Committee believes that the Marlowe Incentive Plan (MIP), which integrates short and long term incentives into a single structure, effectively aligns executive reward with the delivery of the Group's strategy, priorities and purpose. By linking outcomes to financial metrics, such as Adjusted EBITDA and cash flow, as well as strategic objectives including successful transformation activity and stakeholder engagement, the remuneration framework supports long-term sustainable value creation.

Performance and reward for FY25

Following the completion of the divestment of the GRC software and service assets, the Group returned £150 million to shareholders via a special dividend and commenced a share buyback programme of up to £75 million. This was subsequently followed by the demerger of the Occupational Health business.

The retained Group delivered a strong performance in a transformational year. Revenue from continuing operations grew by 4%, with adjusted EBITDA increasing by 4%. Net cash at year end was £22.2 million, supported by robust cash generation and disciplined working capital management.

Combined Annual Bonus and Long Term Incentive outcome

The CFO was granted a combined annual bonus and long term incentive for the first 6 months period at a pro-rated maximum potential opportunity of 125% of salary from 1 April 2024 to 30 September 2024. The incentive was subject to

Director's remuneration report continued

Adjusted EBITDA on continuing operations (40% of award) Net Revenue (20% of award), cash flow (20% of award) and the balance of strategic financial and non-financial performance objectives.

Taking into account performance against the financial objectives and the strategic financial and non-financial performance objectives and the CFO's significant contribution, the committee considered a bonus outcome equal to 88% of salary (equivalent to 70% of maximum opportunity) to be appropriate. As per the MIP, 50% of the outcome was settled in cash and 50% deferred into shares which vest in 2 years.

For the second half of the year the MIP returned to the maximum opportunity of 250% of salary for a 12 month period starting 1 October 2024 to 30 September 2025.

Key remuneration decisions for FY26

Salary/fees

There is no change in the CFO salary, NED and Chairman fees.

Combined Annual Bonus and Long Term Incentives

The MIP will run during the first half of FY26 as part of the 12 months from 1 October 2024 to 30 September 2025, after which it will run for a 6 month period in the second half at a pro-rated maximum opportunity of 125% of salary for the CFO. The plan will return to normalized timing for FY27 as appropriate.

Conclusion

The Committee remains focused on ensuring that remuneration continues to support the Group's strategy and evolving business model. We believe the changes implemented in FY25 provide a robust and appropriate framework to apply to FY26. We will continue to review our approach in line with strategy development and taking into account shareholder views.

We welcome feedback from shareholders and hope to receive your support at the 2026 AGM.

Gillian Kent

Chair of the Remuneration Committee

2 July 2025

ANNUAL REPORT ON REMUNERATION

Directors' Contracts and Letters of Appointment

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

Executive Directors:

- Adam Councell – Appointed 25 February 2021 – 6 months' notice
- 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 KCMG PC – 18 March 2024 – 1 month
- Julia Robertson – 3 June 2024 – 1 month

Directors' Emoluments – FY25

The remuneration for Alex Dacre before his resignation was composed of the following elements: annual salary £63,333 (FY24: £380,000); car allowance and medical insurance £3,655 (FY24: £21,000); and pension £4,978 (FY24: £30,000). Alex Dacre elected to take a cash alternative for his car allowance and pension during the year. Following the completion of the divestment of certain GRC businesses and in recognition of his contribution to the business growth Alex was awarded a one-off bonus of £650,000.

The remuneration for Adam Councell was composed of the following elements: annual salary £359,020 (FY24: £346,000); car allowance and medical insurance £11,289 (FY24: £10,000) and pension £33,066 (FY24: £30,000). Adam Councell elected to take a cash alternative for £8,000 of his car allowance and £29,066 of his annual pension during the year. Following the completion of certain GRC businesses and in recognition of his contribution to the business growth Adam Councell was awarded a one-off bonus of £500,000. Under the Marlowe Incentive plan, Adam Councell was awarded a cash bonus of £166,949 in relation to financial performance for the first 6 months of the financial year.

The Group paid Deacon Street Partners Limited £48,750 (FY24: £45,000) for its provision of Peter Gaze's services as a Non-Executive Director. The Group owed £15,000 (FY24: £13,500) to Deacon Street Partners Limited at the end of the period.

Lord Ashcroft KCMG PC has an interest in Puma International Holdings Limited. During FY25, the Group paid Puma International Holdings Limited £100,000 (FY24: £nil) for the provision of consultancy services

Director’s remuneration report continued

The group owed £100,000 (FY24: £nil) to Puma International Holdings Limited at the end of the period.

Director £’000	Salary & Fees		Bonus		Benefits		Pension		Total	
	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Executive Directors										
Alex Dacre	63	380	650	-	4	21	5	30	722	431
Adam Councell	359	346	667	-	11	10	33	30	1,070	386
Non-Executive Directors										
Kevin Quinn	16	95							16	95
Lord Ashcroft KCMG PC	-	-							-	-
Peter Gaze	49	45							49	45
Rachel Addison	61	50							61	50
Gillian Kent	61	50							61	50
Julia Robertson	42	0							42	0
Total	651	966	1,317	-	15	31	38	60	2,021	1,057

Management Incentive Plan

As mentioned above, Adam Councell, CFO, was granted a combined annual bonus and long term incentive with a maximum opportunity equal to 250% of salary, pro-rated to 125% of salary for the 6 months 1 April 2024 – 30 September 2024. The incentive was subject to Adjusted EBITDA on continuing operations (40% of award) Net Revenue (20% of award), cash flow (20% of award) and the balance of strategic financial and non-financial performance objectives.

Performance against the strategic financial and non-financial based strategic objectives is summarized below.

Area of focus	Reporting issue	Role of the Committee
Strategic financial (15%)	Execute the demerger of Optima health that delivers sustainable shareholder value and financial resilience for both Marlowe and Optima Health.	Well executed in a short timeline delivering shareholder value in the stock performance of both companies post merger vs pre merger, with minimal operational disruption and no material adjustments to the completion accounts.
Strategic non-financial (5%)	Deliver successful communication of Marlowes’ investment proposition for existing and new investors post GRC and OH demerger in H1	A positive response with AC taking on the additional responsibility in the absence of the CEO role.

Taking into account the financial performance during this period and the CFO’s significant contribution, the Committee considered a bonus outcome equal to 88% of salary (equivalent to 70% of maximum opportunity) to be appropriate.

Directors’ Interest in Shares

The beneficial interests of the Directors who were in office at 31 March 2025 in the shares of the Company (including family interests) were as follows:

Number of ordinary shares of 50p each	31 March 2025	31 March 2024
Lord Ashcroft KCMG PC	15,310,170	11,877,361
Peter Gaze	630,925	600,925
Adam Councell	34,608	34,608
Rachel Addison	12,922	12,922
Gillian Kent	-	-
Julia Robertson	-	-

Advisors

During the year, the Committee received independent advice from PwC regarding the structure and implementation of the Marlowe Incentive Plan and in relation to salary benchmarking for various members of the senior management team.

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 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 2025 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 2025 and of the group's profit 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.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition **Parent Company** • None
Materiality	**Group** • Overall materiality: £1.69 million (2024: £3.36 million) • Performance materiality: £1.18 million (2024: £2.35 million) **Parent Company** • Overall materiality: £5.33 million (2024: £0.69 million) • Performance materiality: £3.73 million (2024: £0.48 million)
Scope	Our audit procedures covered 82% of revenue, 96% of total assets and 94% of Adjusted EBITDA.

Independent Auditor's report continued

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.

Revenue recognition (see note 2 to the financial statements)

Key audit matter description	The Group has a number of revenue streams. Details of the accounting policies applied during the year are given in note 2 to the financial statements. Management makes judgements in relation to revenue recognition for installation and refurbishment, maintenance and support services. These include determining Marlowe's performance obligations in its contracts with customers and whether, as at the reporting date, the group has completed its performance obligations such that: • Revenues from installation and refurbishment and for scheduled maintenance are recognised at a point in time where Marlowe has completed its performance obligations. • Revenues from maintenance and support are recognised over time to match the period over which Marlowe delivers the contracted services. We consider there to be a significant risk around the existence and accuracy of some elements of revenue. We also consider there to be a significant risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period (cut-off).
How the matter was addressed in the audit	In order to address of 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 in the period up to the year end, investigating any unusual or material variances.

Independent Auditor's report continued

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	£1.69 million (2024: £3.36 million)	£5.33 million (2024: £0.69 million)
Basis for determining overall materiality	5.1% of Adjusted EBITDA.	3.6% of Net assets Materiality was restricted to £0.46 million (2024 : £0.69 million) for the purpose of applying 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	£1.18 million (2024: £2.35 million)	£3.73 million (2024: £0.48 million)
Basis for determining performance materiality	70% of overall materiality	70% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £84,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £266,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's report continued

An overview of the scope of our audit

Due to the acquisitive nature of the group, there are multiple 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 12 components and specified scope procedures for 1 component.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Adjusted EBITDA
Full scope audit	12	82%	34%	85%
Specified scope procedures	1	0%	62%	9%
Total	13	82%	96%	94%

Component auditors were used to perform certain testing for the component subject to specified audit procedures.

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:

- 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 2026. 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 2025 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.

Independent Auditor's report continued

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 62, 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

Independent Auditor's report continued

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:

- 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.

Independent Auditor's report continued

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*	The audit procedures performed in relation to revenue recognition are documented in the key audit matters section of our audit report.
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.

DocuSigned by:
David Clark
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DAVID CLARK (*Senior Statutory Auditor*)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AE

2 July 2025

Financial Statements

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Consolidated statement of comprehensive income

For the year ended 31 March 2025

		2025			2024		
	Notes	Continuing operations £'m	Discontinued Operations £'m	Total £'m	Continuing operations £'m	Discontinued Operations £'m	Total £'m
Revenue	4	304.5	68.5	373.0	292.3	210.9	503.2
Cost of sales		(180.5)	(41.4)	(221.9)	(176.9)	(108.6)	(285.5)
Gross profit		124.0	27.1	151.1	115.4	102.3	217.7
Administrative expenses excluding costs separately disclosed below		(103.7)	(15.4)	(119.1)	(96.2)	(55.4)	(151.6)
Acquisition and disposal costs (including strategic review costs)	5	–	(4.1)	(4.1)	(5.1)	(2.7)	(7.8)
Restructuring costs	5	(5.2)	(1.3)	(6.5)	(8.3)	(9.9)	(18.2)
Amortisation of acquired intangibles	5	(6.1)	(3.4)	(9.5)	(6.3)	(19.3)	(25.6)
Share based payments (including SAYE schemes)	5	(2.0)	–	(2.0)	0.1	–	0.1
Fair value losses in contingent consideration and acquisition related incentive schemes	5	(2.0)	–	(2.0)	(2.8)	(2.2)	(5.0)
Total administrative expenses		(119.0)	(24.2)	(143.2)	(118.6)	(89.5)	(208.1)
Operating profit / (loss)	6	5.0	2.9	7.9	(3.2)	12.8	9.6
Finance costs	8	(2.1)	(2.2)	(4.3)	(5.9)	(12.7)	(18.6)
Exceptional finance costs	8	(0.1)	–	(0.1)	(0.1)	(1.8)	(1.9)
Total finance costs		(2.2)	(2.2)	(4.4)	(6.0)	(14.5)	(20.5)
Profit on disposal of discontinued operations	33	–	141.4	141.4	–	–	–
Profit / (Loss) before tax		2.8	142.1	144.9	(9.2)	(1.7)	(10.9)
Income tax (charge) / credit	9	1.6	(5.4)	(3.8)	1.8	(1.1)	0.7
Profit / (Loss) after tax		4.4	136.7	141.1	(7.4)	(2.8)	(10.2)
Other comprehensive income		–	–	–	–	–	–
Income / (Expense) and total comprehensive profit / (loss) for the year		4.4	136.7	141.1	(7.4)	(2.8)	(10.2)
Attributable to owners of the parent		4.4	136.7	141.1	(7.4)	(2.8)	(10.2)
Earnings / (Loss) per share attributable to owners of the parent (pence)							
Total							
Basic (pence)	10	5.0	154.7	159.7	(7.7)	(2.9)	(10.6)
Diluted (pence)	10	5.0	154.3	159.3	(7.7)	(2.9)	(10.6)

Consolidated statement of changes in equity

For the year ended 31 March 2025

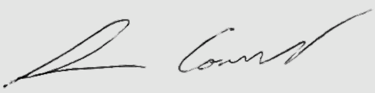
		Attributable to owners of the parent						
	Notes	Share capital £'m	Share premium £'m	Merger Reserve £'m	Capital Redemption Reserve £'m	Other reserves £'m	Retained earnings £'m	Total equity earnings £'m
Balance at 31 March 2023		47.9	384.8	9.9	–	4.6	(3.9)	443.3
Loss for the year		–	–	–	–	–	(10.2)	(10.2)
Total comprehensive loss for the period		–	–	–	–	–	(10.2)	(10.2)
Transaction with owners								
Share based payments		–	–	–	–	(0.1)	–	(0.1)
Issue of shares during the year		0.5	1.4	2.6	–	–	–	4.5
Cancellation of share premium		–	(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
Balance at 1 April 2024		48.4	1.3	12.5	–	4.5	370.8	437.5
Profit for the period		–	–	–	–	–	141.1	141.1
Total comprehensive profit for the period		–	–	–	–	–	141.1	141.1
Transaction with owners								
Share based payments	27a	–	–	–	–	2.0	–	2.0
Issue of shares during the year	25	0.1	0.2	–	–	–	–	0.3
Transfer of Merger Reserve to Retained Earnings	27b	–	–	(9.3)	–	–	9.3	–
Cash dividend paid to shareholders	11	–	–	–	–	–	(150.3)	(150.3)
Purchase and cancellation of own shares	27c	(8.3)	–	–	8.3	–	(66.4)	(66.4)
Distribution of discontinued operations	33	–	–	–	–	–	(174.7)	(174.7)
		(8.2)	0.2	(9.3)	8.3	2.0	(382.1)	(389.1)
Balance at 31 March 2025		40.2	1.5	3.2	8.3	6.5	129.8	189.5

Consolidated statement of financial position

As at 31 March 2025

	Notes	2025 £'m	2024 £'m
ASSETS			
Non-current assets			
Intangible assets	13	149.2	343.2
Property, plant and equipment	14	9.7	10.1
Right of use assets	15	21.4	25.4
Deferred tax asset	23	3.7	4.4
Total non-current assets		184.0	383.1
Current assets			
Inventories	16	10.2	9.7
Trade and other receivables	18	69.1	98.0
Cash and cash equivalents	22	22.2	–
Current tax asset		1.6	1.3
Assets classified as held for sale	33	–	398.2
Total current assets		103.1	507.2
Total assets		287.1	890.3
LIABILITIES			
Current Liabilities			
Trade and other payables	19	(64.2)	(83.5)
Financial liabilities - bank overdrafts	22	–	(25.8)
Financial liabilities - borrowings	20	–	(206.0)
Financial liabilities - lease liabilities	21	(8.3)	(9.4)
Provisions	24	(0.1)	(1.2)
Liabilities directly associated with assets classified as held for sale	33	–	(82.3)
Total current liabilities		(72.6)	(408.2)
Non-current Liabilities			
Trade and other payables	19	(0.3)	(0.7)
Financial liabilities - lease liabilities	21	(14.9)	(16.9)
Deferred tax liabilities	23	(9.1)	(26.0)
Provisions	24	(0.7)	(1.0)
Total non-current liabilities		(25.0)	(44.6)
Total liabilities		(97.6)	(452.8)
Net assets		189.5	437.5
EQUITY			
Share capital	25	40.2	48.4
Share premium	26	1.5	1.3
Other reserves	27	6.5	4.5
Merger reserve	27	3.2	12.5
Capital Redemption Reserve	27	8.3	–
Retained earnings		129.8	370.8
Equity attributable to owners of parent		189.5	437.5

These financial statements were approved by the Board of Directors and authorised for issue on 2 July 2025 and were signed on its behalf by:



Adam Councell
Chief Financial Officer

2 July 2025

Consolidated statement of cash flows

For the year ended 31 March 2025

	Notes	2025 £'m	2024 £'m
Cash generated from operations before interest and tax	28	41.2	55.3
Net finance costs paid		(3.4)	(17.8)
Income taxes paid		(4.8)	(2.0)
Net cash generated from operating activities		33.0	35.5
Cash flows from investing activities			
Purchases of property, plant and equipment and non- acquisition intangibles		(9.2)	(14.4)
Disposal of property, plant and equipment		0.8	1.4
Contingent consideration received		–	4.3
Purchase of subsidiary undertakings net of cash acquired		(0.7)	(31.7)
Disposal of non-core assets	33	457.8	–
Cash flows generated from/(used in) investing activities		448.7	(40.4)
Cash flows from financing activities			
Proceeds from share issues		0.3	1.5
Utilisation of debt facility		3.0	51.3
Repayment of debt facility		(209.0)	(36.3)
Repayment of debt upon purchase of subsidiary undertaking		–	(0.5)
Lease repayments		(11.3)	(11.9)
Dividend	11	(150.3)	–
Share buybacks		(66.4)	–
Cash flows (used in)/generated from financing activities		(433.7)	4.1
Net increase / (decrease) in cash and cash equivalents in relation to continuing operations		48.0	(0.8)
Cash and cash equivalents at start of the year		(25.8)	30.2
Cash and cash equivalents in relation to discontinued operations	33	–	(55.2)
Cash and cash equivalents at the end of the year		22.2	(25.8)
Cash and cash equivalents shown above comprise:			
Cash at bank		22.2	–
Bank overdrafts		–	(25.8)

Notes to the Group financial statements

For the year ended 31 March 2025

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 AIM market.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 2 July 2025.

Exemption from audit

For the year ended 31 March 2025 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 £100 million subject to certain covenants. At 31 March 2025, there have been no drawdowns against the facility. Given that the underlying business is cash generating and having considered FY26 budgets and FY27 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 information. The Group's budget for 2026 and forecasts for 2027, 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. Material 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 pound sterling which is the presentational currency of the Group and functional currency of the parent company and, unless stated otherwise, is shown in pounds million to one decimal place.

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 the 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.

Notes to the Group financial statements continued

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.

Climate change

In preparing the financial statements management has considered the impact on climate change, specifically with reference to disclosures in the strategic report and sustainability strategy. These factors have not had a significant effect on the Group's accounting estimate and judgements with respect to the current year.

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 is one reportable segment, Testing, Inspection & Certification ("TIC") following the demerger of the Occupational Health ("OH") segment in the year. In the prior year, the presented reportable segments were TIC and OH. 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.

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.

Notes to the Group financial statements continued

2. Material accounting policies Continued

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.

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.

Notes to the Group financial statements continued

The Group applies the simplified approach to measuring expected credit losses. To measure the expected credit losses, contract assets 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 (including SAYE schemes), fair value gains/losses in contingent consideration and acquisition related incentive schemes, exceptional finance costs and out of period adjustment.

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:

- Freehold and long leasehold land and buildings 2% per annum
- Leasehold improvements Shorter of length of the lease or 10 years
- Plant and machinery 6.66% - 20% per annum
- Office equipment, fixtures and fittings 20%-33% per annum
- Motor vehicles 25% reducing balance

2. Material accounting policies Continued

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).

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.

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

Notes to the Group financial statements continued

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. 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.

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.

Notes to the Group financial statements continued

2. Material accounting policies Continued

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.

Profit on disposal of discontinued operations

The profit or loss on the disposal of discontinued operations is calculated as the difference between the net disposal proceeds and the carrying amount of the assets and liabilities of the discontinued operation at the date of disposal.

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.

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

Notes to the Group financial statements continued

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.

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.

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.

Notes to the Group financial statements continued

2. Material accounting policies Continued

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, for the year ended 31 March 2024 the Group 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 were 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.

Non-current assets and disposal groups classified as held for sale were 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 the prior year.

Adoption of new and revised standards

The following new standards and amendments to standards were effective for the first time during the financial year: Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), Non-Current Liabilities with Covenants (Amendments to IAS 1), Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). 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 2025 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 an 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.

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 2025 and 2024 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.

Notes to the Group financial statements continued

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 relief reserve, capital redemption 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 2025 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 cash position 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. The old financing facility was extinguished on 5 June 2024.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility (RCF) for £50 million with Barclays Bank PLC and HSBC UK Bank plc. The RCF includes two 1-year extension options and an uncommitted accordion facility of £50 million, which is undrawn at the date of these financial statements.

Notes to the Group financial statements continued

4. Segmental analysis

The Group has been organised into one main reporting segment Testing, Inspection & Certification ("TIC"). 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 7, the Board announced in February 2024 that it had entered into a binding agreement for the sale of certain of the GRC software and services businesses. 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 in the results for the years ended 31 March 2025 and 31 March 2024.

Additionally, and as described in the business review on page 7, the Board announced in September 2024 the demerger of its Occupational Health divisions from Marlowe to form Optima Health plc as an independent company. The demerger completed on the 26 September 2024 and the demerged group assets and trading results have been classified as discontinued operations in the results for the year ended 31 March 2025.

During the year, there has not been a significant change to the underlying nature of the retained business. However, the disposal and demerger noted above has resulted in a change to the reportable segments with TIC being the only operating segment continuing. Other than this, the results and economic characteristics of the business remains consistent with the prior year and therefore continuing to disclose the reportable segment consistently is appropriate for year ended 31 March 2025.

Services per segment operate as described in the Strategic report and the judgments taken in aggregating the operating segment 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 (including strategic review costs), amortisation of acquired intangibles, share based payments (including SAYE schemes) and fair value gains/losses in contingent consideration.

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.

	Year ended 31 March 2025			Year ended 31 March 2024		
	TIC £'m	Head Office £'m	Total £'m	TIC £'m	Head Office £'m	Total £'m
Continuing operations						
Revenue	315.9	–	315.9	303.7	–	303.7
Inter-segment elimination	(11.4)	–	(11.4)	(11.4)	–	(11.4)
Revenue from external customers	304.5	–	304.5	292.3	–	292.3
Segment adjusted operating profit/(loss)	24.6	(4.3)	20.3	23.2	(4.0)	19.2
Acquisition and disposal costs (including strategic review costs)			–			(5.1)
Restructuring costs			(5.2)			(8.3)
Amortisation of acquired intangibles			(6.1)			(6.3)
Share based payments (including SAYE schemes)			(2.0)			0.1
Fair value losses in contingent consideration and acquisition related incentive schemes			(2.0)			(2.8)
Operating profit/(loss)			5.0			(3.2)
Finance costs			(2.1)			(5.9)
Exceptional finance costs			(0.1)			(0.1)
Profit/(loss) before tax			2.8			(9.2)
Tax credit			1.6			3.4
Profit/(loss) after tax			4.4			(5.8)

Notes to the Group financial statements continued

	Year ended 31 March 2025			Year ended 31 March 2024		
	TIC £'m	Head Office £'m	Total £'m	TIC £'m	Head Office £'m	Total £'m
Segment assets	93.4	193.7	287.1	89.3	379.4	468.7
Segment liabilities	(82.4)	(15.2)	(97.6)	(79.6)	(266.1)	(345.7)
Capital expenditure	(6.0)	–	(6.0)	(3.8)	–	(3.8)
Depreciation and amortisation	(12.4)	(6.2)	(18.6)	(12.0)	(6.7)	(18.7)

	Year ended 31 March 2025 Total £'m	Year ended 31 March 2024 Total £'m
Discontinued operations		
Revenue	69.5	214.9
Inter-segment elimination	(1.0)	(4.0)
Revenue from external customers	68.5	210.9
Segment adjusted operating profit	11.7	46.9
Acquisition and disposal costs (including strategic review costs)	(4.1)	(2.7)
Restructuring costs	(1.3)	(9.9)
Amortisation of acquired intangibles	(3.4)	(19.3)
Share based payments (including SAYE schemes)	–	–
Fair value losses in contingent consideration and acquisition related incentive schemes	–	(2.2)
Operating profit	2.9	12.8
Finance costs	(2.2)	(12.7)
Exceptional finance costs	–	(1.8)
Profit on disposal of discontinued operations	141.4	–
Profit/(loss) before tax	142.1	(1.7)
Tax charge	(5.4)	(2.7)
Profit/(loss) after tax	136.7	(4.4)
Segment assets	–	421.6
Segment liabilities	–	(107.1)
Capital expenditure	(3.2)	(10.7)
Depreciation and amortisation	(5.4)	(27.8)

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

Notes to the Group financial statements continued

4. Segmental analysis Continued

Reconciliation of segment adjusted operating profit to adjusted EBITDA

	Year ended 31 March 2025			Year ended 31 March 2024		
	TIC £'m	Head Office £'m	Total £'m	TIC £'m	Head Office £'m	Total £'m
Continuing operations						
Segment adjusted operating profit/(loss)	24.6	(4.3)	20.3	23.2	(4.0)	19.2
Depreciation and amortisation of non-acquisition intangibles	12.3	0.2	12.5	12.0	0.4	12.4
Adjusted EBITDA	36.9	(4.1)	32.8	35.2	(3.6)	31.6

	Year ended 31 March 2025	Year ended 31 March 2024
	Total £'m	Total £'m
Discontinued operations		
Segment adjusted operating profit	11.7	46.9
Depreciation and amortisation of non-acquisition intangibles	2.0	8.5
Adjusted EBITDA	13.7	55.4

The above tables reconcile segment adjusted operating profit/(loss), 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 2025, no customers (2024: nil) individually accounted for more than 10% of the Group's total revenue.

5. Adjusting items

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 shown on the consolidated statement of comprehensive income 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	Acquisition and disposal costs (including strategic review costs) totalled £4.1 million during the year (FY24: £7.8 million). These costs are largely associated with the demerger of the Group's Occupational Health assets, completed in the first half of the year. The strategic review, conducted in the prior year (FY24), resulted in costs such as professional fees, legal fees, and staff-related expenses. These costs are non-recurring and not considered to be reflective of the underlying trading performance.

Notes to the Group financial statements continued

Adjusting item	Rationale
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 ending 31 March 2025 were £6.5 million (FY24: £18.2 million) reflecting the finalisation of integration programmes within the first half of the year. As part of the finalisation of the integration process, the Group undertook a detailed review of certain balance sheet items within the Water & Air Hygiene business unit, which has resulted in a revision of £3.1 million in non-cash adjusting items. The revision primarily relates to the reassessment of the recoverability of certain aged balances, and while this resulted in a one-off FY25 impact, there is no impact upon the ongoing trading performance or future cash generation. The prior period results have not been restated as the impact of these adjustments was not material to any of the period affected. Although the Group completed the acquisition of SludgeTek after the year end, we do not anticipate this acquisition will give rise to any restructuring costs. In the absence of further acquisitions, no additional restructuring costs are expected. Restructuring costs primarily consisted of: • The cost of duplicated staff roles and other duplicated operational costs during the integration and restructuring period; and • 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; and • Reassessment of recoverability of aged balances.
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. In accordance with IFRS 5, no amortisation was recorded for the GRC software and service assets during the period, as these assets were classified as held for sale. 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 (including SAYE schemes)	Charges associated with share-based payment schemes, including SAYE schemes, have been included as adjusting items. Although share-based compensation remains an important component of employee and executive remuneration, management believes it is useful to exclude these expenses from adjusted profit measures to provide a clearer view of the long-term performance of our underlying business. Share-based compensation expenses are non-cash charges determined by various factors, including expectations of future performance, employee forfeiture rates, and, for payroll-related tax items, the share price. As a result, these charges do not necessarily reflect the actual value ultimately received from the awards. The cost of the SAYE schemes has been reclassified from administrative expenses to adjusting items, representing a change from the prior year's accounting policy. This change was made to achieve consistency in the treatment of share-based payment schemes in the Group. The value of the reclassified SAYE costs totalled £0.4m during the year (FY24: £0.7m).
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 terms 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 (FY24: £1.9m) 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.

Notes to the Group financial statements continued

6. Operating profit/(loss)

	Continuing operations		Discontinued operations		Total	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m	2025 £'m	2024 £'m
The following items have been included in arriving at operating profit:						
Amortisation of acquisition intangibles	6.1	6.3	3.4	19.3	9.5	25.6
Amortisation of non-acquisition intangibles	0.4	0.3	0.9	4.4	1.3	4.7
Depreciation of property, plant and equipment	2.4	2.8	0.5	1.7	2.9	4.5
Depreciation of right of use assets	9.7	9.3	0.6	2.4	10.3	11.7
Share based payments (including SAYE schemes)	2.0	(0.1)	–	–	2.0	(0.1)
Staff costs	136.3	157.6	38.6	92.0	174.9	249.6
Auditor's remuneration*:						
– Parent and consolidated financial statements	1.1	0.9	–	–	1.1	0.9
– Review of half yearly financial report	–	–	–	–	–	–
– Audit of subsidiaries pursuant to legislation	–	0.1	–	–	–	0.1

* Total audit fees of £1,090k (FY24: £911k) in respect of the parent were incurred during the year. This is inclusive of £17k (FY24: £17k) incurred in respect of the review of the half yearly financial reports.

7. Directors and employees

	Continuing operations		Discontinued operations		Total	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Staff costs during the year:						
Wages and salaries	116.8	120.7	33.6	95.7	150.4	216.4
Social security costs	13.3	12.6	3.5	9.8	16.8	22.4
Post employment benefits	4.2	5.6	1.5	4.4	5.7	10.0
Share based payments and legacy long term incentives	2.0	0.4	–	0.4	2.0	0.8
Total	136.3	139.3	38.6	110.3	174.9	249.6

Average monthly number of employees during the year

	2025 No.	2024 No.
Directors	7	7
Management	485	641
Operatives	1,949	2,811
Administration	912	1,484
Sales	263	389
Total	3,616	5,332

Notes to the Group financial statements continued

Total amounts for Directors' remuneration and other benefits

	Continuing operations		Discontinued operations	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Emoluments for Directors' services:				
Salary and benefits	2.0	1.1	–	–
Long term incentives vesting	0.7	–	–	–
Directors' remuneration shown above included the following amounts in respect of the highest paid Director:				
Salary and benefits	0.9	0.4	–	–
Long term incentives vesting	0.2	–	–	–

The total gains on exercise of share options made by directors in the year was £0.5m (FY24: £nil)

	Continuing operations		Discontinued operations	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Key management compensation:				
Short-term employment benefits	2.7	1.7	0.2	0.9
Social security costs	0.4	0.3	–	0.1
Post employment benefits	–	0.1	–	0.1
Share-based payments & legacy long term incentives vesting	0.7	0.6	–	–
Total	3.8	2.7	0.2	1.1

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

8. Net Finance Costs

	Continuing operations		Discontinued operations		Total	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Interest on bank loans and overdrafts	0.7	4.1	2.2	12.2	2.9	16.3
Amortisation of deferred finance costs	0.7	0.6	–	–	0.7	0.6
Interest costs from lease liabilities	2.1	1.6	–	0.2	2.1	1.8
Interest income	(1.7)	(0.5)	–	–	(1.7)	(0.5)
Other finance costs	0.3	0.1	–	0.3	0.3	0.4
Exceptional finance costs	0.1	0.1	–	1.8	0.1	1.9
Total	2.2	6.0	2.2	14.5	4.4	20.5

Exceptional finance costs of £0.1m (2024: £1.9m) relate to the non-cash unwinding of the discount applied to contingent consideration to reflect the time value of money and the application of discounting to future contingent consideration payable.

Notes to the Group financial statements continued

9. Taxation

	Continuing operations		Discontinued operations		Total	
	2025 £'m	2024 £'m	2025 £'m	2024 £'m	2025 £'m	2024 £'m
Current tax:						
UK corporation tax on profit/loss for the year	0.7	(0.2)	1.8	5.7	2.5	5.5
Foreign tax	0.1	0.1	0.2	0.7	0.2	0.8
Adjustment in respect of previous periods	(1.0)	(0.7)	1.4	0.1	0.4	(0.6)
Total current tax	(0.2)	(0.8)	3.4	6.5	3.2	5.7
Deferred tax: (note 23)						
Current year	0.6	(2.2)	0.5	(4.6)	1.1	(6.8)
Adjustment in respect of previous periods	(2.1)	1.2	1.5	(0.8)	(0.6)	0.4
Effects of change in tax rate	0.1	–	–	–	0.1	–
Total deferred tax	(1.4)	(1.0)	2.0	(5.4)	0.6	(6.4)
Total tax (credit)/charge	(1.6)	(1.8)	5.4	1.1	3.8	(0.7)

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

	2025 £'m	2024 £'m
Profit / (loss) before tax	2.8	(9.2)
Profit / (loss) before tax multiplied by the rate of corporation tax of 25%	0.9	(2.3)
Effects of:		
Expenses not deductible for tax purposes	0.2	(0.7)
Income not taxable for tax purposes	–	0.5
Effect of foreign taxes	(0.1)	(0.1)
Recognition of previously unrecognised deferred tax asset on losses	0.3	0.2
Prior year adjustments	(3.1)	0.6
Change in tax rates	0.2	–
Total tax (credit)/charge	(1.6)	(1.8)

Notes to the Group financial statements continued

10. Earnings per ordinary share

Both the basic and diluted earnings per share have been calculated using the profit/(loss) attributable to shareholders of the parent company (Marlowe PLC) as the numerator, i.e. no adjustments to profit were necessary in 2025 or 2024.

Earnings per share:

	2025	2024
Group		
Profit / (loss) after tax for the period (£'m)	141.1	(10.2)
Basic earnings / (loss) per share (pence)	159.7	(10.6)
Fully diluted earnings / (loss) per share (pence)	159.3	(10.6)
Continuing		
Profit / (loss) after tax for the period (£'m)	4.4	(7.4)
Basic earnings / (loss) per share (pence)	5.0	(7.7)
Fully diluted earnings / (loss) per share (pence)	5.0	(7.7)
Discontinued Operations		
Profit / (loss) after tax for the period (£'m)	136.7	(2.8)
Basic earnings / (loss) per share (pence)	154.7	(2.9)
Fully diluted earnings / (loss) per share (pence)	154.3	(2.9)

	2025	2024
Weighted average number of shares used in basic earnings per share	88,360,741	96,418,045
Potential dilution of share options	224,214	–
Weighted average number of shares used in diluted earnings per share	88,584,955	96,418,045

As at 31 March 2025, nil options (31 March 2024: 579,564) were excluded from the diluted weighted-average number of ordinary shares calculation for the continuing operations because their effect would have been anti-dilutive.

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:

	2025 £'m	2024 £'m
Group		
Profit / (loss) before tax for the period	144.9	(10.9)
Adjustments:		
Acquisition and disposal costs (including strategic review costs)	4.1	7.8
Restructuring costs	6.5	18.2
Amortisation of acquisition intangibles	9.5	25.6
Share based payments (including SAYE schemes)	2.0	(0.1)
Fair value losses in contingent consideration and acquisition related incentive schemes	2.0	5.0
Profit on disposal of discontinued operations	(141.4)	–
Exceptional finance costs	0.1	1.9
Adjusted profit before tax for the period	27 .7	47.5

Notes to the Group financial statements continued

10. Earnings per ordinary share Continued

	2025 £'m	2024 £'m
Continuing		
Profit / (loss) before tax for the period	2.8	(9.2)
Adjustments:		
Acquisition and disposal costs (including strategic review costs)	–	5.1
Restructuring costs	5.2	8.3
Amortisation of acquisition intangibles	6.1	6.3
Share based payments (including SAYE schemes)	2.0	(0.1)
Fair value losses in contingent consideration and acquisition related incentive schemes	2.0	2.8
Exceptional finance costs	0.1	0.1
Adjusted profit before tax for the period	18.2	13.3

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

	2025	2024
Group		
Adjusted profit before tax (£'m)	27.7	47.5
Tax at 25% (£'m)	(6.9)	(11.9)
Adjusted profit after taxation (£'m)	20.8	35.6
Adjusted basic earnings per share (pence)	23.5	36.9
Adjusted fully diluted earnings per share (pence)	23.5	36.9

	2025	2024
Continuing		
Adjusted profit before tax (£'m)	18.2	13.3
Tax at 25% (£'m)	(4.6)	(3.3)
Adjusted profit after taxation (£'m)	13.6	10.0
Adjusted basic earnings per share (pence)	15.3	10.4
Adjusted fully diluted earnings per share (pence)	15.3	10.4

11. Dividends

On 3rd June 2024, the Company declared a special dividend in respect of the prior year. The dividend of £1.55 per Marlowe ordinary share amounted to £150.3m and was paid on 5 July 2024.

The Company has not declared any other dividends in respect of the current year.

In September 2024, Marlowe Plc declared a non-cash dividend in the form of all of the shares held in its subsidiary, Optima Health PLC, to its shareholders. The dividend was measured at the carrying value of the subsidiary (£174.7m).

12. Business combination

During the current year, the Group did not undertake any acquisitions.

In the prior year, the Group completed 5 acquisitions.

The Group acquired Victory Fire Limited, Clymac Limited and JCR Security Limited and Trans-Fire Holdings Ltd, which all operate in the Fire & Security business.

The Group also acquired IMSM Holdings Limited & International Management Systems Marketing Limited (Together "IMSM", which operated in the GRC business until it was disposed in May 2024.

Notes to the Group financial statements continued

These have been summarised below

Company acquired in financial year ending 31 March 2024	Victory Fire	Clymac	JCR	Trans-Fire	IMSM	Total £'m
Net assets acquired	3.1	3.3	0.3	0.5	7.1	14.3
Goodwill	3.3	5.2	0.2	0.4	13.2	22.3
Consideration	6.4	8.5	0.5	0.9	20.3	36.6
Satisfied by:						
Cash to vendors	5.5	8.2	0.4	0.7	15.6	30.4
Share-based consideration	–	–	–	–	3.0	3.0
Contingent cash consideration to vendors	0.9	0.3	0.1	0.2	1.7	3.2

13. Intangible assets

	Goodwill £'m	Customer relationships £'m	Applications software £'m	Content database £'m	Trade name £'m	Total £'m
Cost						
01 April 2023	424.7	204.7	57.9	8.0	6.1	701.4
Acquired with subsidiary	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
01 April 2024	236.5	117.0	26.4	–	5.1	385.0
Additions	–	0.9	2.6	–	–	3.5
Disposals	(118.8)	(60.3)	(23.9)	–	(5.1)	(208.1)
31 March 2025	117.7	57.6	5.1	–	–	180.4
Accumulated amortisation and impairment						
01 April 2023	–	42.4	12.2	1.9	0.8	57.3
Charge for the period	–	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
01 April 2024	–	34.8	5.9	–	1.1	41.8
Charge for the period	–	8.3	2.2	–	0.3	10.8
Disposals	–	(13.1)	(6.9)	–	(1.4)	(21.4)
31 March 2025	–	30.0	1.2	–	–	31.2
Carrying amount						
31 March 2024	236.5	82.2	20.5	–	4.0	343.2
31 March 2025	117.7	27.6	3.9	–	–	149.2

The customer relationships, application software and trade names have a remaining life of between 1 and 8 years.

Amortisation of £1.3m (FY24: £4.7m) is included within application software relating to internally developed software and is included within administrative expenses. The remaining amortisation charge of £9.5m (FY24: £25.6m) 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 6-8 years.

Over 50% of the carrying amount of application software has a remaining life of 3-5 years.

Notes to the Group financial statements continued

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:

TIC	2025 £'m	2024 £'m
Fire Safety & Security	46.5	46.5
Water & Air Hygiene	71.2	71.2
Total	117.7	117.7

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 13.3%-14.3% (2024: 12.5%-13.3%).

Notes to the Group financial statements continued

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

	Fire	Water
Discount rate (%)	13.8%	13.8%
Revenue growth (%)	6.5%	8%
Cost of Sales growth (%)	5%	8%
Admin costs growth (%)	5%	3%
Capex growth (%)	5%	8%
Carrying value of assets (£'m)	87.5	135.0
Headroom (£m)	133.7	92.1
Headroom as a % of carrying value (%)	152.7%	68.3%
NPV of terminal year cashflows into perpetuity as a % of carrying value (%)	32.9%	21.8%

Sensitivity analysis

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.

The table below highlights the sensitivity of the value-in-use calculations to changes in forecast cashflows and the discount rate.

The downside scenario assumes that 95% of the growth rates shown above are achieved, assuming gross margin in line with the plan.

	Planned scenario			Downside scenario		
Division	Discount rate	Headroom (£m)	Headroom as a % of carrying value	Discount rate	Headroom (£m)	Headroom as a % of carrying value
Water	13.3%	102.5	76%	13.3%	62.9	47%
	13.8%	92.1	68%	13.8%	54.3	40%
	14.3%	82.7	61%	14.3%	46.1	34%
Fire	13.3%	143.7	164%	13.3%	112.5	129%
	13.8%	133.7	153%	13.8%	103.9	119%
	14.3%	124.5	142%	14.3%	95.9	110%

Notes to the Group financial statements continued

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 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 as 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
1 April 2024	0.5	3.9	5.6	4.0	1.6	15.6
Additions	–	0.3	2.9	1.4	1.1	5.7
Disposals	–	(0.2)	(1.4)	(3.3)	(1.6)	(6.5)
31 March 2025	0.5	4.0	7.1	2.1	1.1	14.8
Accumulated depreciation						
1 April 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
1 April 2024	–	1.9	2.3	1.0	0.3	5.5
Charge for the year	–	0.5	0.8	1.5	0.1	2.9
Disposals	–	(0.1)	(1.0)	(1.9)	(0.3)	(3.3)
31 March 2025	–	2.3	2.1	0.6	0.1	5.1
Net Book Value						
31 March 2025	0.5	1.7	5.0	1.5	1.0	9.7
31 March 2024	0.5	2.0	3.3	3.2	1.1	10.1

Notes to the Group financial statements continued

15. Right of use assets

	Leasehold property £'m	Plant & Machinery £'m	Office equipment fixtures & fittings £'m	Motor vehicles £'m	Total £'m
Cost					
1 April 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)
Held for sale or included in discontinued operations	(5.2)	–	(0.1)	(0.2)	(5.5)
31 March 2024	15.4	0.7	0.4	30.5	47.0
1 April 2024	15.4	0.7	0.4	30.5	47.0
Additions	3.0	–	–	5.1	8.1
Disposals	(6.1)	(0.3)	(0.1)	(7.0)	(13.5)
Effect of lease modifications	0.5	–	–	–	0.5
31 March 2025	12.8	0.4	0.3	28.6	42.1
Accumulated depreciation					
1 April 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)
Held for sale or included in discontinued operations	(2.4)	–	(0.1)	–	(2.5)
31 March 2024	8.2	0.3	0.4	12.7	21.6
1 April 2024	8.2	0.3	0.4	12.7	21.6
Charge for the year	2.7	0.1	–	7.5	10.3
Disposals	(4.3)	–	(0.1)	(6.8)	(11.2)
31 March 2025	6.6	0.4	0.3	13.4	20.7
Net Book Value					
31 March 2025	6.2	–	–	15.2	21.4
31 March 2024	7.2	0.4	–	17.8	25.4

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.

Notes to the Group financial statements continued

16. Inventories

	2025 £'m	2024 £'m
Finished goods and goods for resale	10.2	9.7

	2025 £'m	2024 £'m
Inventory provision	(0.8)	(0.4)

	2025 £'m	2024 £'m
Inventory write off recognised in the financial year	0.2	0.1

17. Contract assets and liabilities

(a) Contract assets

	31 March 2024 £'m	Additions £'m	Accrued income/ trade receivables £'m	31 March 2025 £'m
Amounts due from contract assets included in trade and other receivables	3.1	1.4	(3.0)	1.5

	31 March 2023 £'m	Reclass to discontinued operations £'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

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 2024 £'m	Disposed £'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 31/03/24 or on acquisition £'m	Advance payments received from customers £'m	31 March 2025 £'m
Contract liabilities included in trade and other payables	7.5	(3.3)	(9.3)	(4.1)	13.9	4.7

Notes to the Group financial statements continued

	31 March 2023 £'m	Reclass to discontinued operations £'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

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

	2025 £'m	2024 £'m
Current		
Trade receivables	54.4	69.2
Less: provision for impairment of trade receivables	(1.3)	(2.1)
Trade receivables – net	53.1	67.1
Other receivables	0.6	1.0
Contract assets	1.5	3.1
Accrued income	9.5	20.9
Prepayments	4.4	5.9
	69.1	98.0

Revenue is recognised based on contracted terms with customers, in accordance with a contract's stage of completion, with any variable consideration estimated using the expected value method as constrained if necessary. If a contract is in dispute, management use their judgement based on evidence and external expert advice, where appropriate, to estimate the value of accrued income recoverable on the contract. Actual future outcome may differ from the estimated value currently held in the financial statements. The outcome of any amounts subject to dispute is not anticipated to have a material impact on the financial statements.

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 17% (2024: 18%) of those over 120 days past due to 2% (2024: 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 2025, the remaining balance of trade receivables which were past due, after applying the ECL model to the age buckets was £15.5m (2024: £33.6m). 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.

Notes to the Group financial statements continued

19. Trade and other payables

	2025 £'m	2024 £'m
Current		
Trade payables	24.6	29.1
Other taxation and social security	11.8	15.0
Other payables	1.3	6.7
Accruals	21.4	22.4
Contract liabilities	4.7	7.5
Contingent consideration payable in less than one year	0.4	2.8
	64.2	83.5
Non-current		
Contingent consideration payable in one to three years	0.3	0.7
	0.3	0.7

Trade and other payables principally comprise amounts outstanding for trade purchases, ongoing costs and contingent consideration. Included within accruals is £4.3m (2024: £9.9m) in respect of Long Term Incentive Plans as shown in Note 30.

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

	2025 £'m	2024 £'m
Optima	–	1.1
Victory Fire	–	1.3
JCR	0.7	1.1
	0.7	3.5

20. Financial liabilities – Borrowings

	2025 £'m	2024 £'m
Current		
Bank loans and overdrafts due within one year	–	–
Bank loans – unsecured	–	206.0
	–	206.0

At 31 March 2024, the Group had a £180 million revolving credit facility and an additional accordion facility of £60 million 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. £206 million of the total facility was drawn as at 31 March 2024. All of the Group's borrowings were in Sterling.

Following the disposal of the GRC business this facility was repaid in full 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 £50 million with Barclays Bank PLC and HSBC UK Bank plc. The RCF includes two 1-year extension options and an uncommitted accordion facility of £50 million.

Notes to the Group financial statements continued

Analysis of net debt:

	2025 £'m	2024 £'m
Continuing Operations:		
Cash at bank and in hand	22.2	–
Bank overdrafts due within one year	–	(25.8)
Bank loans due within one year	–	(206.0)
Leases due within one year	(8.3)	(8.5)
Leases due after one year	(14.9)	(14.8)
Net debt for Continuing operations	(1.0)	(255.1)
Discontinued 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	(1.0)	(202.9)

Refer to note 21 for additional disclosures relating to leases.

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 2023	191.0	28.1	219.1
Cash flows:			
Repayment	(36.3)	(10.8)	(47.1)
Repayment of debt upon purchase of subsidiary undertaking	(0.5)	–	(0.5)
Drawdown	51.3	–	51.3
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
1 April 2024	206.0	26.3	232.3
Cash flows:			
Repayment on disposal of discontinued operations	(209.0)	–	(209.0)
Repayment	–	(11.3)	(11.3)
Drawdown	3.0	–	3.0
Non-cash:			
Lease liabilities recognised in the year	–	8.2	8.2
31 March 2025	–	23.2	23.2

Notes to the Group financial statements continued

21. Financial liabilities: lease liabilities

	2025 £'m	2024 £'m
Leases due within one year	8.3	9.4
Leases due after one year	14.9	16.9
Total lease liability	23.2	26.3

	2025 £'m	2024 £'m
Gross obligations under leases		
Repayable by instalments:		
In less than one year	9.1	10.1
In two to five years	15.7	16.7
Over five years	0.8	0.9
Total undiscounted gross obligation repayable by instalments	25.6	27.7

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:

	2025 £'m	2024 £'m
Short term leases	0.3	0.3

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.

Cash and cash equivalents:

	2025 £'m	2024 £'m
Cash at bank / (Bank overdrafts) and in hand	22.2	(25.8)

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:

	2025 £'m	2024 £'m
Financial assets measured at amortised cost	63.3	88.9
Financial liabilities measured at amortised cost	(71.2)	(80.8)

Notes to the Group financial statements continued

Currency and interest rate risk profile of financial liabilities:

All bank borrowings were due to Barclays Bank PLC and HSBC UK Bank plc and were subject to floating interest rates, at SONIA plus a margin between 1.55% and 2.80%. Any undrawn borrowings are subject to a utilisation fee, charged as a percentage of the lending margin, and are not affected by changes in interest rates.

The interest rate risk profile of the Group's gross borrowings for the year was:

	Total £'m	Floating rate financial liabilities £'m	Weighted average interest rates %
Sterling at 31 March 2025	–	–	7.8
Sterling at 31 March 2024	206.0	206.0	7.5

The exposure of Group borrowings to interest rate changes and contractual pricing dates at the end of the year are as follows:

	2025 £'m	2024 £'m
3 months or less	–	206.0

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:

	2025 £'m	2024 £'m
3 months or less	–	27.3

Interest rate sensitivity:

At 31 March 2025, 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 £0.2m lower (2024: £1.1m). 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 period for which the group had borrowings.

The Group's sensitivity to future interest rate changes has decreased during the current year due to the reduced debt facility in place.

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.

Notes to the Group financial statements continued

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:

	2025			2024		
	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	–	9.1	9.1	206.0	10.1	216.1
Between one and two years	–	15.7	15.7	–	16.7	16.7
Between two and five years	–	0.8	0.8	–	0.9	0.9
	–	25.6	25.6	206.0	27.7	233.7

Borrowing facilities:

As at 31 March 2025, the Group has a £50 million revolving credit facility and an additional uncommitted accordion facility of £50m with HSBC UK Bank PLC and Barclays Bank PLC which expires on 24 June 2027 but includes two 1-year extension options. £Nil of the total facility was drawn as at 31 March 2025. All of the Group's borrowings are in Sterling.

During the year, the Group's prior facility was repaid in full on 5 June 2024 and fully extinguished following the divestment of certain GRC businesses.

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 2025				
Financial liabilities				
Contingent consideration (Note 19)			(0.7)	(0.7)
Net fair value	–	–	(0.7)	(0.7)
31 March 2024				
Financial liabilities				
Contingent consideration (Note 19)			(3.5)	(3.5)
Net fair value	–	–	(3.5)	(3.5)

Notes to the Group financial statements 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 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, £0.4m (2024: £2.8m) 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 £0.3m (2024: £0.7m) is calculated based on the performance of each of the acquired entities. £0.3m (2024: £0.7m) 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 13.78% for acquisitions in the TIC division), consistent with those used for the purpose of the goodwill impairment assessment.

During the year ended 31 March 2025 total contingent consideration of £1.7m was paid and all settled in cash (2024: £10.6m settled in cash). The £1.7m paid in FY25 all related to Continuing operations. There was a liability of £1.1m payable under discontinued operations, the group's liability ceased when the Occupational Health division was demerged during the year.

Measurement of contingent consideration receivable/payable
Reconciliation of Level 3 fair values

	Financial assets £'m	Financial liabilities £'m
Balance at 1 April 2023	5.4	(20.0)
Reclassed to discontinued operations	–	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)
Balance at 1 April 2024	–	(3.5)
Reclassed to discontinued operations	–	1.1
Disposals	–	1.7
Balance at 31 March 2025	–	(0.7)

Notes to the Group financial statements continued

23. Deferred tax

Summary of balances:

	2025 £'m	2024 £'m
Deferred tax liabilities	(9.1)	(54.9)
Deferred tax asset	3.7	11.7
Reclassified to disposal group net assets	–	21.6
	(5.4)	(21.6)

The movement in the year in the Group's net deferred tax position is as follows:

	2025 £'m	2024 £'m
1 April	(21.6)	(46.8)
Credit/(charge) to profit for the year	(1.1)	6.8
Adjustment in respect of previous periods	0.6	(0.4)
Acquisitions	–	(2.8)
Reclassified to disposal group net assets	16.7	21.6
	(5.4)	(21.6)

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 2023	(7.0)	(50.7)	(0.5)	(58.2)
Credit to income for the year	–	6.6	–	6.6
Adjustment in respect of previous periods	–	(0.4)	–	(0.4)
Reclassifications	–	–	–	–
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 of deferred tax liabilities pursuant to set off provisions	5.9	–	–	5.9
31 March 2024 - continuing	–	(25.5)	(0.5)	(26.0)
Brought forward before set off provisions	(5.9)	(25.5)	(0.5)	(31.9)
Charge to income for the year	0.6	2.6	(2.8)	0.4
Adjustment in respect of previous periods	(0.6)	0.7	(1.0)	(0.9)
Reclassified to disposal group net assets	0.5	15.3	2.1	17.9
31 March 2025	(5.4)	(6.9)	(2.2)	(14.5)
Set-off of deferred tax liabilities pursuant to set off provisions	5.4	–	–	5.4
31 March 2025	–	(6.9)	(2.2)	(9.1)

Notes to the Group financial statements continued

Deferred tax assets

	IFRS 16 timing differences	Short term timing differences £'m	Losses £'m	Total £'m
1 April 2023	7.0	2.9	1.5	11.4
Charge to income for the year	0.4	(0.1)	(0.1)	0.2
Acquisitions	–	–	0.1	0.1
31 March 2024	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
Brought forward before set off provisions	6.2	2.6	1.5	10.3
Charge to income for the year	0.1	(1.4)	(0.2)	(1.5)
Reclassified to disposal group net assets	(0.5)	(0.7)	–	(1.2)
Adjustment in respect of previous periods	–	1.5	–	1.5
31 March 2025 - Subtotal	5.8	2.0	1.3	9.1
Set-off of deferred tax liabilities pursuant to set off provisions	(5.4)	–	–	(5.4)
31 March 2025 - continuing	0.4	2.0	1.3	3.7

Deferred tax assets, in relation to tax losses, amounting to £nil (2024: £0.2m) have not been recognised as at 31 March 2025 as it is not considered probable that future taxable profits will be available against which the tax losses can be offset.

24. Provisions

	Total £'m
01 April 2024	2.2
Disposal in the year	(1.1)
Utilised/released	(0.3)
31 March 2025	0.8

	2025 £'m	2024 £'m
Current	0.1	1.2
Non-Current	0.7	1.0
Total	0.8	2.2

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.

Notes to the Group financial statements continued

25. Called up share capital

	2025 £'m	2024 £'m
Allotted, issued and fully paid		
80,439,317 ordinary shares of 50p each (2024: 96,806,936 ordinary shares of 50p each)	40.2	48.4

The issued ordinary share capital is as follows:

	Allotted, issued and fully paid (£'m)	Number of ordinary shares
31 March 2023	47.9	95,882,065
Share-based consideration for IMSM Acquisition	0.3	597,609
Shares issued to employees on vesting of SAYE scheme	0.2	327,262
31 March 2024	48.4	96,806,936
Shares issued to employees on vesting of SAYE scheme	0.0	49,913
Shares issued to employees on vesting of Marlowe plc Long Term Incentive Plan 2019	0.1	92,975
Cancellation of ordinary shares (1)	(8.3)	(16,510,507)
31 March 2025	40.2	80,439,317

(1) During the period, the Group purchased and cancelled 16,510,507 shares under the Share Buyback programme. Share capital has been reduced by the nominal value of these shares of £8.3 million, and a corresponding amount has been credited to the capital redemption reserve.

26. Share premium account

	2025 £'m	2024 £'m
1 April	1.3	384.8
Premium on shares issued during the year	0.2	1.4
Transfer from share premium to retained earnings (1)	–	(384.9)
31 March	1.5	1.3

(1) In the prior year, the Company gained shareholder and court approval to release £384.9m from the share premium account to retained earnings.

27. Other reserves

a) Other reserves

	2025 £'m	2024 £'m
1 April	4.5	4.6
Charge for the year	2.0	(0.1)
31 March	**6.5**	**4.5**

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.

Notes to the Group financial statements continued

b) Merger reserve

	2025 £'m	2024 £'m
1 April	12.5	9.9
Issues of shares	–	2.6
Transfer of Merger Reserve to Retained Earnings	(9.3)	–
31 March	3.2	12.5

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in another company. During the prior year £2.6m was recognised on the acquisition of the share capital of IMSM Holdings Limited and International Management Systems Marketing Limited (together, "IMSM").

In the current year, the Group disposed of several entities where merger reserve had been recognised in the prior years. Therefore the merger reserve related to these entities was released to retained earnings.

c) Capital redemption reserve

	2025 £'m	2024 £'m
1 April	–	–
Repurchase and cancellation of ordinary shares	8.3	–
31 March	8.3	–

During the year, a capital redemption reserve of £8.3 million was created following the Group's repurchase and cancellation of its own shares.

28. Net Cash generated from operations before interest and tax

	2025 £'m	2024 £'m
Profit/(loss) before tax	144.9	(10.9)
Depreciation of property, plant and equipment, depreciation of right of use assets and amortisation of non-acquisition intangibles	14.5	20.9
Amortisation of acquired intangibles	9.5	25.6
Loss on sale of fixed assets	(0.2)	(0.2)
Share based payments (including SAYE schemes)	2.0	(0.8)
Fair value losses in contingent consideration and acquisition related incentive schemes	2.0	5.0
Net finance costs	4.4	20.5
Gain on disposal of discontinued operations	(141.4)	–
Settlement of contingent consideration	(1.0)	(2.5)
(Increase) in inventories	(0.5)	–
Decrease/(increase) in trade and other receivables	6.6	(1.2)
Increase/(decrease) in trade and other payables	0.4	(1.1)
Net Cash generated from operations before interest and tax	41.2	55.3

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 is £5.5m, of which £4.0m relates to continuing and £1.5m relates to discontinued operations, (2024: £8.7m, of which £4.3m relates to continuing and £4.4m relates to discontinued operations) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans.

Notes to the Group financial statements continued

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 (including SAYE schemes).

They are share settled and are treated as share-based payments within the consolidated statement of changes of Equity:

	2025 £'m	2024 £'m
Marlowe plc EIP	1.5	(0.9)
Marlowe plc LTIP 2021	–	0.1
Marlowe PLC Incentive plan	0.1	–
2020 Save As You Earn	–	0.1
2021 Save As You Earn	0.1	0.3
2022 Save As You Earn	0.3	0.3
Total	2.0	(0.1)

The following charges were made through Administration expenses:

	2025 £'m	2024 £'m
Phantom Award Scheme	0.1	–

The following charge was included within Fair value losses in contingent consideration and acquisition related incentive schemes:

	2025 £'m	2024 £'m
Long Term Incentive Plan	2.0	0.9
	2.0	0.9

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.

Upon vesting, the New Share Options were exercisable at a price of 50 pence per ordinary at any time prior to expiry on 31 March 2029.

Options granted to Mark Adams were exercised in prior periods. Options granted to Alex Dacre were exercised in the current financial year.

A charge of £nil (2024: £nil) was recognised in respect of the Long Term Incentive Plan 2019.

Marlowe plc Long Term Incentive Plan 2021

44,321 New Share Options were granted to Alex Dacre.

The New Share Options did not vest, in whole or in part, on 1 April 2024 as the performance conditions were not met. There were no options outstanding as at 31 March 2025 which had vested and were exercisable.

A charge of £nil (2024: £0.1m) was recognised in respect of the Long Term Incentive Plan 2021.

Notes to the Group financial statements continued

2020 Save as Your 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.

A charge of £nil (2024: £0.1m) was recognised in respect of the SAYE scheme.

2021 Save as Your 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.

A charge of £0.1m (2024: £0.3m) was recognised in respect of the SAYE scheme.

2022 Save as Your 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.

A charge of £0.3m (2024: £0.3m) was recognised in respect of the SAYE scheme.

Marlowe plc Executive Incentive Plan

During the current financial year, the Remuneration Committee decided to terminate and replace the EIP scheme with a new scheme, the Marlowe plc Incentive Plan. This was because the EIP scheme no longer held any value to the participants. As a result, the charges relating to the remaining participants was accelerated and recognised in the current year. There will therefore be no further charges under this scheme.

A charge of £1.5m (2024: £0.9m credit) was recognised in respect of the EIP scheme.

Marlowe plc Incentive Plan

Directors believe the success of the Group will depend to a significant degree on the future performance of the management team. With the majority of the participants of the Marlowe Executive Incentive Plan leaving the business following the GRC disposal during the financial year and the size of the Group decreasing following the demerger of the Occupational Health Business, the Remuneration Committee decided to create the Marlowe Incentive Plan to retain and motivate its senior management team.

Participants have been issued with Restricted Share Plan Awards over a certain number of shares in the Group, as set out below. There are no market based performance conditions associated with the award.

Notes to the Group financial statements continued

30. Share based payments and long term incentive plans Continued

The awards vest 3 years after the grant date.

Restricted Share Plan Awards		
Grant date	17 October 2024	23 December 2024
Number of shares granted	56,130	67,375
Share price at grant date	£3.33	£3.08
Fair value of award per share	£3.33	£3.08
Fair value of award £'m	£0.2m	£0.2m

Participants of the Marlowe PLC incentive Plan have agreed to receive 50% of their annual performance bonuses in cash and the remaining 50% in Deferred Bonus Shares which vest 2 years after the grant date of the award.

Deferred Bonus Share Awards	
Grant date	6 March 2025
Number of shares granted	49,480
Share price at grant date	£3.28
Fair value of award per share	£3.28
Fair value of award £'m	£0.2m

A charge of £0.1m (2024: £nil) was recognised in respect of the Marlowe Incentive Plan scheme.

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 between 2 and 4 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.

Grant Date	1 July 2021	1 April 2023	1 July 2023	23 December 2024
Share price at grant date	800p	580p	560p	308p
Number of employees	1	1	1	1
Phantom shares granted	20,000	20,000	10,000	50,000
Vesting period (years)	3-4	2	3	2
Expected volatility	40.20%	37.08%	33.96%	23.21%
Risk free rate	4.26%	4.12%	3.97%	4.05%
Fair value per phantom share	0p	217p	1p	59p

The volatility was measured by calculating the standard deviation of the natural logarithm of share price movements.

Long Term Investment Plan

The Group has a number of LTIP awards in place to incentivize senior management in its divisions.

The Occupational Health Division LTIP was exercised during the financial year as part of the demerger process. Following the demerger, there is no liability remaining in relation to this LTIP.

The Employment Law and HR LTIP and the William Martin LTIP liabilities were disposed of during the year, when the GRC businesses were disposed. Following the disposal, there is no liability remaining in relation to this LTIP.

Notes to the Group financial statements continued

The LTIP awards in relation to the Water & Air division were fully settled in the prior year. There was no LTIP in place for the financial year ending 31 March 2025 and therefore no associated cost or liability.

The LTIP awards in relation to the Fire & Security division commenced on 1 September 2019 and will be exercised in July 2025. The liability has been calculated based on divisional performance for the financial year ending 31 March 2025 and it is expected that the LTIP will be settled post year end.

In total, a charge of £2.1m (2024: £0.9m) was recognised in respect of the Phantom Award Scheme and Long Term Investment Plan.

As at 31 March 2025, the liability was £4.3m (2024: £9.9m).

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 material related party transactions during the current or prior year.

32. Post balance sheet events

Return of capital

Since the year end date and as at 2 July 2025, the Group under the Share Buyback Programme has bought 1,920,143 ordinary shares of 50 pence each in the capital of the Company for a weighted average price of 321 pence for a total price of £6.2m. The shares acquired will, in due course, be cancelled.

Acquisition

On 2 April 2025 the Group acquired Sludge Tek Holdings Limited, a UK provider of specialist services to the Waste Management and Manufacturing sectors , for a total consideration of £6.2m, satisfied by the payment of £5.7m in cash on completion and £0.5m in cash payable subject to the achievement of certain performance targets by the acquired business 12 months post-acquisition. The fair value of the assets and liabilities in relation to this acquisition have not been presented as, due to them being recent acquisitions, the work is ongoing to perform the valuations.

Recommended cash and share offer for Marlowe plc

On the 5 June 2025, Mitie Group plc ("Mitie"), announced that they had reached agreement of a recommended cash and share offer with Marlowe's board, to acquire the entire issued and to be issued ordinary share capital of Marlowe. Based on Mitie's closing share price of 160 pence as of 4 June 2025, the Acquisition represents a total implied value of 466 pence per Marlowe Share, valuing the entire issued and to be issued ordinary share capital of Marlowe at approximately £366 million.

33. Discontinued operations

During the financial year, the Group completed two strategic exits in line with its strategy to refocus on its core Testing, Inspection & Certification (TIC) activities. On 31 May 2024, the Group disposed of its Governance, Risk & Compliance (GRC) software and services businesses, which had been classified as held for sale at 31 March 2024. On 26 September 2024, the Group completed the demerger of its Occupational Health business via a distribution in specie to shareholders, which totalled £174.7m.

Both the GRC and Occupational Health business lines are presented as discontinued operations in the current year, in accordance with IFRS 5. Although the Occupational Health business was not classified as held for sale at 31 March 2024 and was not presented as discontinued in the FY24 annual report, it has been treated as discontinued in FY25. As a result, the comparative figures for FY24 have been restated to reflect the reclassification of Occupational Health as a discontinued operation.

Revenue and expenses, and associated gains and losses, relating to the discontinued GRC and Occupational Health businesses have been disclosed separately on the face of the Consolidated Statement of Comprehensive Income.

Notes to the Group financial statements continued

33. Discontinued operations Continued

At 31 March 2025, no assets or liabilities remained classified as held for sale. The following table summarises the GRC disposal group held at 31 March 2024:

	2025	2024
Intangible assets	–	315.2
Property, plant and equipment	–	0.7
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
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)
Net Assets	–	315.9

Cash flows generated by the disposal group for the reporting periods under review until its disposal are as follows:

	2025	2024
Operating activities	(0.3)	32.4
Investing activities	(1.1)	(31.3)
Financing activities	(42.3)	(10.3)
Cash generated from / (used in) discontinued operations	(43.7)	(9.2)

These cash flows include operating , investing and financing cash flows from the GRC business up to its disposal on 31 May 2024 and the Occupational Health business up to its demerger on 26 September 2024.

Reconciliation to cashflow statement

	2025
Total sale consideration from GRC disposal	432.6
Less net cash in GRC businesses at disposal	(23.1)
Less net cash in OH businesses at demerger	0.6
Release of cash & cash equivalents classified as held for sale	55.2
Transaction costs incurred on disposal of discontinued operations	(7.5)
Investing cash inflow from disposal of non-core assets	457.8

Notes to the Group financial statements continued

Disposal of certain GRC businesses:

The carrying amount of the net assets on disposal at 31 May 2024 are shown below.

	31 May 2024
Intangible assets	316.2
Property, plant and equipment	0.7
Right of use assets	2.3
Trade and other receivables	24.7
Cash and cash equivalents	23.1
Assets disposed of	367.0
Current tax liability	(3.2)
Trade and other payables	(42.4)
Provisions	(0.5)
Financial liabilities - lease liabilities	(2.4)
Deferred tax liabilities	(21.9)
Liabilities disposed of	(70.4)
Net Assets	296.6

The breakdown of the profit on disposal is shown below. There is no corporation tax payable on the profit on disposal as it exempt from corporation tax under the substantial shareholding exemption.

	2025	2024
Total sale consideration	432.6	–
Carrying amount of net assets disposed	(296.6)	–
Contingent consideration liabilities transferred to buyer at disposal	12.9	–
Transaction costs incurred on disposal	(7.5)	–
Profit on disposal before tax	141.4	–
Corporation tax on profit on disposal	–	–
Profit on disposal after tax	141.4	–

Demerger of the Occupational Health Division

On 26 September 2024, the Group completed the demerger of its Occupational Health business via a distribution in specie to shareholders.

The value of the net assets of the division at the point of disposal is set out below. No profit or loss on disposal is recognised. The distribution is reflected in the Consolidated statement of changes in equity as a distribution of discontinued operations.

The carrying amount of the net assets on disposal at 26 September 2024 are shown below.

	26 September 2024
Intangible assets	186.7
Property, plant and equipment	2.3
Right of use assets	2.0
Trade and other receivables	21.7
Cash and cash equivalents	9.4
Assets classified as held for sale	222.1

Notes to the Group financial statements continued

33. Discontinued operations Continued

	26 September 2024
Current tax liability	(2.0)
Trade and other payables	(15.3)
Provisions	(0.7)
Contingent consideration payable	(1.1)
Borrowings	(10.0)
Financial liabilities - lease liabilities	(1.9)
Deferred tax liabilities	(16.4)
Liabilities directly associated with assets classified as held for sale	(47.4)
Net Assets	174.7

	2025	2024
Carrying amount of net assets disposed	174.7	–
Distribution of discontinued operations	174.7	–

Realisation of merger reserve

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in another company.

In the current year, the Group disposed of several entities where merger reserve had been recognised in the prior years. Therefore the merger reserve related to these entities of £9.3m was released to retained earnings during the year.

Company statement of changes in equity

For the year ended 31 March 2025

		Attributable to owners of the parent						
	Note	Share capital £'m	Share premium £'m	Merger relief reserve £'m	Capital Redemption Reserve £'m	Other reserves £'m	Retained earnings £'m	Total equity £'m
Balance at 1 April 2023		47.9	384.8	9.9	–	4.6	21.8	469.0
Loss for the year		–	–	–	–	–	(24.4)	(24.4)
Total comprehensive income for the year		–	–	–	–	–	(24.4)	(24.4)
Transactions with owners								
Share-based payments		–	–	–	–	(0.1)	–	(0.1)
Issue of shares during the year		0.5	1.4	2.6	–	–	–	4.5
Transfer from share premium to retained earnings		–	(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
Balance at 1 April 2024		48.4	1.3	12.5	–	4.5	382.3	449.0
Profit for the year		–	–	–	–	–	140.9	140.9
Total comprehensive profit for the year		–	–	–	–	–	140.9	140.9
Transactions with owners								
Share-based payments		–	–	–	–	2.0	–	2.0
Issue of shares during the year		0.1	0.2	–	–	–	–	0.3
Transfer of Merger Reserve to Retained Earnings		–	–	(9.3)	–	–	9.3	–
Cash dividend paid to shareholders		–	–	–	–	–	(150.3)	(150.3)
Purchase and cancellation of own shares		(8.3)	–	–	8.3	–	(66.4)	(66.4)
Distribution of discontinued operations		–	–	–	–	–	(225.0)	(225.0)
		(8.2)	0.2	(9.3)	8.3	2.0	(432.4)	(439.4)
Balance at 31 March 2025		40.2	1.5	3.2	8.3	6.5	90.8	150.5

Company statement of financial position

For the year ended 31 March 2025

	Notes	2025 £'m	2024 £'m
ASSETS			
Non-currents assets			
Investments	35	87.1	361.8
Intangible assets		0.1	0.1
Property, plant and equipment	37	–	0.2
Right of use assets	36	0.3	1.0
Trade and other receivables	38	99.3	314.7
Deferred tax asset		1.0	0.4
		187.8	678.2
Current assets			
Trade and other receivables	38	1.8	104.2
Cash and cash equivalents	40	18.4	11.8
Tax asset		1.3	–
		21.5	116.0
Total assets		209.3	794.2
LIABILITIES			
Current liabilities			
Trade and other payables	39	(58.4)	(74.7)
Financial liabilities - borrowings	40	–	(206.0)
Financial liabilities - lease liabilities		(0.2)	(0.4)
		(58.6)	(281.1)
Non-current liabilities			
Trade and other payables	39	–	(63.3)
Financial liabilities - lease liabilities		(0.2)	(0.8)
		(0.2)	(64.1)
Total Liabilities		(58.8)	(345.2)
Net assets		150.5	449.0
EQUITIES			
Share capital	41	40.2	48.4
Share premium	42	1.5	1.3
Other reserves	43	6.5	4.5
Merger reserve	43	3.2	12.5
Capital Redemption Reserve	43	8.3	–
Retained earnings		90.8	382.3
Equity attributable to the owners of the parent		150.5	449.0

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 profit after tax of £140.9m (2024: loss after tax of £24.4m).

These financial statements were approved by the Board of Directors and authorised for issue on 2 July 2025 and were signed on its behalf by:

Adam Councell
Chief Financial Officer

2 July 2025

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 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; 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; and
- 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".
- 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 and has access to funds made available from other Group companies.

The going concern position is discussed further in the consolidated financial statements of the Group on page 75 and applies to the Company.

Company income statement

In accordance with section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The results for the financial year of the Company are given on page 71 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.

Notes to the Company financial statements

For the year ended 31 March 2025

34. Directors and employees

Staff costs during the year

	2025 £'m	2024 £'m
Wages and salaries	3.9	3.2
Social security costs	0.6	0.4
Shared-based payments and long term incentive charge	1.5	(0.8)
	6.0	2.8

Average monthly number of employees during the year

	2025 Number	2024 Number
Directors	6	7
Corporate Development	1	9
IT	–	3
Finance	6	2
Administration	2	6
Sales	–	3
	15	30

Total amounts for Directors' remuneration and other benefits

	2025 £'m	2024 £'m
Emoluments for Directors' services		
Salary and benefits	2.0	1.1
Long term incentives vesting	0.7	–
Directors' remuneration shown above included the following amounts in respect of the highest paid Director:		
Salary and benefits	0.9	0.4
Share-based payments and long term incentives vesting	0.2	–

Key management compensation

	2025 £'m	2024 £'m
Short-term employment benefits	2.2	1.2
Social security costs	0.4	0.2
Share-based payments and long term incentives vesting	0.7	0.6
	3.3	2.0

Notes to the Company financial statements continued

35. Investments

Shares in subsidiary undertakings.

	£'m
Cost:	
1 April 2023	363.5
IMSM	20.3
Transfers of investment	(22.0)
31 March 2024	361.8
1 April 2024	361.8
Investments disposed in GRC disposal	(131.8)
Investments disposed in Occupational Health Demerger	(142.9)
31 March 2025	87.1
Provision for impairment	
1 April 2023	–
Charge for the year	–
31 March 2024	–
1 April 2024	–
Charge for the year	–
31 March 2025	–
Net book value:	
31 March 2025	87.1
31 March 2024	361.8

At 31 March 2025, 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	Company number
All companies are registered at: Marlowe Plc, 20 Grosvenor Place, London, SW1X 7HN. For all trading subsidiaries registered in England, Wales and Scotland for the year ended 31 March 2025, Marlowe plc has provided a guarantee in respect of all liabilities due by these subsidiaries.					
* Marlowe 2016 Limited	Ordinary	100%	Incorporated in England	Holding Company	09975667
Δ N-OV8 Group Limited	Ordinary	100%	Incorporated in England	Holding Company	06389937
Δ WCS Environmental Engineering Ltd	Ordinary	100%	Incorporated in England	Water Treatment Services	02583411
Δ Sterling Hydrotech Holdings Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	12123123
Δ Sterling Hydrotech Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	02275897
Δ Clearwater Group Limited	Ordinary	100%	Incorporated in England	Holding Company	02494701
Δ? Clearwater Compliance Limited	Ordinary	100%	Incorporated in Ireland	Water Treatment Services	01344359
Δ Clearwater Technology Ltd	Ordinary	100%	Incorporated in England	Water Treatment Services	03659610
Δ Eurosafe UK Group Limited	Ordinary	100%	Incorporated in England	Testing & Inspection Services	09462216
Δ Fire & Security (Group) Limited	Ordinary	100%	Incorporated in England	Holding Company	05792132
Δ Marlowe Fire & Security Group Limited	Ordinary	100%	Incorporated in England	Holding Company	01609444
Δ Marlowe Fire & Security Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	05239777
Δ Marlowe Kitchen Fire Suppression Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	08451949
Δ Tersus Consultancy Limited	Ordinary	100%	Incorporated in England	Testing & Inspection Services	01912115

Notes to the Company financial statements continued

Company	Class of holding	% held	Country of incorporation	Nature of business	Company number
∆ Santia Limited	Ordinary	100%	Incorporated in Wales	Contractor Management Services	11091094
∆ Santia Access Solutions Limited	Ordinary	100%	Incorporated in Wales	Contractor Management Services	11270573
∆ Santia Holdings Limited	Ordinary	100%	Incorporated in Wales	Holding Company	10509119
∆ Santia Asbestos Management Limited	Ordinary	100%	Incorporated in Wales	Contractor Management Services	07511557
∆ Santia Construction Management Limited	Ordinary	100%	Incorporated in Wales	Contractor Management Services	05289555
∆ WCS Environmental Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	02184649
∆ WCS Environmental South East Ltd	Ordinary	100%	Incorporated in England	Water Treatment Services	03157322
∆ Hydro-X Group Limited	Ordinary	100%	Incorporated in England	Holding Company	09208285
∆ Hydro-X Water Treatment Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	01818133
∆ Hydro-X Air Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	10312166
∆ Hydro-X Training Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	11552549
∆ Hydro-X Engineering Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	12869490
∆ WCS Services Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	05300448
∆ WCS Services Invicta Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	02735065
* Advance Environmental Limited	Ordinary	100%	Incorporated in England	Dormant	03735393
∆ Alarm Communication Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	01804961
∆ Atana Ltd	Ordinary	100%	Incorporated in England	Water Treatment Services	04345865
∆ Marlowe Fire & Security (BBC) Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	01454397
∆ Fire Alarm Fabrication Services Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	02565127
∆ Guardian Water Treatment Ltd	Ordinary	100%	Incorporated in England	Water Treatment Services	03913977
∆ Hadrian Technology Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	03775634
∆ Island Fire Protection Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	02594715
∆ Kingfisher Environmental Services Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	03823185
∆ Morgan Fire Protection Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	02002176
∆ MJ Fire Safety Ltd	Ordinary	100%	Incorporated in England	Fire and Security Services	06313953
∆ Phase Technology Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	02846944
∆ Phase Technology (Holdings) Limited	Ordinary	100%	Incorporated in England	Holding Company	04667814
∆ Phase Technology 2gen Holdings Limited	Ordinary	100%	Incorporated in England	Holding Company	10327059
∆ PCS Asbestos Consultants Limited	Ordinary	100%	Incorporated in England	Water Treatment Services	06999763
∆ Victory Fire Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	02694384
∆ Clymac Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	03019000
∆ Marlowe Smoke Control Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	06904844
∆ Trans-fire Holdings Ltd	Ordinary	100%	Incorporated in England	Fire and Security Services	12498280
∆ Merryweather & Sons Ltd	Ordinary	100%	Incorporated in England	Fire and Security Services	03914176
∆ Trans-fire Protection Limited	Ordinary	100%	Incorporated in England	Fire and Security Services	02079616
† Ruthven Alarms Limited	Ordinary	100%	Incorporated in Scotland	Fire and Security Services	SC243941

* Held directly
∆ Held via Marlowe 2016 Limited
? The registered address is Unite 17, Axis Business Park, Clara Road, Tullamore, Offaly, Ireland
† The registered address is Unit 3b Langlands Square, East Kilbride, Glasgow, Scotland, G75 0YY

Dormant companies are exempt from filing accounts under section 394A of the Companies Act 2006.

Notes to the Company financial statements continued

36. Right of use assets

	Leasehold property £'m	Motor vehicles £'m	Total £'m
Cost			
1 April 2024	1.5	0.1	1.6
Lease modifications	(0.7)	(0.1)	(0.8)
31 March 2025	0.8	–	0.8
Accumulated depreciation			
1 April 2024	0.5	0.1	0.6
Charge for the year	0.2	–	0.2
Lease modifications	(0.2)	(0.1)	(0.3)
31 March 2025	0.5	–	0.5
Net book value			
31 March 2025	0.3	–	0.3
31 March 2024	1.0	–	1.0

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

37. Property, plant and equipment

	Freehold and long leasehold land & buildings £'m	Leasehold improvements £'m	Office equipment fixtures & fittings £'m	Total £'m
Cost				
1 April 2024	–	0.2	0.3	0.5
Disposals		(0.1)	(0.1)	(0.2)
31 March 2025	–	0.1	0.2	0.3
Accumulated depreciation				
1 April 2024	–	0.1	0.2	0.3
Charge for the year	–	–	–	–
31 March 2025	–	0.1	0.2	0.3
Net book value				
31 March 2025	–	–	–	–
31 March 2024	–	0.1	0.1	0.2

38. Trade and other receivables

	2025 £'m	2024 £'m
Current		
Trade receivables	1.2	2.1
Trade receivables - net	1.2	2.1
Prepayments and accrued income	0.6	1.1
Amounts due from Group undertakings	–	101.0
	1.8	104.2
Non-current		
Amounts due from Group undertakings	99.3	314.7
	99.3	314.7

Notes to the Company financial statements continued

The amounts due from Group undertakings in the prior year that were classified as current are in respect of the Divestment and were settled on completion in the current year.

Of the £99.3m (2024: £314.7m) amounts due from Group undertakings, £4.8m (2024: £145.4m) 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

	2025 £'m	2024 £'m
Current		
Trade payables	2.4	1.7
Other taxation and social security	0.2	0.1
Amounts due to Group undertakings	54.6	122.1
Other payables	0.4	0.6
Accruals and deferred income	0.8	0.8
Contingent consideration payable	–	12.7
	58.4	138.0

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame. £54.6m (2024: £122.1m) amounts due to Group undertakings are unsecured and repayable on demand with no interest charged.

40. Financial liabilities - borrowings

	2025 £'m	2024 £'m
Current		
Bank loans - unsecured	–	(206.0)
	–	(206.0)

The bank debt was unsecured and due to Barclays Bank PLC and HSBC UK Bank plc. Please see note 22 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

	2025 £'m	2024 £'m
Cash at bank and in hand	18.4	11.8
Bank loans and overdrafts due within one year	–	(206.0)
	18.4	(194.2)

Notes to the Company financial statements continued

41. Share capital

	2025 £'m	2024 £'m
Allotted, issued and fully paid:		
80,439,317 ordinary shares of 50p each (2024: 96,806,936 ordinary shares of 50p each)	40.2	48.4

	Allotted, issued and fully paid (£'m)	Number of ordinary shares
31 March 2023	47.9	95,882,065
Share-based consideration for IMSM Acquisition	0.3	597,609
Shares issued to employees on vesting of SAYE scheme	0.2	327,262
31 March 2024	48.4	96,806,936
Shares issued to employees on vesting of SAYE scheme	0.0	49,913
Shares issued to employees on vesting of Marlowe plc Long Term Incentive Plan 2019	0.1	92,975
Cancellation of ordinary shares [1]	(8.3)	(16,510,507)
31 March 2025	40.2	80,439,317

(1) During the period, the Group purchased and cancelled 16,510,507 under the Share Buyback programme. Share capital has been reduced by the nominal value of these shares of £8.3 million, and a corresponding amount has been credited to the capital redemption reserve.

42. Share premium account

	2025 £'m	2024 £'m
1 April	1.3	384.8
Premium on shares issued during the year	0.2	1.4
Transfer from share premium to retained earnings	–	(384.9)
31 March	1.5	1.3

In the prior year, the Company gained shareholder and court approval to release £384.9m (2023: £nil) from the share premium account to retained earnings.

43. Other reserves

a) Other reserves

	2025 £'m	2024 £'m
1 April	4.5	4.6
Charge/(credit) for the year	2.0	(0.1)
31 March	6.5	4.5

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

	2025 £'m	2024 £'m
1 April	12.5	9.9
Issue of shares	–	2.6
Transfer of Merger Reserve to Retained Earnings	(9.3)	–
31 March	3.2	12.5

Notes to the Company financial statements continued

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in another company. During the prior year £2.6m was recognised on the acquisition of the share capital of IMSM Holdings Limited and International Management Systems Marketing Limited (together, "IMSM").

In the current year, the Group disposed of several entities where merger reserve had been recognised in the prior years. Therefore the merger reserve related to these entities was released to retained earnings.

c) Capital redemption reserve

	2025 £'m	2024 £'m
1 April	–	–
Repurchase and cancellation of ordinary shares	8.3	–
31 March	8.3	–

During the year, a capital redemption reserve of £8.3 million was created following the Group's repurchase and cancellation of its own shares.

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.

47. Distribution of discontinued operations

On 26 September 2024, the Company completed the demerger of its Occupational Health business via a distribution in specie to shareholders.

The value of the net assets at the point of disposal is set out below. A profit on disposal was recognised for the difference between the value of the investments disposed and the dividend value announced to shareholders. The distribution is reflected in the Company statement of changes in equity as a distribution of discontinued operations.

The carrying amount of the net assets on disposal at 26 September 2024 are shown below.

	Thursday, September 26, 2024
Carrying amount of investments in discontinued operations	142.9
Carrying amount of intercompany balances with the discontinued operations	59.0
Net assets at the point of disposal	201.9
Profit recognised on difference between carrying value of the disposed assets and the dividend announced to shareholders	23.1
Distribution of discontinued operations	225.0

Realisation of merger reserve

The merger reserve represents the premium on ordinary shares issued as consideration for the acquisition of shares in another company. In the current year, the Company disposed of several entities where merger reserve had been recognised in the prior years. Therefore the merger reserve related to these entities of £9.3m was released to retained earnings during the year.

Additional information

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Trading record

Year ended 31 March	FY25 £'m	FY24 £'m
Revenue	£373.0m	£503.2m
Adjusted profit before taxation*	£27.7m	£47.5m
Adjusted earnings per share*	23.5p	36.9p
Net cash/(debt) (excluding lease liabilities)	£22.2m	£(176.6)m
Net assets	£189.5m	£437.5m

* 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
November

Financial year end
31 March

Full year results
July

Marlowe plc

Benjamin Tucker

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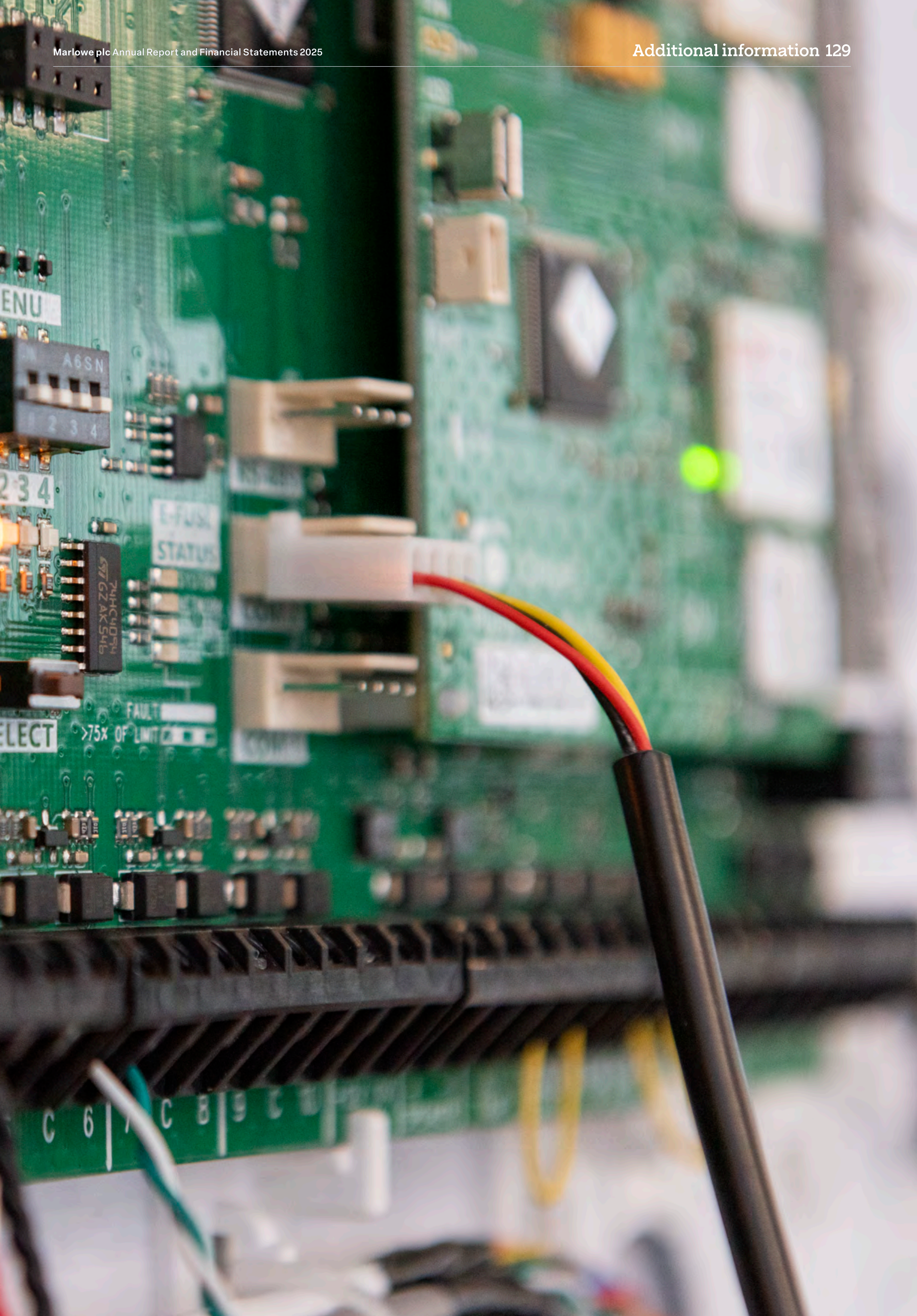
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