Company Registration No. 08988813 (England and Wales)

General Industries plc

Annual report and financial statements
for the year ended 31 March 2016

Contents

Directors and Advisers

Directors	Jeffrey C Zitron, Chairman Derek M Joseph Dr Fiona M Underwood Steven F Douglas Richard J C Murphy J Richard Wollenberg
Company Secretary	Dr Fiona M Underwood
Registered office	Tempus Wharf 29A Bermondsey Wall West London SE16 4SA
Independent Auditors	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
Corporate Advisor	Beaumont Cornish Limited 2nd Floor Bowman House 29 Wilson Street London EC2M 2SJ
Bankers	NatWest Bank 50 High Street Egham Surrey TW20 9EU
Registrars	Neville Registrars Neville House 18 Laurel Lane Halesowen B63 3DA
Company Number	08988813
Company website	www.general-industries.co.uk.

Chairman's Statement

Dear Shareholder,

I am pleased to present the annual report and the Financial Statements for the year to 31 March 2016. These figures include the two acquisitions completed in the period under review.

General Industries plc did not trade during the previous period ending 31 March 2015; the acquisitions were long standing businesses with a strong track record of success. As wholly owned subsidiaries, they make up the expanded group.

The Group's particular expertise is in the provision, financing and management of affordable housing by housing associations, local authorities, government agencies and other non-profit organisations as well as high level business advice to the property sector.

The long-term business plan is to widen the range of professional services either through organic growth or acquisition to offer clients a 'one stop shop' for all their higher level support requirements.

The Group Members

Altair Consultancy and Advisory Services Limited

Altair is a specialist management consultancy providing professional services to local authorities, housing associations, charities, property companies, regulators and government departments. It advises on all aspects of the development and management of affordable housing for rent and sale, and on the effective management of organisations operating in this sector.

Altair was the company's first acquisition, achieved by a reverse takeover in August 2015, before which the company had not traded.

Murja Limited

Murja is a specialist treasury management consultancy authorised and regulated by the Financial Conduct Authority. It advises local authorities, housing associations, colleges and other bodies on their capital funding requirements and supports them in securing debt finance. Murja was the company's second acquisition which was completed in December 2015.

Financial results

For the year to 31 March 2016, Group turnover of £4.746m primarily related to Altair's consultancy and interim management business which saw an 13.6% increase over the year. The acquisition of Murja contributed £0.387m to turnover.

As a result of the acquisition of Altair, and in accordance with IFRS accounting, the one-off non-cash deemed cost of listing (£3.105m) arising from the reverse acquisition of Altair substantially affected the bottom line resulting in a loss before tax of (£2.813m). Underlying operational profitability remains strong.

Gross profits in the consultancy and interim management business rose by over £140,000 representing 13.7% enabling a substantial investment in staff to underpin future growth; the Board anticipates that this investment will aid future profit growth. The Group's cash position is also strong, with £2.55m held on deposit at 31 March 2016, more than double that at 31 March 2015.

Chairman's Statement

Dividend

The directors propose the Group's first final dividend of 0.44p per share making a total dividend for the year of 0.66p per share.

Name change

At the Annual General Meeting, shareholders will be invited to approve a change in the name of the company to Aquila Services Group plc. This is the first step in a rebranding of the Group, and part of a marketing strategy designed to increase both the client base and acquisition prospects.

Group Finance Director

With effect from 1 July 2016, Susan Kane, an executive director of Altair, will be appointed to the Board of the company, replacing Derek Joseph as Group Finance Director. Susan has significant finance and corporate experience in the consulting, local authority, housing association and voluntary sectors. I welcome Susan to the Board and am also delighted to report that Derek will remain as a non-executive director of the company.

Prospects

Both subsidiaries serve clients that are affected by changes in public spending constraints and the wider residential property market as well as factors specific to their industries. The experience is that these challenges increase the demand for high level consultancy advice as clients look to find ways of using resources – money, people and technology – more effectively and efficiently. Alongside this, the public, regulators and government expect ever improving performance and quality from the Group's clients. The track record of both the company's subsidiaries show that they are well placed to provide the support services and trading conditions therefore remain positive.

The affordable housing sector is a key market for the Group. The impending legislative and policy changes which I referred to in my introduction to our interim results have come to fruition. The Housing and Planning Act 2016 became law in May 2016. Local authorities are now required to sell high value homes to fund both a new voluntary right to buy system for housing association tenants, as well as the development of new homes. The Government continues to reform the welfare benefits system, reducing or capping some benefits. A four-year cap on housing association rent increases is now in place. All these changes translate into major organisational and financial challenges for our clients, thus create opportunities for the Group to increase its revenues and profitability by offering a relevant range of professional skills.

May I take the opportunity to record my thanks to my fellow directors, executive team and the staff of the Group. As a people-business, the Group is dependent on their enormous commitment and expertise. To my fellow directors, may I also express my thanks for making possible the strong achievement in this commendable first year as a Group.

Jeff Zitron - Chairman
24 June 2016

Understanding our business

General Industries plc (‘‘the Company’’) was incorporated on 9 April 2014 and gained a Standard Listing on the London Stock Exchange (stock code GNI) on 28 August 2014.

During the period under review the Company acquired Altair Consultancy and Advisory Services Limited (“Altair”) and Murja Limited (“Murja”).

Altair

Altair provides support services to enable other organisations to carry out their activities in a more efficient manner. It helps manage complex and diverse organisations through periods of significant change, driving service improvement and delivering creative solutions. Altair’s traditional client base includes housing associations, charities and local authorities, although the client base also includes government departments, statutory bodies, financial institutions and other private commercial institutions.

Within the housing sector, Altair provides a broad range of advisory and consultancy services to its clients covering areas such as general management, high level executive recruitment, corporate governance, financial planning, management strategy, organisational improvement, training and raising finance. In the housing sector, Altair has established contacts with the Homes and Communities Agency (the government’s affordable homes investment, regeneration and regulation agency in England), Greater London Authority, Welsh Government and the Scottish Regulator. Altair’s services also cover the application of government strategies to increase the supply of affordable housing both for rent and home ownership as well as local government initiatives encouraging the transfer of public sector housing to independent vehicles.

Murja

Murja specialises in providing advice to organisations principally involved in the affordable housing and education sectors in respect of debt and interest rate risk. With changes to Government policy, there is a strong and growing market for the provision of specialist treasury services to local authorities, housing associations and charities operating in the provision of affordable housing, market rent and low cost home ownership initiatives. Housing associations and local authorities are seeking more complex legal and financial structures for both, particularly with the involvement of house builders and developers in joint ventures. The complementary services and products offered by Altair to the sector provides a significant opportunity for growth.

Strategy and Objectives

The strategy and objectives of the Group are:

- Continue to seek out opportunities for acquisition during the forthcoming year which will expand our range of services and increase our ability to be a one-stop shop of professional support services for the clients of our subsidiary companies.
- Provide consultancy advice and support to organisations operating within or aligned to the public sector.
- Attract and retain employees by providing a great place to work and enabling employee participation and reward through equity participation.

Review of the Business

The year under review has achieved the following financial results.

The Group saw a 16% increase in turnover on 2015[1], reflecting continued growth in Altair's housing consultancy and interim management business, as well as the benefit of revenues from Murja joining the Group in December 2015. Gross profit from the consultancy and interim management business rose by over £140,000, with margin remaining consistent at 25%. Altair has made a substantial investment in staff over the last two years in anticipation of future growth; (after allowing for both the additional staff investment mentioned and the charge in respect of staff options) the Board anticipates that this investment will aid future profit growth. The Group is in a very strong net asset position, with over £2.55m in cash held at 31 March 2016.

The underlying business remains strong and there has been continued growth of the client base in the consultancy business. The acquisition of Murja has expanded our offering into the education sector and we are beginning to see the opportunities of the treasury offering complementing Altair's business activities within the housing sector.

The comparison between this reporting year, the mid-year results and the last reporting year are set out below:

	2016 £000s	September 2015 £000s	2015 £000s
Turnover	4,746	1,886	4,074
Gross profit	1,288	487	1,029
Operating Profit	290	325	614

Operating profit includes share option charge as follows:

	2016 £000s	September 2015 £000s	2015 £000s
Share option charge	255	45	12

The Group has identified one post balance sheet event, the details of which are set out in note 25 to the Financial Statements.

There have been a number of new policies introduced, or in the process of being introduced, by the government and these have and will create opportunities for the business, specifically in the areas of improving governance and developing strategy, providing advice on how organisations structure themselves to be more efficient and providing advice on financial strategy and funding.

The Group anticipates organic growth through targeted recruitment and building a strong consulting team to deliver the expanding workload of both Altair and Murja.

The Group continues to look at opportunities to expand its consultancy base through acquisition. Initial discussions have been held with a number of parties. Most of these businesses are privately owned and the advantages of being part of a listed company are very attractive.

[1] Until the acquisition of Altair, the company did not trade. In accordance with the requirements of accounting standards, the results of General Industries are only consolidated for the period post acquisition. The comparative figures and pre-acquisition results show Altair only.

Key Performance Indicators

The Group monitors its key performance indicators (KPI's) regularly. In this first year of trading, as an expanded Group, the KPI's are set out below:

	Revenue	Gross profit	Adjusted earnings per share
2016	4,746,144	1,287,612	0.61p
2015	4,074,257	1,028,739	2.46p

	Number of clients	New clients (%)	Client retention rate (%)
2016	194	40	68
2015	130	33	41

Principal Risks and Uncertainties

The principal risks currently faced by the Group are:

Financial Instruments

The main financial risks arising from the Group activities are credit risk, foreign currency risk and interest rate risk details of which can be found in Note 27 to the Financial Statements.

Unfavourable economic conditions and / or changes to government policy

The Group's operating results and its financial condition may be negatively affected by a downturn in the general economic climate within the UK which consequently may have adverse effect upon government policy and spending, and private sector investments.

A reduced level of economic activity will restrict the amount of outsourcing by companies, local authorities or other bodies and result in the restriction of funding available for the purchase of such services leading to a decline in the number of firms in the sector and their profitability.

Reduction in government investment and funding

The Group's future revenues and profitability will be dependent on the current UK Government's policy with regard to expenditure on service and social housing improvements and to public expenditure levels in general. The introduction of policies to restrict the income for housing providers is a risk that the Group is monitoring closely.

The UK Government and local authorities may decide in future to change their programmes and priorities including reducing present or future spending and investment where the Group would expect to compete for work.

Principal Risks and Uncertainties

Competition

The contracts and procurement arrangements under which companies operating in these sectors compete for new business can lead to a higher cost of procuring new contracts and the possibility of not meeting fully the terms of contracts leading to reduced margins.

Staff skills, retention, recruitment and succession

The success of the Group is dependent on retaining, developing, motivating and communicating with senior management and personnel and as the business grows on recruiting appropriately skilled, competent people at all levels. The shortages in the availability of appropriately skilled personnel may have a negative effect on the Group. The Directors of the subsidiaries are expected to contribute to its ability to obtain, generate and manage opportunities.

If the Group cannot successfully attract, retain and motivate such personnel, it may not be able to maintain standards of service or continue to grow its businesses as anticipated. The loss of such personnel, or the inability to attract, retain, motivate and communicate with additional skilled employees required for their activities within an affordable cost base, could have an adverse effect on the Group's business and prospects.

The Group seeks to mitigate these risks through ensuring that it monitors changes in statutory, regulatory and financial changes and maintains good relationships with its principal contacts within government, regulators and other key influencers within the sector.

Following its expansion through the acquisitions of Altair and Murja, the Group is well placed to provide the full range of services needed by housing providers as the external environment changes and the outlook for the business continues to be positive. A continued understanding of its position in the market and delivering value for money to clients will ensure that services and products remain competitive. In addition, the Group will ensure that its people policies are refreshed and follow good practice so that it can continue to attract and retain excellent staff.

Employees

A split of our employees and directors by gender as at the end of the year is shown below:

	Male	Female
Directors of the Company	**5**	**1**
Directors of subsidiary companies not included in above	3	1
Employees in other senior executive positions	-	-
Total senior managers other than directors of the Company	**3**	**1**
Other employees of the Group	10	13
Total employees of the Group	**18**	**15**

Employees

The Group consults with the employees on a regular basis through direct updates. Altair conducted a staff survey during the year and the results were reviewed and discussed by the Directors and an action plan agreed and discussed with all staff. The Group invests in training and development its employees through both internal and external courses.

The Group follows the legislative requirements set out in the Equality Act 2010 which covers all aspects of equality and diversity, replacing previous legislation covering equal pay, sex, race and disability discrimination. The Group gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board is also mindful of the Human Rights Act 1998.

Environment

We understand and effectively manage the actual and potential impact of our activities. The Group's operations are conducted such that compliance is maintained with legal requirements relating to the environment.

Corporate and Social Responsibility

The Group recognises that we have a responsibility to ensure the impact of our business is positive, and that we are good corporate citizens.

- We are committed to treating with respect and dignity those we work with.
- We are committed to honesty and transparency in our communication with staff, external stakeholders, and customers.
- We treat all those we work with equally, and do not discriminate on the basis of age, gender, sexuality, disability, ethnicity, or any other protected characteristic
- We aim to work actively with our suppliers to ensure they meet our values and have sustainability issues at the heart of every decision.
- We are conscious of our responsibilities to minimise the environmental impact of our activities and to behave in a sustainable manner.
- We know that as corporate citizens we have a responsibility to the broader community. We work with our stakeholders to understand community priorities and reflect these in our activities.
- We recognise that our staff are our most valuable asset as an organisation. Our employment policies across the Company seek to exceed mere compliance with relevant legislation, to create a working environment that embraces diversity and offers fairness and equality of opportunity throughout our workplace.

Going Concern Basis

The directors have assessed the prospects of the company over a longer period than 12 months. The Board has conducted this review for a period of three years, which was selected as the company's business plan covers a three-year period and the subsidiary companies have three year plans.

The three-year strategic review considers the company's cash flows and other key financial ratios over the period. These metrics are subject to sensitivity analysis which involves flexing a number of the main assumptions underlying the forecast both individually and in unison. Where appropriate, this analysis is carried out to evaluate the potential impact of the company's principal risks actually occurring. The three-year review also makes certain assumptions about the normal level of capital investment likely to occur and considers whether additional financing facilities will be required.

Based on the results of this analysis, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment, and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Derek Joseph - Director

24 June 2016

Directors' Report

The Directors present their report and consolidated financial statements for the year ended 31 March 2016.

General Industries plc is incorporated as a public limited company, and is registered in England and Wales with the registered number 08988813. Details of the Company's issued share capital, together with the details of the movements during the year are shown in note 18. The Company has one class Ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Principal activities

The principal activities of the Group are the provision of specialist housing and treasury management consultancy services. The principal activity of the Company is that of a holding company which manages the Group's strategic direction.

Results

The results for the Group for the year ended 31 March 2016 are set out from page 31.

The consolidated financial statements for the year ended 31 March 2016 present only the results of the Altair business up to and including 19 August 2015 (the date the Company acquired Altair by way of reverse acquisition) and the enlarged group thereafter. The comparative results for the year ended 31 March 2015 represent those of Altair only.

Dividends

The directors recommend a final dividend of 0.44p per Ordinary share to be paid on 18 August 2016 to shareholders on the register on 5 August 2016 which, together with the interim dividend of 0.22p paid on 21 December 2015, makes a total of 0.66p for the year.

Directors

The following served as directors of the Company during the period or thereafter:

Jeffrey Zitron	Chairman and non-executive director	
Richard Wollenberg[2]	Non-executive director	
Derek Joseph[3]	Finance Director	
David Whittaker	Finance Director and Company Secretary	(resigned 19/08/2015)
Steven Douglas	Joint Chief Executive	(appointed19/08/2015)
Fiona Underwood	Joint Chief Executive and Company Secretary	(appointed19/08/2015)
Richard Murphy	Executive Director	(appointed12/12/2015)

[2] Richard Wollenberg was Chairman up until 19 August 2015
[3] Derek Joseph was non-executive director up until 19 August 2015

Substantial Shareholdings

As at 31 March 2016, the Company was aware of the following notifiable interests in its voting rights:

	Number of Ordinary shares	Percentage of Voting rights	Nature of holding
Richard Wollenberg*	3,808,406	11.7%	Direct
Steven Douglas	3,279,440	10.1%	Direct
Chris Wood	3,279,440	10.1%	Direct
Susan Kane	3,279,440	10.1%	Direct
Fiona Underwood	3,279,440	10.1%	Direct
Derek Joseph	2,870,403	8.8%	Direct
Jeffrey Zitron	2,798,403	8.8%	Direct
Cardiff Property plc**	1,000,000	3.1%	Direct
Brook Hall Limited	1,000,000	3.1%	Direct

*Includes shares held by immediate family members of Richard Wollenberg
**Richard Wollenberg holds 44.17% of the issued share capital and voting rights of Cardiff Property plc.

The Company is not aware of any changes to the above holdings between 31 March 2016 and the date of this report.

Powers of Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board of directors. Details of the matters reserved for the Board can be found in the Corporate Governance Statement on pages 13 to 15.

Post balance sheet events

Post balance sheet events are disclosed in note 28.

Political Donations

The Company made no political donations during the period.

Greenhouse Gas Emissions

The Group has as yet minimal greenhouse gas emissions to report from the operations of the Company and its subsidiaries and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2014.

Auditor

Saffery Champness have expressed their willingness to remain in office as Auditor and, in accordance with section 489 of the Companies Act 2006, a resolution that Saffery Champness be re-appointed will be proposed at the Annual General Meeting.

Requirements of the Listing Rules

Listing Rule requirement	
Details of long term incentive schemes as required by Listing Rule 9.4.3R	see Directors' Remuneration Report
Details of any arrangement under which a director of the Company has waived emoluments from the Company	No such waivers
Details of any allotment for cash of equity securities made during the period otherwise than to the holders of such equity shares in proportion to their holdings of such equity shares and which has not been specifically authorised by the Company's shareholders	Note 19 on page 57
Details of any contract of significance subsisting during the period to which the Company, or one of its subsidiary undertakings, is a party and in which a director of the Company is or was materially interested.	No such contracts
Details of any contract of significance subsisting during the period between the Company, one of its subsidiary undertakings, and a controlling shareholder.	No such contracts
Details of contracts for the provision of services to the Company or any of its subsidiary undertakings by the controlling shareholder.	No such contracts
Details of any arrangement under which a shareholder has waived or agreed to waive any dividends, where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.	No such waivers

Auditor Information

The Directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Derek Joseph - Director

By order of the Board

24 June 2016

Corporate Governance Statement

The Corporate Governance Statement forms part of the Directors' Report.

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on directors' remuneration on pages 16 to 26, explains how the company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules. For details of the code please refer to https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf

Given the current size and resources of the Group, the Company has decided not to apply the Code provisions in full. A copy of the Company's corporate governance practices is available on the Company's website www.general-industries.co.uk.

Board of Directors

The Board currently consists of two independent non-executive directors and four executive directors. The Board determines that Jeffrey Zitron and Richard Wollenberg to be independent Non-Executive Directors; its assessment is based on the fact that neither Jeffrey Zitron nor Richard Wollenberg receive any additional benefits from the Group.

The Board meets regularly with senior staff throughout the year to discuss areas of operational performance, trading outlook and growth opportunities. Due to the two acquisitions completed during the financial year under review, the Board met ten times during the year.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions.

The directors consider the size of the Group and the close involvement of executive directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The directors will continue to monitor this situation.

Committees

The Group has three committees; Audit, Remuneration and Nominations with membership of:

	Audit Committee	Remuneration Committee	Nominations Committee
Jeffrey Zitron	✔	✔ *	✔ *
Richard Wollenberg	✔ *	✔	✔
Derek Joseph		✔	
Fiona Underwood	✔		
Steven Douglas			✔

*Committee Chairman

Audit Committee

The audit committee, which is chaired by Richard Wollenberg, comprises both independent non-executive directors, and the Company Secretary. The Board is satisfied that Richard Wollenberg has recent and relevant financial experience to guide the committee in its deliberations.

The primary responsibilities of the Audit Committee are:

- to monitor the financial reporting for the annual and half-yearly reports, challenging where necessary to ensure appropriate accounting standards have been met;
- review the internal controls and risk management systems;
- review the compliance, whistleblowing and fraud polices for the organisation;
- make recommendations to the Board and shareholders in relation to the appointment, reappointment and removal of the external auditors; and
- meet regularly with the external auditor, review and approve the annual audit plan and review the findings of the audit with the external auditor.

The committee will meet with the external auditor at least twice a year to consider the results, internal procedures and controls, and matters raised by the auditor. The audit committee considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees. It is a specific responsibility of the audit committee to ensure that an appropriate relationship is maintained between the company and its external auditor. The company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. This control is exercised by ensuring non-audit projects where fees are expected to exceed £5,000 are subject to the prior approval of the audit committee. At least one of the members has relevant recent financial experience.

As part of the decision to recommend to the Board the re-appointment of the external auditor, the committee takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the committee's choice of external auditor.

Nominations Committee

The primary responsibilities of the Nominations Committee are:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board;
- give full consideration to succession planning for directors and other senior executives;
- keep under review the leadership needs of the organisation, both executive and non-executive;
- identifying and nominating, for the approval of the board, candidates to fill the board vacancies as and when they arise;
- make recommendations to the Board and shareholders in relation to the appointment, reappointment and removal of the external auditors; and
- evaluate the balance of skills, knowledge, experience and diversity on the board before any appointment is made by the board, and, in the light of this, prepare a description of the role and capabilities required for a particular appointment.

The Nominations Committee did not meet during this period.

Remuneration Committee

The primary responsibilities of the Remuneration Committee are:

- setting the remuneration policy for executive and non-executive directors, including pension and compensation payments. No-one can be involved in their own remuneration process;
- recommending and monitoring the level and structure of senior management remuneration;
- reviewing the ongoing relevance of remuneration policy;
- approving and determining targets for any performance-based pay schemes;
- ensuring contractual terms of termination are fair; and
- overseeing any major change in employee benefits.

The report of the Remuneration Committee is set out on pages 16 to 26 of this report.

Relations with shareholders

Presentations are given to institutional investors when requested, normally following the publication of the half year and full year results, when interim and annual reports are delivered to all shareholders. The results of such meetings are discussed with board members. All directors attend the annual general meeting at which they have the opportunity to meet with shareholders.

The information provided on this page of the Directors' Remuneration Report is not subject to Audit.

Remuneration Committee membership

Jeff Zitron	Chairman
Richard Wollenberg	Non-executive Director
Derek Joseph	Group Finance Director

Statement from the Chairman

I am pleased to present the Annual Report on Remuneration for the year ended 31 March 2016.

The remuneration committee has used the policy adopted in August 2015 as a framework to set remuneration levels. Executive directors do not participate in decisions regarding their own remuneration. The committee has access to independent advice but during the year under review they have not sought such advice.

In setting the company's remuneration policy for directors, the remuneration committee has given full consideration to the best practice provisions annexed to The Financial Conduct Authority Listing Rules and the report has been prepared in accordance with Chapter 6 of the Companies Act 2006 and the Directors' Remuneration Report Regulations 2002.

The Remuneration committee met on 18 May 2016 to discuss the remuneration for the directors of the Group. As the acquisition of Altair and Murja had taken place during the period under review, the committee agreed that there would be no changes to directors' remuneration. It was agreed that the remuneration policy would be updated to reflect the expanding Group and this is set out in the report below.

The remuneration policy is designed to attract and retain executive directors and to motivate them in delivering the objectives of the Company. The policy also covers the senior management teams within the subsidiaries who are key to supporting the delivery of those objectives. The underlying principle is that employee and director share ownership is encouraged and the remuneration policy provides opportunity to reward all employees through the award of share options. This links their personal interest to the success of the company.

Jeffrey Zitron

Chairman of the Remuneration Committee

24 June 2016

The information provided on pages 17 to 20 of the Directors' Remuneration Report is subject to audit.

Annual Report on Remuneration

The remuneration of the **executive** directors is made up as follows:

Directors' remuneration as a single figure (2016)

	Salary and fees	All taxable benefits	Annual bonuses	LTIP	Pension	Total
	£	£	£	£	£	£
Richard Wollenberg*	1,232	-	-	-	-	1,232
Derek Joseph**	6,140	-	-	-	-	6,140
David Whittaker	-	-	-	-	-	-
Steven Douglas	61,110	740	20,000	27,200	7,700	116,750
Fiona Underwood	61,110	1,950	20,000	27,200	3,666	113,926
Richard Murphy	33,484	-	-	-	-	33,484
	163,076	2,690	40,000	54,400	11,366	271,532

Directors' remuneration as a single figure (2015)

	Salary and fees	All taxable benefits	Annual bonuses	LTIP	Pension	Total
	£	£	£	£	£	£
Richard Wollenberg*	209	-	-	-	-	209
David Whittaker	83	-	-	-	-	83
	292	-	-	-	-	292

The remuneration of the **non-executive** directors is made up as follows:

Directors' remuneration as a single figure (2016)

	Salary and fees	All taxable benefits	Annual bonuses	LTIP	Pension	Total
	£	£	£	£	£	£
Richard Wollenberg*	2,389	-	-	-	-	2,389
Jeffrey Zitron	7,500	-	-	-	-	7,500
Derek Joseph**	388	-	-	-	-	388
	10,277	-	-	-	-	10,277

Directors' remuneration as a single figure (2015)

	Salary and fees	All taxable benefits	Annual bonuses	LTIP	Pension	Total
	£	£	£	£	£	£
Jeffrey Zitron	-	-	-	-	-	-
Derek Joseph**	83	-	-	-	-	83
	83	-	-	-	-	83

*Richard Wollenberg held an executive director role up until 19 August 2015.
**Derek Joseph held a non-executive director role up until 19 August 2015.

The taxable benefits above represent private medical insurance.

Executive Incentive Scheme

All the executive directors of the Group's subsidiaries benefit from the executive incentive scheme ("the scheme"). Where a subsidiary is acquired during the reporting period, the Remuneration Committee (RemCo) confirms the eligibility or not of that subsidiary's executive directors for participation in the scheme for the remaining part of the year. For the year under review, only the executive directors of Altair Consultancy and Advisory Services Limited were eligible for the executive incentive scheme.

The scheme, which is discretionary, is dependent on the performance target for the year, as set out in the remuneration policy. The scheme comprises two elements:

1. An unconsolidated bonus award of up to 30% of basic salary, and
2. A share option award of up to £100,000 (based on the mid-market share price on the date the accounts are signed) which forms part of the long-term incentive plan (LTIP) of the scheme.

The target for those eligible executive directors, in-line with the 2015 policy, was to achieve the subsidiary's 2014/15 outturn (reported profit before tax and exceptional items) plus 10%, adjusted for any Group costs and expenses.

2015/16 Award

RemCo assessed the performance of the executive directors against the target and agreed that, as the year under review spanned two differing remuneration policies (that of Altair Consultancy and Advisory Services until 19 August 2015 and General Industries plc for the remainder of the financial year) they would use their judgement and award accordingly. The Committee's decision is shown in the table overleaf.

Executive Incentive Scheme

Performance Target Altair profit increased by 10%[4]	Actual Performance Altair profit increased by 13.6%	Maximum Possible award	2015/16 Unconsolidated bonus award
£676,000	£697,858	£30,000	£20,000
£676,000	£697,858	£100,000 share options	100,000 share options (Value to be determined on the date the accounts are signed)

The Committee believes that the level of reward payable is a fair reflection of the performance over the year.

Share options awarded during the financial year

The share options awarded during the year to directors are set out below:

	Type of scheme	Face value £	Length of vesting period
Steven Douglas	Unapproved	127,500	Vest on grant date
Fiona Underwood	Unapproved	127,500	Vest on grant date

There are no performance measures or targets in relation to the options granted.

The face value of the options has been calculated based on the share price at grant date of 37.5p per share.

Statement of directors' shareholding and share interest

The total number of directors' interests in shares as at 31 March 2016 (or date of resignation) is set out below:

	Number of shares	
Richard Wollenberg[5]	3,808,406	
Jeffrey Zitron	2,798,403	
Derek Joseph	2,870,403	
David Whittaker[6]	268,000	(resigned 19 August 2015)
Steven Douglas	3,279,440	
Fiona Underwood	3,279,440	
Richard Murphy	376,344	

[4] Profit before tax and excluding one-off deemed cost of listing and share option charge
[5] Includes shares held by immediate family members of Richard Wollenberg
[6] Includes shares held by immediate family members of David Whittaker

Statement of directors' shareholding and share interest

The total number of share options in relation to each director with and without performance measures, those vested but unexercised, and those exercised, is set out below:

	With performance measures	Without performance measures[7]	Vested but unexercised[8]	Exercised during the year
Richard Wollenberg	-	-	515,000	-
Jeffrey Zitron	-	-	300,000	-
Derek Joseph	-	-	309,000	-
David Whittaker[9]	-	-	-	206,000
Steven Douglas	-	275,050	340,000	-
Fiona Underwood	-	275,050	340,000	-
Richard Murphy	-	-	-	-

Payments to past directors

In the year ended 31 March 2016 there was no payments to past directors.

Payments for loss of office

No payments were made to directors for loss of office in the year ended 31 March 2016.

The information provided in this part of the Directors' Remuneration Report is not subject to Audit.

[7] A total of 1,713,772 Ordinary Shares at £0.05 per share were issued as "Rollover Options" and are exercisable in tranches from 1 April 2016 with expiry dates between 31 March 2023 and 31 March 2025

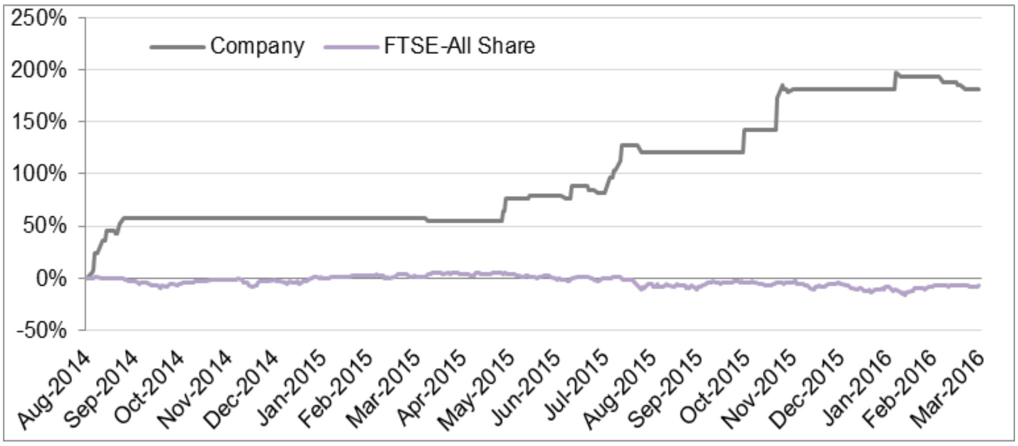
[8] The Unapproved Options may be exercised at any time up to 20 July 2020

[9] Exercised after resignation as director

The information provided on pages 21 to 26 of the Directors' Remuneration Report is not subject to audit.

Performance graph

The following graph shows the company's performance since flotation, measured by total shareholder return, compared with the performance of the FTSE All Share Index also measured by total shareholder return:



Relative importance of spend on pay

Comparison of shareholder distributions and total employee expenditure of the Group is set out below for the years ended 31 March 2015 and 31 March 2016.

	2016	**2015**	**Change %**
	£	£	
All employee remuneration	2,407,049	1,517,843	58.6%
Distributions to shareholders	212,778	134,370	58.4%

Statement of implementation of remuneration policy in the following year

The remuneration committee proposes to implement the policy approved by the shareholders at the 2016 annual general meeting.

Shareholder voting at the last general meeting

The Group is committed to on-going shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the reasons for any such vote will be sought, and any actions in response will be detailed here.

The Directors' Remuneration Report for the period ended 31 March 2015 was approved by shareholders at the Annual General Meeting held on 19 August 2015.

Directors' Remuneration Report	% of votes cast
For	100%
Against	0%
Total votes cast	100%

Remuneration policy

The remuneration policy was set in January 2015 and confirmed by the committee in August 2015; the remuneration committee has reviewed the policy and the future policy is set out below. This has been reviewed to take account of the Group's acquisitions during the period under review.

The remuneration policy is designed to attract and retain executive directors and to motivate them in delivering the objectives of the Group. The policy also covers the senior management teams within the subsidiaries who are key to supporting the delivery of those objectives. The underlying principle is that employee and director share ownership is encouraged and the remuneration policy provides opportunity to reward all employees through the award of share options. This links their personal interest to the success of the company.

Future policy table

The future policy has kept the basic principles of the policy that was set in January 2015 and agreed by the Remuneration Committee in August 2015. The main changes are to account for the enlarged Group to ensure that executive directors are adequately rewarded for their services and that there is a consistent approach to remuneration across the Group.

Directors' Remuneration Report

The following table provides a summary of the key components of the remuneration package for directors:

	Purpose	Operation	Performance Criteria
Salary and fees	To provide competitive fixed elements of reward which can attract and retain high calibre individuals with the appropriate skills and knowledge to deliver the Group's strategy.	Salaries are reviewed annually or when an individual changes position or responsibility. The committee will also consider the skills, experience and on-going performance of individuals when deciding on any changes to their basic salary.	Assessment of personal and corporate performance.
All taxable benefits	To provide a range of cost-effective benefits which are in-line with the market.	The main benefits include a car allowance (capped at that provided to all staff in the Group), private medical insurance and death in service benefit of four times salary. The committee may wish to introduce other benefit provisions from time-to-time.	None
Pensions	To provide cost-effective long-term retirement arrangements	Contributions of 6% of salary is available to all staff. There is no differential for executive directors. A salary sacrifice scheme is available for staff should they wish to increase their personal contributions.	None

Directors' Remuneration Report

	Purpose	Operation	Performance Criteria
Annual bonuses	To incentivise and reward for achievement of in-year objectives linked to the performance of the Group and the individual subsidiaries.	Executive directors are eligible for an annual bonus of up to 30% of their annual salary (unconsolidated award) upon achievement of company/subsidiary targets. Half of the executive directors' annual bonus will be paid into a Long Term Incentive Plan (LTIP), which will earn a rate of interest equivalent to a bank deposit and can be drawn, on a rolling basis, after a minimum of three years. Early release or penalties will be relevant to leavers depending on the circumstances.	Executive directors are measured against an achievement of 10% increase in reported profit before tax and exceptional items year-on-year adjusted for any Group costs and expenses. To take account of further growth within the Group individual subsidiary reported profit for the year of acquisition is used as the baseline for those executive directors.
Long-term share incentive plans	To incentivise and reward for the achievement of long-term performance, aligned to the generation of shareholder value.	An annual grant of share options, which vest after three years subject to continued service and the achievement of targets. Upon the achievement of the target executive directors will be entitled to a share option award which is the equivalent of one third the reported profit (before tax and exceptional items) of the individual subsidiary companies. The number of share options available for distribution is determined from the mid-market price on the day the results are published. The committee can, on the recommendation of the executive directors award share options to individual members of staff to reward exceptional performance. Any share options awarded to staff must be included within the one-third reported profit distribution for each subsidiary.	Share option awards are measured against an achievement of 10% increase in reported profit before tax and exceptional items year-on-year adjusted for any Group costs and expenses. To take account of further growth within the Group individual subsidiary reported profit for the year of acquisition is used as the baseline for those staff within each subsidiary.

The following table provides a summary of the key elements of the remuneration package for non-executive directors:

	Purpose	Operation
Fees	To attract and retain non-executive directors with the required skills and experience	The fees for the Chair and non-executive directors are periodically reviewed by the committee. The fees of the non-executive directors are decided by the Board based upon comparable market levels. Neither the Chair nor the non-executive directors participate in the annual bonus scheme, share incentive scheme, pension scheme or receive any other benefit. Their services can be terminated by either party upon giving three months' notice in writing
Additional fees payable for other duties		No fees are paid for other duties.

Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to offer a market competitive remuneration package sufficient to attract high calibre candidates who are appropriate to the role but without paying any more than is necessary.

Any new executive director's remuneration would include the same elements and be in line with the policy set out in this Report.

Service contracts

All executive directors have a service contract. The contract can be terminated by either party upon giving six months' notice in writing. The contracts are available for inspection at the company's offices.

Policy on payment for loss of office

Payments for loss of office would be determined by the remuneration committee taking into account contractual obligations.

Illustration of application of remuneration policy

The chart below illustrates the remuneration that would be paid to each of the Executive Directors under three different performance scenarios: (i) Minimum; (ii) On-target; and (iii) Maximum.

The elements of remuneration have been categorised into two components: (i) Fixed; and (ii) Annual variable (annual bonus awards); which are set out in the future policy table above.

Statement of consideration of employment conditions elsewhere in the Group

The Committee has not consulted with its employees on executive pay but is aware of the pay and employment benefits across the wider Group. The wider benefits package available to staff is reflected within the remuneration package for executive directors, the exceptions being the level of bonus awarded and long-term share options.

Statement of shareholder views

The Committee will consider shareholder feedback received at the AGM and during meetings with shareholders and investors throughout the year and will use these views to formulate any changes to the remuneration policy.

The remuneration report was approved by the Board on 24 June 2016 and signed on its behalf by:

Jeffrey Zitron - Chairman

24 June 2016

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors (whose names and functions are set out on page 10) are responsible for preparing this 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. Under that law the directors have prepared the company and group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. 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 company and the group and the profit or loss of the company and the group for that period.

In preparing the Company and Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website www.general-industries.co.uk., The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

We confirm that to the best of our knowledge:

- the Company and Group financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and Group; and
- these strategic and directors reports include a fair review of the development and performance of the business and the position of the Company and Group together with a description of the principal risks and uncertainties that it faces.

Derek Joseph - Director

On behalf of the Board

24 June 2016

Independent Auditor’s Report to the Members of General Industries plc

We have audited the financial statements of General Industries plc for the year ended 31 March 2016 set out on pages 31 to 63. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group’s and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and the parent company as at 31 March 2016 and of the group’s loss for the year then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and as regards the group financial statements, Article 4 of the IAS Regulation.

Independent Auditor's Report to the Members of General Industries plc

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements, and the part of the Directors' Remuneration Report to be audited, 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.

Andrew Gaskell
(Senior Statutory Auditor)
For and on behalf of Saffery Champness
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

24 June 2016

Consolidated statement of comprehensive income
For the year ended 31 March 2016

	Notes	**Proforma 2016 £**	Proforma 2015 £
Revenue	4	4,746,144	4,074,257
Cost of sales	6	(3,458,532)	(3,045,518)
Gross profit		1,287,612	1,028,739
Administrative expenses	6	(997,786)	(414,506)
Operating profit		289,826	614,233
Deemed cost of listing	15	(3,104,527)	-
Finance income	4	1,713	2,502
Finance costs	8	-	(14,424)
(Loss) / profit before taxation	6	(2,812,988)	602,311
Income tax expense	9	(124,319)	(114,125)
(Loss) / profit for the year		(2,937,307)	488,186
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(2,937,307)	488,186
(Loss) / earnings per share attributable to owners of the parent			
Basic	11	(10.66p)	2.46p
Diluted	11	(10.66p)	2.43p
Adjusted earnings per share before deemed cost of listing			
Basic	11	0.61p	2.46p
Diluted	11	0.54p	2.43p

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 37 to 63 form part of these financial statements.

Consolidated and Company statements of financial position
As at 31 March 2016

	Note	**Group 2016 £**	Proforma Group 2015 £	**Company 2016 £**	Company 2015 £
Non-current assets					
Intangible assets	12	317,688	-	-	-
Property, plant and equipment	13	14,654	-	-	-
Investments	14	-	-	9,602,280	-
		332,342	-	9,602,280	-
Current assets					
Trade and other receivables	16	1,158,836	1,022,518	1,770	18,000
Deferred tax assets	17	11,671	19,072	-	-
Cash and bank balances		2,552,642	1,113,959	341,849	946,207
		3,723,149	2,155,549	343,619	964,207
Current liabilities					
Trade and other payables	18	1,276,501	1,113,508	218,530	2,835
Corporation tax		166,769	143,742	-	-
		1,443,270	1,257,250	218,530	2,835
Net current assets		2,279,879	898,299	125,089	961,372
Net assets		2,612,221	898,299	9,727,369	961,372
Equity					
Share capital	19	1,630,434	515,000	1,630,434	515,000
Share premium account	20	533,235	464,960	533,235	464,960
Reverse acquisition reserve	20	(4,771,473)	(857,429)	-	-
Merger reserve	20	7,184,334	-	7,184,334	-
Share-based payment reserve	22	281,586	17,016	281,586	17,016
Retained (losses) / earnings		(2,245,895)	758,752	97,780	(35,604)
Equity attributable to the owners of the parent		2,612,221	898,299	9,727,369	961,372

The notes on pages 37 to 63 form part of these financial statements.

The financial statements were approved by the board on 24 June 2016

Derek Joseph - Director

Company Registration No. 08988813

Consolidated statement of changes in equity
For the year ended 31 March 2016

	Share capital £	Share premium account £	Reverse acquisition reserve £	Merger reserve £	Share based Payment Reserve £	Retained earnings / (losses) £	Proforma total equity £
Balance at 1 April 2014	-	-	936	-	-	404,936	405,872
Issue of shares	515,000	464,960	(853,272)	-	-	-	126,688
Total comprehensive income	-	-	-	-	-	488,186	488,186
Share based payment charge	-	-	(5,093)	-	17,016	-	11,923
Dividend	-	-	-	-	-	(134,370)	(134,370)
Balance at 31 March 2015	515,000	464,960	(857,429)	-	17,016	758,752	898,299
Balance at 1 April 2015	515,000	464,960	(857,429)	-	17,016	758,752	898,299
Issue of shares	1,115,434	68,275	-	7,184,334	-	-	8,368,043
Reverse acquisition	-	-	(3,914,044)	-	11,923	-	(3,902,121)
Total comprehensive loss	-	-	-	-	-	(2,937,307)	(2,937,307)
Transfer on exercise of options	-	-	-	-	(1,960)	1,960	-
Share based payment charge	-	-	-	-	254,607	-	254,607
Dividend	-	-	-	-	-	(69,300)	(69,300)
Balance at 31 March 2016	1,630,434	533,235	(4,771,473)	7,184,334	281,586	(2,245,895)	2,612,221

The notes on pages 37 to 63 form part of these financial statements.

Company statement of changes in equity
For the year ended 31 March 2016

	Share capital £	Share premium account £	Merger reserve £	Share based payment reserve £	Retained earnings / (losses) £	Total equity £
Balance at 1 April 2014	-	-	-	-	-	-
Issue of shares	515,000	464,960	-	-	-	979,960
Total comprehensive loss	-	-	-	-	(35,604)	(35,604)
Share based payment charge	-	-	-	17,016	-	17,016
Dividend	-	-	-	-	-	-
Balance at 31 March 2015	515,000	464,960	-	17,016	(35,604)	961,372
Balance at 1 April 2015	515,000	464,960	-	17,016	(35,604)	961,372
Issue of shares	1,115,434	68,275	7,184,334	-	-	8,367,043
Total comprehensive income	-	-	-	-	200,724	200,724
Transfer on exercise of options	-	-	-	(1,960)	1,960	-
Share based payment charge	-	-	-	266,530	-	266,530
Dividend	-	-	-	-	(69,300)	(69,300)
Balance at 31 March 2016	1,630,434	533,235	7,184,334	281,586	97,780	9,727,369

The notes on pages 37 to 63 form part of these financial statements.

General Industries plc

Consolidated statement of cash flow
For the year ended 31 March 2016

	Proforma 2016 £	Proforma 2015 £
Cash flows from operating activities		
(Loss)/profit for the year	(2,937,307)	488,186
Interest received	(1,713)	(2,502)
Finance costs	-	14,424
Income tax expense	124,319	114,125
Share based payment charge	254,606	11,923
Deemed cost of listing	3,104,527	-
Depreciation	5,457	-
Operating cash flows before movement in working capital	549,889	626,156
Increase in trade and other receivables	(76,254)	(275,101)
Increase in trade and other payables	99,878	575,059
Cash generated by operations	573,513	926,114
Income taxes paid	(179,445)	(270,457)
Interest paid	-	(14,424)
Net cash flow from operating activities	394,068	643,735
Cash flows from investing activities		
Interest received	1,713	2,502
Cash acquired on reverse acquisition	795,690	-
Cash acquired on purchase of subsidiary	785,262	-
Purchase of subsidiary	(899,696)	-
Purchase of property, plant and equipment	(16,344)	-
Proceeds from disposal of investments	207,834	-
Net cash flow from investing activities	874,459	2,502
Cash flows from financing activities		
Proceeds of share issue	239,456	-
Dividends paid	(69,300)	(134,370)
Repayment of loans	-	(248,312)
Net cash flow from financing activities	170,156	(382,682)
Net increase in cash and cash equivalents	1,438,683	261,053
Cash and cash equivalents at beginning of the period	1,113,959	852,906
Cash and cash equivalents at end of the period	2,552,642	1,113,959

Company statement of cash flow
For the year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) for the year	200,723	(35,604)
Dividends received	(300,600)	-
Interest received	(1,017)	(2,848)
Share based payment charge	-	17,016
Operating cash flows before movement in working capital	(100,894)	(21,436)
Decrease/(increase) in trade and other receivables	16,230	(18,000)
Increase in trade and other payables	215,696	2,835
Net cash flow from operating activities	131,032	(36,601)
Cash flows from investing activities		
Interest received	1,017	2,848
Dividends received	300,600	-
Purchase of subsidiary	(1,053,782)	-
Net cash flow from investing activities	(752,165)	2,848
Cash flows from financing activities		
Proceeds of share issue	86,075	1,010,000
Transaction costs of share issue	-	(30,040)
Dividends paid	(69,300)	-
Net cash flow from financing activities	16,775	979,960
Net increase in cash and cash equivalents	(604,358)	946,207
Cash and cash equivalents at beginning of the period	946,207	-
Cash and cash equivalents at end of the period	341,849	946,207

1 General information

General Industries plc (‘‘the Company’’) and its subsidiaries (together, ‘‘the Group’’) provide specialist housing and treasury management consultancy services. The principal activity of the Company is that of a holding company for the Group as well as providing all the strategic and governance functions of the Group.

The Company is a public limited company which is listed on the London Stock Exchange, domiciled in the United Kingdom and incorporated and registered in England and Wales. The Company’s registered office is Tempus Wharf, 29a Bermondsey Wall West, London, SE16 4SA.

2 Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial statements of have been prepared in accordance with International Reporting Standards as adopted by the European Union (IFRSs), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Pounds Sterling which is the Group’s functional and presentational currency.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas of critical accounting estimates and judgements are set out in note 3.

Basis of consolidation

On 20 August 2015 the Company became the legal parent of Altair Consultancy and Advisory Services Limited (‘‘Altair’’) through a reverse acquisition. In the judgement of the Directors, the Company was not a business as defined by IFRS 3 prior to the transaction. As such, the transaction is not considered to be a business combination and therefore is deemed to be outside the scope of IFRS 3, instead falling within the scope of IFRS 2.

The principles of IFRS 3 have been applied in identifying Altair as the accounting acquirer. The consolidated financial statements of the Company are presented as a continuation of Altair’s financial statements, reflecting the commercial substance of the transaction. However, the equity structure presented in the consolidated financial statements reflects the equity structure of the Company, including the equity instruments issued as part of the transaction. Where information relates or includes the results of Altair pre-reverse acquisition, it has been labelled ‘proforma’.

2 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of subsidiary entities. A subsidiary is defined as an entity over which the Company has control. Control is achieved when the Company has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affects its returns.

Consolidation of a subsidiary begins when the Company obtains control and ceases when control is lost. The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three control elements listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

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

Business combinations

Other than the reverse acquisition noted above, acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Any excess of the consideration over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill is not amortised but is reviewed for impairment at least annually. If the consideration is less than the fair value of the identifiable assets and liabilities acquired, the difference is recognised in the Statement of comprehensive income.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activity. Revenue is shown net of value added tax, returns, rebates and discounts. The Group recognises revenue when the amount of the revenue can be reliably measured and when it is probable that economic benefits will flow to the entity.

Un-invoiced fees at the balance sheet date are valued at the fair value of the consideration receivable when it is probable that economic benefits will flow to the Group. Where income is invoiced in advanced of work being completed, revenue is treated in the first instance as deferred income and recognised when the services are performed by the Group.

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for use. Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	33% per annum
Office equipment	33% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of comprehensive income.

Investment in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company, plus any costs directly attributable to the purchase of the subsidiary.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the instruments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

De-recognition of financial instruments occurs when the rights to receive cash flows from investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

2 Accounting policies (continued)

Trade receivables

Trade receivables are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at an effective interest rate computed at initial recognition.

Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group or Company provides money directly to a debtor with no intention of trading the receivables. Loans receivable are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Group using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities

At initial recognition, financial liabilities are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

Pensions

The Group contributes to defined contribution schemes for the benefit of its directors and employees. Contributions payable are charged to the statement of comprehensive income in the year they are payable.

2 Accounting policies (continued)

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that 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 which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax is charged or credited in the profit or loss, except when it relates to items credited or charged in other comprehensive income directly to equity, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets
Management regularly assesses the likelihood that deferred tax assets will be recovered from future taxable income. No deferred tax asset is recognised when management believe that it is more likely than not that a deferred asset will not be realised.

Impairment of assets
The Group assesses at each statement of financial position date if there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

2 Accounting policies (continued)

Impairment of assets (continued)
An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

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.

Operating leases
Rentals payable under operating leases, net of lease incentives, are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Share capital / equity instruments
Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. The Company has one class Ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Share based payments
The Group has issued share options to certain directors and employees. The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, the employee will be eligible to exercise their option at an exercise price determined on the date the share options are granted.

The share based payment charge is recognised in the statement of comprehensive income and is calculated based on the Company’s estimate of the number of share options that will eventually vest.

The fair value of share options granted is determined by applying the Black Scholes model. This model utilises inputs for the risk free rate, expected volatility in share price, dividend yield and the current share price at fair value, which are factors determined on the date the share options are granted.

2 Accounting policies (continued)

Adoption of new and revised standards

The following pronouncements have been adopted in the year and either had no impact on the financial statements or resulted in changes to presentation and disclosure only:

- IFRIC Interpretation 21 Levies - effective for annual periods beginning on or after 17 June 2014*
- Annual improvements to IFRSs 2011-2013 Cycle - effective for annual periods beginning on or after 1 January 2015
- Annual improvements to IFRSs 2011-2013 Cycle - effective for annual periods beginning on or after 1 February 2015*
- IAS 19 (amendments) Employee Benefits - Defined Benefit plans: Employee contributions - effective for annual period beginning on or after 1 February 2015*

*This is the date from which these pronouncements became effective in the EU

Standards issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group, which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed by the European Union.

- Annual Improvements 2012-2014 cycle - effective for annual periods beginning on or after 1 January 2016
- IFRS 11 (amendments) Accounting for acquisitions of interests in joint operations - effective for annual periods beginning on or after 1 January 2016
- IFRS 14 Regulatory Deferral accounts - effective for annual periods beginning on or after 1 January 2016
- IAS 16 Property, Plant & Equipment and IAS 38 - Intangible assets (amendments) - effective for annual periods beginning on or after 1 January 2016
- IAS 27 (amendments) Equity Method in Separate Financial Statements - effective for annual periods beginning on or after 1 January 2016
- IAS 16 Property, Plant & Equipment and IAS 41 - Bearer Plants (amendments) - effective for annual periods beginning on or after 1 January 2016
- IAS 1 Disclosure initiative - effective for annual periods beginning on or after 1 January 2016
- IFRS 15 Revenue from contracts with Customers – effective for annual periods beginning on or after 1 January 2018
- IFRS 16 Leases - effective for annual periods beginning on or after 1 January 2019
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment entities - Applying the Consolidation Exception - effective for annual periods beginning on or after 1 January 2016

2 **Accounting policies (continued)**

Standards issued but not yet effective (continued)

- Amendments to IAS 12 - Recognition of Deferred Tax for Unrealised Losses - effective for annual periods beginning on or after 1 January 2017
- Amendments to IAS 7 – Disclosure initiative - effective for annual periods beginning on or after 1 January 2017

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

3 **Critical accounting estimates and judgements**

In application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Basis of consolidation
The directors consider that the share for share exchange between the Company and Altair Consultancy and Advisory Services Limited (Altair) to be a reverse acquisition as Altair is considered to be the acquirer.

Revenue recognition
Work in progress is calculated on a project by project basis using the fair value of chargeable time that is un-invoiced at the period end. Historic analysis shows that recovery rates of work in progress are very high; the Group does not expect any work in progress to be irrecoverable. Work in progress is reviewed on a monthly basis to ensure it is recognised appropriately, it is probable that economic benefits will flow to the Group and that the fair value can be reliably measured.

Share based payments
The Company has granted share options to certain employees and directors of the Group. The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, the employee will be eligible to exercise their option at an exercise price determined on the date the share options are granted.

3 Critical accounting estimates and judgements (continued)

Share based payments (continued)
The share based payment charge is recognised in the statement of comprehensive income and is calculated based on the Company's estimate of the number of share options that will eventually vest.

Assumptions regarding the fair value of the Company's shares and assumptions regarding employee fluctuation are taken into account when measuring the value of share-based payments for employees, which are required to be accounted for as equity-settled share-based payment transactions pursuant to IFRS 2. The resulting staff costs are recognised pro rata in the statement of comprehensive income to reflect the services rendered as consideration during the vesting period.

Key sources of estimation uncertainty

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

Impairment of goodwill
The carrying amounts of the Group's assets value are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised where the recoverable amount is less than the carrying value of the asset. Any impairment losses are recognised in the income statement.

4 Revenue

An analysis of the Group's revenue is as follows:	Proforma **2016** £	Proforma 2015 £
Continuing operations		
Specialist housing consultancy income	4,628,195	4,074,257
Treasury management consultancy income	117,949	-
	4,746,144	4,074,257
Interest revenue on bank deposits	1,713	2,502
	4,747,857	4,076,759

5 Operating segments

The Group has three reportable segments, being consultancy, interim management and treasury management services, the results of which are included within the financial information. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ("CODM"). In accordance with IFRS 8 'Operating Segments', information on segment assets is not shown, as this is not provided to the CODM. The Group's revenues are derived exclusively from operations in the UK. As a result, the CODM does not review segments by country or continent.

The principal activities of the Group are as follows:

Consultancy – a range of services to support the business needs of a diverse range of organisations (including housing associations and local authority) across the housing sector. The majority of consultancy projects run over one to two months requiring on-going business development to ensure a full pipeline of consultancy work for the employed team.

Interim Management – individuals are embedded within housing organisations (normally registered providers, local authorities and ALMOs) in a substantive role, normally for a specified period of time. Interim management provides the Group with a more extended forward sales pipeline as the average contract is for six months. This section of the business provides low risk as the interim consultants are placed on rolling contractual basis and provides minimal financial commitment as associates to the business, rather than employees, are used for these roles.

Treasury Management – a range of services providing treasury advice and fund-raising services to non-profit making organisations working in the affordable housing and education sectors. Within this segment of the business a number of client organisations enter into fixed period retainers to ensure immediate call-off of the required services.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment, without allocation of central administration costs, including Directors' salaries, finance costs and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

5 Operating segments (continued)

	Proforma 2016 £	Proforma 2015 £
Revenue from Consultancy	2,974,901	2,481,290
Revenue from Interim management	1,653,294	1,592,967
Revenue from Treasury management	117,949	-
	4,746,144	4,074,257
Cost of sales from Consultancy	2,045,190	1,640,633
Cost of sales from Interim management	1,413,342	1,404,885
Cost of sales from Treasury management	-	-
	3,458,532	3,045,518
Gross profit from Consultancy	929,711	840,657
Gross profit from Interim management	239,952	188,082
Gross profit from Treasury management	117,949	-
	1,287,612	1,028,739
Administrative expenses	(997,786)	(414,506)
Operating profit	289,826	614,233

6 (Loss) / profit before tax

	Proforma 2016 £	Proforma 2015 £
(Loss) / profit before taxation is arrived at after charging:		
Deemed cost of listing	3,104,527	-
Auditors' remuneration	36,000	35,000
Other fees payable to auditors:		
- Taxation	12,000	-
- Corporate finance services	25,000	-
Depreciation of property, plant and equipment	5,457	-
Staff costs (see note 7)	2,407,049	1,517,843
Operating lease costs – land and buildings	39,400	30,324

The share option charge for the year of £254,607 (2015: £11,923) is included within administrative expenses.

7 Staff costs

	Proforma 2016	Proforma 2015
The average monthly number of employees (including directors) employed by the Group was:	30	21

	2016 £	2015 £
Aggregate remuneration (including directors)		
Wages and salaries	1,878,993	1,307,848
Share-based payments	254,607	11,923
Pension contributions	80,770	54,632
Social security costs	192,679	143,440
	2,407,049	1,517,843

8 Finance costs

	Proforma 2016 £	Proforma 2015 £
Loan interest	-	13,472
Other interest	-	952
	-	14,424

9 Taxation

	Proforma 2016 £	Proforma 2015 £
Corporation tax:		
Current year	116,918	108,346
Adjustment in respect of prior years	-	24,851
	116,918	133,197
Deferred tax charge/(credit)	7,401	(19,072)
	124,319	114,125

The tax charge for the year can be reconciled to the (loss)/profit in the income statement as follows:

	Proforma 2016 £	Proforma 2015 £
(Loss)/profit before taxation	(2,812,988)	602,311
Tax at the UK corporation tax rate of 20% (2015: 21%)	(562,598)	126,485
Expenses not deductible	66,012	4,027
Deemed cost of listing	620,905	-
Tax effect of utilising unrecognised deferred tax asset	-	(21,752)
Marginal rate relief	-	(7,126)
Adjustments in respect of prior years	-	24,851
	686,917	(12,360)
Tax expense for the year	124,319	114,125

10 Profit for the financial year

As permitted by section 408 Companies Act 2006, the Company has not presented its own Income Statement in these financial statements. The Company made a profit of £200,724 (2015: loss of £35,604) for the year ended 31 March 2016.

11 Earnings per share

Basic earnings per share is calculated by dividing the (loss) / profit after tax attributable to the equity holders of the Group by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potential dilutive shares, namely share options. In calculating the weighted average number of Ordinary shares during the period in which the reverse acquisition occurs:

a) The number of Ordinary shares outstanding from the beginning of the period to the acquisition date is computed on the basis of the weighted average number of Ordinary shares of the legal acquiree (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and
b) The number of Ordinary shares outstanding from the acquisition date to the end of that period is the actual number of Ordinary shares of the legal acquirer (accounting acquire) outstanding during that period.

The basic earnings per share for each comparative period before the acquisition date shall be calculated by dividing the profit of the legal acquiree in each of those periods by the legal acquiree's historical weighted average number of Ordinary shares outstanding multiplied by the exchange ratio.

	Proforma 2016 £	Proforma 2015 £
(Loss) / profit after tax attributable to owners of the parent	(2,937,307)	488,186
Weighted average number of shares		
- Basic	27,566,749	19,867,935
- Diluted	27,566,749	20,097,946
Basic (loss)/earnings per share	**(10.66p)**	**2.46p**
Diluted (loss)/earnings per share	**(10.66p)**	**2.43p**
Adjusted earnings per share before deemed cost of listing		
(Loss)/profit after tax attributable to owners of the parent	(2,937,307)	488,186
Deemed cost of listing	3,104,527	-
Adjusted earnings	167,220	488,186
Weighted average number of shares		
- Basic	27,566,749	19,867,935
- Diluted	30,918,874	20,097,946
Adjusted basic earnings per share	**0.61p**	**2.46p**
Adjusted diluted earnings per share	**0.54p**	**2.43p**

Potential Ordinary shares are antidilutive when their conversion to Ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

12 Intangible assets

Group	Goodwill £
Cost	
At 1 April 2014 and 1 April 2015 (proforma)	-
Additions	317,688
At 31 March 2016	**317,688**
Accumulated impairment losses	
At 1 April 2014 and 1 April 2015 (proforma)	-
Impairment losses for the year	-
At 31 March 2016	**-**
Net book value	
At 1 April 2014	-
At 31 March 2015	-
At 31 March 2016	**317,688**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination.

13 Property, plant and equipment

Group	Computer equipment £
Cost	
At 1 April 2014 and 1 April 2015 (proforma)	-
Additions	16,344
Acquired on purchase of subsidiary	3,767
At 31 March 2016	**20,111**
Accumulated depreciation	
At 1 April 2014 and 1 April 2015 (proforma)	-
Charge for the year	5,457
At 31 March 2016	**5,457**
Net book value	
At 1 April 2014	-
At 31 March 2015	-
At 31 March 2016	**14,654**

14 Investment

Company	Investments in subsidiaries £
Cost	
At 1 April 2014 and 1 April 2015	-
Additions	9,602,280
At 31 March 2016	**9,602,280**
Accumulated impairment losses	
At 1 April 2014 and 1 April 2015	-
Impairment losses for the year	-
At 31 March 2016	**-**
Net book value	
At 1 April 2014	-
At 31 March 2015	-
At 31 March 2016	**9,602,280**

Details of the Company's subsidiaries at 31 March 2016 are as follows:

	Place of incorporation and operation	Principal activity	Proportion of ownership and voting rights held
Altair Consultancy and Advisory Services Limited	England and Wales	Specialist housing consultancy	100%
Murja Limited	England and Wales	Treasury management consultancy	100%

The accounting reference date of each of the subsidiaries is co-terminus with that of the Company.

15 Business combinations

On 20 August 2015, General Industries plc became the legal parent of Altair Consultancy and Advisory Services Limited by way of reverse acquisition. The cost of the acquisition is deemed to have been incurred by Altair Consultancy and Advisory Services Limited, the legal subsidiary, in the form of equity instruments issued to the owners of the legal parent.

The fair value of the shares in Altair Consultancy and Advisory Services Limited has been determined from the quoted price of General Industries plc as at the acquisition date. The value of the consideration shares was £7,950,000. The fair value of the notional number of equity instruments that the legal subsidiary would have had to have issued to the legal parent to give the owners of the legal parent the same percentage ownership as in the combined entity is £3,862,779. The difference between the notional consideration paid by General Industries plc for Altair Consultancy and Advisory Services Limited and the General Industries plc net assets acquired of £758,252 has been charged to the Consolidated Statement of Comprehensive Income as a deemed cost of listing amounting to £3,104,527.

Details of net assets acquired and the deemed cost of listing are as follows:

	£
Notional consideration	3,862,779
Less net assets acquired:	
- Trade and other receivables	7,562
- Cash and cash equivalents	795,690
- Trade and other payables	(45,000)
	758,252
Deemed cost of listing	**3,104,527**

Acquisition-related costs capitalised as part of the investment total £154,086.

15 Business combinations (continued)

On 12 December 2015, the Group acquired 100% of the issued share capital of Murja Limited, thereby obtaining control. The principal activity of Murja Limited is that of treasury management services. Murja Limited was acquired so as to broaden the range of services the Group can offer.

Details of net assets acquired and the goodwill:

	£
Consideration:	
Cash	868,032
Ordinary shares issued (see note 18)	331,968
	1,200,000
Less net assets acquired:	
Property, plant and equipment	3,767
Investments	207,834
Trade and other receivables	52,502
Cash and cash equivalents	785,262
Trade and other payables	(167,053)
	882,312
Goodwill	**317,688**

Acquisition-related costs capitalised as part of the investment total £31,664.

Included within the Consolidated statement of comprehensive income are the following amounts in relation to Murja Limited:

	£
Revenue	117,949
Loss	31,431

16 Trade and other receivables

	Group 2016 £	Proforma Group 2015 £	**Company 2016 £**	Company 2015 £
Trade receivables	995,660	919,605	-	-
Other receivables	17,081	9,100	1,770	-
Prepayments and accrued income	146,095	93,813	-	18,000
	1,158,836	1,022,518	1,770	18,000

The directors consider that the carrying amount of trade receivables approximates to their fair value. Trade and other receivables are not considered impaired.

The aged profile of trade receivables not impaired is as follows:

	Total £	**<30 days £**	**30-60 days £**	**66-90 days £**	**>90 days £**
31 March 2016	995,660	687,310	236,379	50,149	21,822
31 March 2015	919,605	516,936	368,931	7,862	25,876

17 Deferred tax assets

Group

The following are the major deferred tax assets recognised and the movements thereon during the current and prior reporting period.

	Decelerated capital allowances £	Other timing differences £	Total £
At 1 April 2014 (proforma)	-	-	-
Credit to profit or loss (proforma)	3,045	16,027	19,072
At 1 April 2015 (proforma)	3,045	16,027	19,072
Charge to profit or loss	(1,741)	(5,660)	(7,401)
At 31 March 2016	1,304	10,367	11,671

Deferred tax assets are recognised to the extent that it is probable that the future tax profits will allow the deferred tax assets to be recovered.

18 Trade and other payables

	Group 2016 £	Proforma Group 2015 £	Company 2016 £	Company 2015 £
Trade payables	220,307	265,407	19,621	-
Other payables	61,067	21,575	-	-
Amounts owed to Group undertakings	-	-	183,409	-
Taxes and social security costs	354,117	254,030	-	-
Accruals and deferred income	641,010	572,496	15,500	2,835
	1,276,501	1,113,508	218,530	2,835

The directors consider that the carrying amount of trade payables approximates to their fair value.

19 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
32,608,688 (2015: 10,300,000) Ordinary shares of 5p each	1,630,434	515,000

The Company has one class Ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

A reconciliation of share capital, share premium account and merger reserve is set out below:

	Number of Ordinary shares	**Amount called up and fully paid**	**Share premium**	**Merger reserve**
		£	**£**	**£**
Ordinary shares of £1 each issued at par on incorporation	50,000	50,000	-	-
Subdivided into Ordinary shares of 5p each on 29 May 2014	950,000	-	-	-
Issued at £30,000 per share on 29 May 2014	1	-	30,000	-
Issued at 10p per share on 28 August 2014	9,299,999	465,000	465,000	-
Transaction costs of issue of shares	-	-	(30,040)	-
At 1 April 2015	**10,300,000**	**515,000**	**464,960**	**-**
Issued at 37.5p per share on 19 August 2015 to acquire Altair	21,200,000	1,060,000	-	6,890,000
Issued at 46.5p per share on 15 December 2015 to acquire Murja	120,000	6,000	-	49,800
Issued at 43.65p per share on 11 March 2016 to acquire Murja	632,688	31,634	-	244,534
Issued at 43.65p per share on 11 March 2016	150,000	7,500	57,975	-
Issued at 10p per share on 11 March 2016 upon exercise of options	206,000	10,300	10,300	-
At 31 March 2016	**32,608,688**	**1,630,434**	**533,235**	**7,184,334**

20 Reserves

The share premium account represents the amount received on the issue of Ordinary shares by the Company in excess of their nominal value and is non-distributable.

The merger relief reserve arose on the Company's acquisition of Altair and Murja. There is no legal share premium on the shares issued as consideration as section 612 of the Companies Act 2006, which deals with merger relief, applies in respect of the acquisition.

The reverse acquisition reserve arises due to the elimination of the Company's investment in Altair. Since the shareholders of Altair became the majority shareholders of the enlarged group, the acquisition is accounted for as though the legal acquiree is the accounting acquirer.

21 Dividends

	2016	Proforma 2015
	£	£
Amounts recognised as distributions to equity holders		
Interim dividend paid prior to Group reconstruction	-	134,370
Interim dividend paid of 0.22p per share	69,300	-
	69,300	134,370
Proposed final dividend of 0.44p per share	143,478	-

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable on 18 August 2016 to shareholders on the Register of Members on 5 August 2016. The total recommended dividend to be paid is 0.44p per share. The payment of this dividend will not have any tax consequences for the Group.

22 Share-based payment transactions

The Company operates various share option schemes. The total expense recognised in the year to 31 March 2016 arising from share-based payment transactions is 254,067.

On 22 August 2014, the Company granted 1,030,000 share options to certain directors at an exercise price of 10p per share. The options are exercisable between the date granted and 22 August 2019.

On 10 November 2014, the Company granted 300,000 to a further director at an exercise price of 26p per share. The options are exercisable between the date granted and 22 August 2019.

	Number of shares	Weighted average exercise price
Outstanding at 1 April 2015	1,330,000	13.6p
Options granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	206,000	10p
Expired during the year	-	-
Outstanding at 31 March 2016	1,124,000	12.06p
Exercisable at 31 March 2016	1,124,000	12.06p

At the date the options above were exercised, the share price was 47.5p. The exercise price of the options outstanding at 31 March 2016 ranges between 10p and 26p. The weighted average remaining contractual life of the options at 31 March 2016 is 3.4 years.

22 Share-based payment transactions (continued)

On 28 November 2014, Altair granted 32 EMI share options to certain employees and directors at an exercise price of £1 per share. 16 of the options were exercisable between 1 April 2016 and 31 March 2023, with the other 16 options exercisable between 1 April 2017 and 31 March 2024.

On 31 March 2015, Altair granted 49 EMI share options to certain employees and directors at an exercise price of £1 per share. The options were exercisable between 1 April 2018 and 31 March 2025.

As part of the reverse acquisition in August 2015, the above options were surrendered and replaced by options granted by the Company. The number of options granted by the Company as replacements was based on the original number of Altair options multiplied by the exchange ratio established in the acquisition. In accordance with IFRS 2, the replacement options are accounted for as modifications. The modification did not result in any increase in the original fair value of the options granted.

The replacement options have an exercise price of 5p per share. Of the total 1,713,772 replacement options granted, 338,523 are exercisable between 1 April 2016 and 31 March 2025, 338,523 are exercisable between 1 April 2017 and 31 March 2025 and 1,036,726 are exercisable between 1 April 2018 and 31 March 2025.

	Number of shares	Weighted average exercise price
Outstanding at 1 April 2015 (equivalent to 81 Altair options)	1,713,722	5p
Options granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March 2016	1,713,722	5p
Exercisable at 31 March 2016	-	-

The exercise price of the options outstanding at 31 March 2016 is 5p. The weighted average remaining contractual life of the options at 31 March 2016 is 9 years.

The weighted average fair value of the share options at modification date was £0.162. The fair value of the options was calculated using the Black-Scholes valuation model. The key inputs into the model were as follows:

Weighted average share price	37.5p
Expected volatility	1%
Risk free rate	0.8%
Option life	9.6 years

22 Share-based payment transactions (continued)

On 20 August 2015, the Company granted 1,360,000 unapproved share options to certain employees and directors of the Group at an exercise price of 29.5p. The options are exercisable between the date granted and 22 August 2020.

	Number of shares	Weighted average exercise price
Outstanding at 1 April 2015	-	-
Options granted during the year	1,360,000	29.5p
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March 2016	1,360,000	29.5p
Exercisable at 31 March 2016	1,360,000	29.5p

The exercise price of the options outstanding at 31 March 2016 is 29.5p.

The weighted average remaining contractual life of the options at 31 March 2016 is 4.4 years.

The weighted average fair value of the share options at grant date was £0.092. The fair value of the options was calculated using the Black-Scholes valuation model. The key inputs into the model were as follows:

Weighted average share price	37.5p
Expected volatility	1%
Risk free rate	0.8%
Option life	5 years

22 Share-based payment transactions (continued)

On 31 March 2016, the Company granted 103,093 unapproved share options to a certain director of the Group at an exercise price of 5p. The options are exercisable between the 31 March 2018 and 31 March 2021.

	Number of shares	Weighted average exercise price
Outstanding at 1 April 2015	-	-
Options granted during the year	103,093	5p
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 March 2016	103,093	5p
Exercisable at 31 March 2016	-	-

The exercise price of the options outstanding at 31 March 2016 is 5p.

The weighted average remaining contractual life of the options at 31 March 2016 is 5 years.

The weighted average fair value of the share options at grant date was £0.417. The fair value of the options was calculated using the Black-Scholes valuation model. The key inputs into the model were as follows:

Weighted average share price	37.5p
Expected volatility	21.5%
Risk free rate	0.88%
Option life	5 years

23 Operating lease arrangements

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 **£**	2015 £
Within one year	39,400	36,400
In the second to fifth years inclusive	91,000	127,400
	130,400	163,800

Operating lease payments represent rentals payable by the Group for certain of its office properties.

24 Related party disclosures

Balances and transactions between the Group and other related parties are disclosed below:

Remuneration of Directors and key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2016	2015
	£	£
Short-term employee benefits	586,283	500,000
Share-based payments	212,116	8,940
Post-retirement benefits	22,934	21,220
	821,333	530,160

Directors' transactions

Dividends totalling £49,709 were paid in the year in respect of Ordinary shares held by the Company's directors.

During the year the Group charged £24,060 to DMJ Consultancy Services Limited for administrative services, a company in which Derek Joseph serves as a director. At 31 March 2016, the balance owed to the Group by DMJ Consulting Limited was £14,436.

During the year the Group was charged £12,410 by Jeffrey Zitron for consultancy services.

25 Retirement benefit schemes

Defined contribution schemes

	2016	2015
	£	£
Contributions payable by the Group for the year	130,400	163,800

26 Control

In the opinion of the Directors there is no single ultimate controlling party.

27 Financial instruments

Financial risk management
The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Credit risk
Credit risk is the risk of financial loss to the Group resulting from counterparties failing to discharge their obligations to the Group. The Group's principal financial assets are trade and other receivables and cash and cash equivalents.

The Group considers its credit risk to be low. Of the total trade receivables at the 2016 year end, £68,808 (2015: £95,841) is due from one customer. There are no other customers that represent more than 7% of the total balance of trade receivables. The maximum exposure to credit risk is equal to the carrying value of these instruments.

Liquidity risk
Liquidity risk is the risk of the Group being unable to meet its liabilities as they fall due. The Group manages liquidity risk by maintaining sufficient cash reserves and holding banking facilities, and by continuously monitoring forecast and actual cash flows. In addition, the Group is a cash generative business with income being received regularly over the course of the year. The Group held cash reserves of £2,552,642 at the year-end.

Foreign currency risk
Foreign exchange risk is the risk of loss due to adverse movements in the exchange rates affecting the Group's profits and cash flows. Only a very small number of clients are invoiced in Euros and the foreign exchange exposure is not considered a significant risk. The Group's principal financial assets are cash and cash equivalents and trade and other receivables, which are almost exclusively denominated in Pounds Sterling.

Interest rate risk
The Group does not undertake any hedging activity in this area. The main element in interest rate risk involves sterling deposits which are placed on deposit.

Capital risk management
Capital requirements of the Group are governed by internal requirements. Internal working capital requirements are low and the only need to retain capital is for remuneration.

28 Post Balance Sheet event

In line with the remuneration policy, the Remuneration committee agreed that 500,000 share options would be granted to key members of staff in recognition of their services in 2015-16.

29 Capital commitments

There were no capital commitments at 31 March 2016.

30 Contingent liabilities

There were no contingent liabilities at 31 March 2016.

Notice is hereby given that the Annual General Meeting of General Industries plc will be held at Tempus Wharf 29A, Bermondsey Wall West, London, SE16 4SA on 21 July 2016 at 12:noon, for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions numbered 1 to 9, 11 and 13 will be proposed as ordinary resolutions and resolutions 10 and 12 below will be proposed as special resolutions:

Ordinary business

1. To receive the reports of the directors and auditor and the financial statements for the period ended 31 March 2016.

2. To approve the remuneration report for the period ended 31 March 2016.

3. THAT the remuneration policy set out in the Company's annual report and accounts be and is hereby approved.

4. That, following a recommendation by the directors, a final dividend payment of 0.44p per Ordinary Share shall be paid to those persons who were named on the register of shareholders on 5 August 2016

5. To re-elect as a director, Steven Douglas who was appointed during the period.

6. To re-elect as a director, Richard Murphy who was appointed during the period.

7. To re-elect as a director, Fiona Underwood who was appointed during the period.

8. To re-elect as a director, Susan Kane who was appointed during the period.

9. THAT Saffery Champness be and is hereby reappointed as auditor of the Company and that the directors be authorised to determine the auditor's remuneration.

Special business

10. THAT the name of the company is changed from "General Industries plc" to "Aquila Services Group plc".

11. THAT, in accordance with section 551 of the CA 2006, the directors be generally and unconditionally authorised to issue and allot equity securities (as defined by section 560 of the Companies Act 2006) up to an aggregate nominal amount of:

    11.1 £33,853 in connection with the valid exercise of the unapproved options granted by the Company (as set out in the prospectus issued by the Company dated 20th July 2015) and options granted to employees and officers of the Company and/or its subsidiaries in accordance with the terms of the Company's Employee Share Option Scheme ("**Options**"); and

    11.2 in any other case, £543,478 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authorities in paragraphs 11.1 above in excess of the stated amount)

    provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot relevant securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

12. THAT, subject to Resolution 11 above being duly passed, the directors of the Company be and are hereby empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) wholly for cash pursuant to the authority conferred upon them by Resolution 11 above (as varied, renewed or revoked from time to time by the Company at a general meeting) as if section 561(1) of the Act did not apply to any such allotment provided that such power shall be limited to the allotment of equity securities:

    12.1 in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities offered to each such holder is proportionate (as nearly as may be) to the respective amounts of equity securities held by each such holder subject only to such exclusion or other arrangements as the Directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise;

    12.2 in connection with the valid exercise of Options;

    12.3 in connection with the valid exercise of any share options granted to employees of the Group in accordance with the terms of the Employee Share Option Scheme; and

    12.4 otherwise, up to a maximum nominal amount of £81,522.

    The power granted by this resolution will expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

    This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the CA 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

13. THAT the Company be and is hereby authorised generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares (“**Ordinary Shares**”) provided that:

    13.1 the maximum aggregate number of Ordinary Shares that may be purchased is 3,260,869;

    13.2 the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.05;

    13.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of:

    (a) 105 per cent of the average closing middle market quotations for the Ordinary Shares as quoted on the Official List of the London Stock Exchange for the five business days prior to the day the purchase is made; and

(b) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for:

(i) the last independent trade of; and

(ii) the highest current independent bid for,

any number of Ordinary Shares on the Official List.

13.4 The authority conferred by this resolution shall expire on the conclusion of the Company's next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

Registered office:
Tempus Wharf
29a Bermondsey Wall West
London
SE16 4SA

By order of the board
Dr Fiona May Underwood
Company Secretary

24 June 2016

Notes

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the company.

2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

3. A form of proxy accompanies this notice. Forms of proxy, to be valid, must be delivered to the company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA in accordance with the instructions printed thereon, not less than 48 hours before the time appointed for the holding of the meeting.

4. If you are not a member of the company but you have been nominated under section 146 of the Companies Act 2006 (the 'Act') by a member of the company to enjoy information rights, you do not have the rights of members in relation to the appointment of proxies set out in notes 1, 2 and 3. The rights described in those notes can only be exercised by members of the company.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Withheld" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

6. Information regarding the meeting, including the information required by section 311A of the Act, is available from www.generalindustries.co.uk

7. As provided by Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the company 48 hours before the time set for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

8. As at close of business on 27 June 2016 the company's issued share capital comprised 32,608,688 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the company and, therefore, the total number of voting rights in the company at close of business on 27 June 2016 is 32,608,688.

9. Under section 319A of the Act, the company must answer any question you ask relating to the business being dealt with at the meeting unless (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

10. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person'), you may have a right under an agreement between you and the member of the company who has nominated you to have information rights (a 'Relevant Member') to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the company) regarding any changes or queries relating to your personal details and your interest in the company (including any administrative matters). The only exception to this is where the company expressly requests a response from you.

11. Members satisfying the thresholds in section 338 of the Act may require the company to give, to members of the company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. The business which may be dealt with at the Annual General Meeting includes a resolution circulated pursuant to this right. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.

12. Members satisfying the thresholds in section 338A of the Act may request the company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the company not later than 6 weeks before the date of the Annual General Meeting.

13. Members satisfying the thresholds in section 527 of the Act can require the company to publish a statement on its website setting out any matter relating to (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the last Annual General Meeting, which the members propose to raise at the meeting. The company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the company's auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the company has been required to publish on its website pursuant to this right.

14. Copies of the directors' service contracts will be available for inspection at the registered office of the company during usual business hours from the date of this notice until the date of the Annual General Meeting, and also during and at least fifteen minutes before the beginning of the Annual General Meeting.