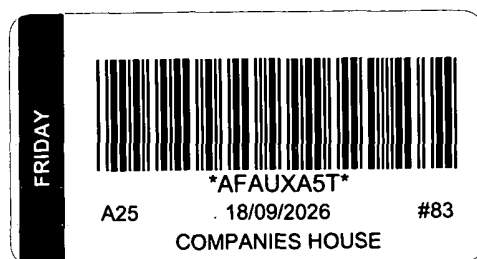


CBES Limited

Annual report and financial statements

Registered number SC288763

31 December 2025



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Strategic Report

The directors present their strategic report for the year ended 31 December 2025.

Principal activities

The company's principal activities during the year were the supply, installation and maintenance of refrigeration, bakery, fire, security, air conditioning and electrical equipment and the provision of building and construction services.

Business review

The company's key financial and other performance indicators during the year were as follows:

	2025 £'000	2024 £'000	Change %
Turnover (£'000)	188,583	183,351	2.85%
Operating profit (£'000)	5,658	5,282	7.12%
Profit after tax (£'000)	4,313	4,106	5.04%
Shareholder's funds (£'000)	17,797	13,484	31.99%
Current assets as % of current liabilities ('quick ratio')	139%	126%	13.00%
Average number of employees	896	845	6.03%

Turnover for the year increased from 2024 as the business increased trading within its existing customer base together with the addition of new customers. The board are confident turnover in 2026 will remain positive, as we continue to work closely with our customer base.

Operating profit for the year increased by 7.12% from 2024, largely due to an increase in turnover together with increased focus on cost control and higher margin areas. Pressure is expected to continue from the market place to reduce costs in 2026; however, the board are confident margin levels can be maintained despite ongoing inflationary pressures.

Cash generation continues to be a high priority and the company's internal structure and related procedures reflect this. Cashflow forecasts have been prepared showing the business will continue to have sufficient funds to meet its liabilities as they fall due for that period.

The company continues to develop its business development plans with particular emphasis being placed on advancing its core activities; this plan involves extensive interaction with key customers in order to identify potential risks and rewards of carrying out projects.

Principal risks and uncertainties

The company recognises that effective risk management is fundamental to delivering a safe and successful service. The company's systems for risk management identify opportunities and anticipate risks in order to improve business performance.

The company's business is contract based and as such the company has a structured Project Approval process to ensure that all operational, legal, compliance and financial risks are addressed prior to concluding contracts with clients.

Operating in the projects market, the company also places significant importance on the continuous improvement of its safety systems and performance to ensure the delivery of health and safety to our colleagues, customers and stakeholders. The integration of health and safety into the conduct of our business is a primary focus and the Board is committed to ensuring continuous improvement is engendered via the professionalism and competence of our people working within structured management frameworks. The company is externally verified and holds accreditation to ISO 45001, ISO 9001, ISO 14001 and PAS 2038, in addition to operational accreditations including Achillies UVDB, Achillies Building Confidence, Achillies Common Assessments Standard, BAFE, BESA, CHAS, Ecovadis, Federation of Master Builders, Fire Industry Association, Investors in People (Gold), NACOSS, NSI, Refcom, Gas Safe Register, Safe Contractor, FETA, Construction Line, NICEIC and Royal Society for the Prevention of Accidents.

Strategic Report *(continued)*

Business review *(continued)*

Principal risks and uncertainties (continued)

The company's principal financial instruments, comprise cash, intercompany deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the company's financial instruments are credit risk, liquidity risk and price risk. The company has policies for managing each of these risks, as summarised:-

Credit risk

The risk of financial loss arises from the loss of bank deposits. Bank deposits are only placed with banks which have received a high credit rating.

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the company provides goods and services on deferred credit terms.

Company policies are aimed at minimising such losses and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limit to ensure the company's exposure to bad debts is not significant.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at different levels up to group level and with rates of return and cash payback periods applied as part of the investment appraisal process.

Price risk

Exposures to changes in raw materials prices are low, although management would consider hedging the cost of materials such as copper in the event that market prices were expected to become volatile. Ongoing price increases are limited through commercial negotiation and otherwise absorbed through contract structures.

ICT and Cybersecurity Risk

ICT and cybersecurity risks are becoming ever more complex leading to increased threats to businesses. In response to this continually changing landscape the company has put in place and continues to invest in a robust ICT infrastructure for its daily business operations, internal and external communications with customer and suppliers, controls and reporting. There is a constant threat of sophisticated cyber-attack including phishing, ransomware, malware and social engineering. Given its strategic importance to the organisation the company is informed on cyber priorities and developments through regular reporting from our Information Technology team.

Future Developments

The company continues to explore organic growth through new contracts alongside expanding service delivery with existing clients.

Strategic Report *(continued)*

Statement by the Directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The Directors acknowledge and understand their duties and responsibilities, including that of section 172 of the Companies Act 2006. A Director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

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

The board recognises that the long term success of the business is dependent on the way we interact with a large number of important stakeholders including our Colleagues, Clients and Shareholders. The Directors have had regard to the interests of our stakeholders while complying with their obligations to promote the ongoing success of the business in line with section 172 of the Companies Act 2006.

Our colleagues are provided information on the group through the use of various mediums such as our website, internal newsletters, e-shots and our internal engagement platform.

The Company maintained strong relationships with customers and suppliers through regular communication and service reviews. Supplier performance and customer satisfaction were monitored throughout the year

The Directors also considered the environmental impact of operations and continued efforts to reduce waste and improve operational efficiency.

Ahead of all board meetings the Directors are supplied with board papers that highlight relevant stakeholder considerations along with performance metrics and ongoing forecasts. The Directors are also in close contact with the senior management teams allowing good communication at a local level.

The board's decision making considers both risk and reward in the pursuit of delivering long term value to our stakeholders and acknowledging and understanding the current and potential risks to the business, both financial and non-financial, are fundamental to how we manage the business.

The Directors, both individually and collectively as a board, consider the decisions taken during the year ended 31 December 2025 were in conformance of their duty under section 172 of the Companies Act 2006.

By order of the board



D Still
Secretary

Caledonia House
2 Lawmoor Street
Glasgow
G5 0US

10th September 2026

Directors' Report

The directors' present their directors' report and financial statements for the year ended 31 December 2025.

Dividend

No dividend was paid during the year (2024: £2,000,000).

Directors

The directors who held office during the year and at the date of this report were as follows:

D Still
P O'Meara
M Branagan
F Allan

Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy, where practical, to provide continued employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

During the period, the policy of providing employees with information about the company has been continued through the company's various mediums such as our website, internal newsletters, E-shots and our internal engagement platform. Through these forums, employees are encouraged to provide their suggestions and views on the company's operations and performance.

Streamline Energy and Carbon Reporting Exemption

The company has taken advantage of the exemption available under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as it is a subsidiary undertaking included in the group report of City Facilities Management Holdings Limited. The energy use and carbon emissions of the company are included within the consolidated SECR disclosures presented in the Annual Report and Financial Statement of City Facilities Management Holdings Limited.

Political and charitable contributions

The company made charitable donations totalling £8,570 (2024: £5,599). The company made no political donations during the year or incurred any political expenditure (2024: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors Report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1 to 3.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



D Still
Secretary

Caledonia House
2 Lawmoor Street
Glasgow
G5 0US

10th September 2026

Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

319 St Vincent Street
Glasgow
G2 5AS
United Kingdom

Independent auditor's report to the members of CBES Limited

Opinion

We have audited the financial statements of CBES Limited ("the Company") for the year ended 31 December 2025 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditor's report to the members of CBES Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue consists of routine, non-complex transactions which are subject to systematic processing and do not require significant judgements. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual revenue and cash or borrowings account code combinations, and journals containing key words which may indicate higher risk.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and employment law, and certain aspects of company legislation recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of CBES Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

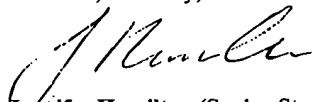
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Jennifer Hamilton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow, G2 5AS

16 September 2026

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2025

	<i>Note</i>	2025 £	2024 £
Turnover	2	188,582,542	183,350,885
Cost of sales		(143,309,222)	(140,819,312)
Gross profit		45,273,320	42,531,573
Other operating income	3	70,837	-
Administrative expenses		(39,686,635)	(37,249,183)
Operating profit	4	5,657,522	5,282,390
Other interest receivable	5	24,072	-
Profit before taxation		5,681,594	5,282,390
Tax on profit	8	(1,368,525)	(1,176,394)
Profit for the financial year		4,313,069	4,105,996

All of the activities of the company are classed as continuing.

The company has no items of other comprehensive income other than the results for the current and prior financial years as set out above.

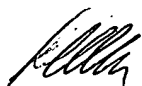
Notes on pages 13 to 25 form part of the financial statements.

Balance Sheet
as at 31 December 2025

	<i>Note</i>	2025	2025	2024	2024
		£	£	£	£
Fixed assets					
Intangible assets	9		-		27,139
Tangible assets	10		492,721		469,922
Current assets					
Stocks	11	2,813,196		5,417,482	
Debtors	12	52,686,809		40,731,470	
Cash at bank and in hand		6,033,924		16,991,065	
		<u>61,533,929</u>		<u>63,140,017</u>	
Creditors: amounts falling due within one year	13	<u>(44,229,654)</u>		<u>(50,153,151)</u>	
Net current assets			<u>17,304,275</u>		<u>12,986,866</u>
Net assets			<u>17,796,996</u>		<u>13,483,927</u>
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account			17,796,896		13,483,827
Total shareholder's funds			<u>17,796,996</u>		<u>13,483,927</u>

Notes on pages 13 to 25 form part of the financial statements.

These financial statements were approved by the board of directors on 10th September 2026 and were signed on its behalf by:



F Allan
Director

Company registered number: Registered number SC288763

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2024	100	11,377,831	11,377,931
Total comprehensive income for the period			
Profit for the financial year	-	4,105,996	4,105,996
Total comprehensive income for the period	-	4,105,996	4,105,996
Transactions with owners, recorded directly in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total contributions by and distribution to owners	-	(2,000,000)	(2,000,000)
Balance at 31 December 2024	100	13,483,827	13,483,927

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2025	100	13,483,827	13,483,927
Total comprehensive income for the period			
Profit for the financial year	-	4,313,069	4,313,069
Total comprehensive income for the period	-	4,313,069	4,313,069
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by and distribution to owners	-	-	-
Balance at 31 December 2025	100	17,796,896	17,796,996

Notes on pages 13 to 25 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

CBES Limited (the "Company") is a private company incorporated, domiciled and registered in Scotland in the UK. The Registered Number is SC288763 and its registered address is Caledonia House, 2 Lawmoor Street, Glasgow G50US.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, City Facilities Management Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of City Facilities Management Holdings Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102, in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Related party transactions with other wholly owned subsidiaries of City Facilities Management Holdings Limited.

As the consolidated financial statements of City Facilities Management Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis, which the directors consider appropriate for the following reasons:

- The company meets its day to day working capital requirements from access to a group overdraft facility, operational cash flows, together with intercompany balances with the group headed by City Facilities Management Holdings Limited, the ultimate parent company;
- The company and wider Group of which it is part of, has prepared monthly cash flow forecasts and performed a going concern assessment, which indicates that in both the base case and reasonably possible downside scenarios, the company would have sufficient funds through the available group overdraft facility to meet its liabilities as they fall due for that period. The directors acknowledge that while the overdraft facility expires in July 2027, there is no reason to believe that this would not be renewed, given the longstanding relationship with the bank. In the instance that the overdraft is not renewed, City Facilities Management Holdings Limited has indicated its intention to make available funds as needed by the company, during the going concern assessment period.
- As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support would continue if it was needed, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so;
- Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent.

1.4 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation and assessed for impairment at each reporting date. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful live as follows:

- Intellectual Property 20% straight line

Notes (continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Plant and machinery
 - computer equipment 33% straight line and 50% straight line
 - other 20% straight line and 25% straight line
- Leasehold improvements over the remaining term of the lease

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition as follows:

- Raw materials, consumables and goods for resale - purchase cost
- Work in progress - cost of direct materials and labour

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.8 Installation contract debtors

Installation contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Installation contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

Notes (continued)

1 Accounting policies (continued)

1.9 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.10 Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, usually on the despatch of the goods.

Rendering of services

Revenue from the supply, installation and maintenance of refrigeration, bakery, fire, security, air conditioning and electrical equipment is recognised by reference to the stage of completion. Stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract. Where contract outcome cannot be measured reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable.

1.11 Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes (continued)

1 Accounting policies (continued)

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.13 Dividends

Dividends are recognised at the time they are received or paid in accordance with accounting standards. Dividends declared and paid are not presented in the profit and loss account but instead included in the notes to the accounts and the reconciliation of reserves.

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.14 Amendments to FRS 102 not yet applied

The following amendments to FRS 102 have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated:

- Amendments to Section 20 *Leases* (effective 1 January 2026). This removes the distinction between operating and finance leases for lessees; with more leases recognised with an asset and liability on-balance sheet. Recognition exemptions permit short-term leases and leases of low-value assets to remain off-balance sheet.
- Amendments to Section 23 *Revenue from Contracts with Customers* (effective 1 January 2026). This introduces a single comprehensive five-step model for revenue recognition for all contracts with customers, based on identifying the distinct goods or services promised to the customer and the amount of consideration to which the entity will be entitled in exchange

Notes (continued)

2 Turnover

	2025 £	2024 £
Rendering of services	188,582,542	183,350,885
By geographical market		
United Kingdom & Europe	188,582,542	183,350,885

3 Other operating income

	2025 £	2024 £
Research & Development credit	70,837	-

4 Expenses and auditor's remuneration

Included in profit are the following:

	2025 £	2024 £
Depreciation of tangible fixed assets	304,374	291,733
Amortisation of intangible assets	27,139	29,606
Hire of plant and machinery under operating leases	2,329,789	1,917,984
Auditor's remuneration:		
	2025 £	2024 £
Audit of these financial statements	104,500	102,000

The auditor's remuneration for audit service was borne by the parent company City Facilities Management Holdings (UK) Limited, in the current and prior year.

5 Other interest receivable

	2025 £	2024 £
Interest receivable	24,072	-

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2025	2024
Administration and management	396	390
Engineering	500	455
	<u>896</u>	<u>845</u>

The aggregate payroll costs of these persons were as follows:

	2025 £	2024 £
Wages and salaries	44,226,253	40,976,959
Social security costs	5,093,946	4,151,189
Contributions to defined contribution plans	1,139,484	1,157,844
	<u>50,459,683</u>	<u>46,285,992</u>

7 Directors' remuneration

	2025 £	2024 £
Directors' remuneration	652,165	615,857
Company contributions to money purchase pension plans	<u>60,575</u>	<u>51,315</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £217,186 (2024: £221,715), and Company pension contributions of £49,430 (2024: £40,285) were made to a money purchase scheme on their behalf. Three directors made Company pension contributions under a money purchase scheme.

Notes (continued)

8 Taxation

Total tax expense recognised in the profit and loss account

	2025 £	2025 £	2024 £	2024 £
<i>Current tax</i>				
Group relief payable	1,353,694		1,209,454	
Foreign tax payable	24,033		-	
	<u> </u>		<u> </u>	
Total current tax		1,377,727		1,209,454
<i>Deferred tax (see note 14)</i>				
Origination and reversal of timing differences	(4,703)		(33,060)	
Adjustments in respect of prior periods	(4,499)		-	
	<u> </u>		<u> </u>	
Total deferred tax		(9,202)		(33,060)
Total tax		<u><u>1,368,525</u></u>		<u><u>1,176,394</u></u>

Reconciliation of effective tax rate

	2025 £	2024 £
Profit for the year	4,313,069	4,105,996
Total tax expense	<u><u>1,368,525</u></u>	<u><u>1,176,394</u></u>
Profit excluding taxation	5,681,594	5,282,390
Tax using the UK corporation tax rate of 25% (2024: 25%)	1,420,399	1,320,599
Non-deductible expenses	26,454	18,913
Adjustment in respect of prior periods	(4,499)	-
Effects of overseas tax rates	24,033	-
Transfer pricing adjustments	<u>(97,862)</u>	<u>(163,118)</u>
Total tax expense included in profit or loss	<u><u>1,368,525</u></u>	<u><u>1,176,394</u></u>

In the 3 March 2021 Budget, it was announced that the UK tax rate would increase from 19% to 25% from 1 April 2023. This was substantively enacted on 10 June 2021 and the deferred tax liability as at 31 December 2024 and 31 December 2025 has been calculated based on this rate.

Notes (*continued*)

9 Intangible assets

	Intellectual Property Rights £
Cost	
Balance at 1 January 2025	148,031
Balance at 31 December 2025	148,031
Amortisation	
Balance at 1 January 2025	120,892
Amortisation charge for the year	27,139
Balance at 31 December 2025	148,031
Net book value	
At 1 January 2025	27,139
At 31 December 2025	-

Amortisation is recognised as an administrative expense within the Profit & Loss Account & Other Comprehensive Income.

Notes (continued)

10 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
Balance at 1 January 2025	943,935	1,641,077	2,585,012
Additions	62,638	264,613	327,251
Disposals	(717,547)	(900,659)	(1,618,206)
	<u>289,026</u>	<u>1,005,031</u>	<u>1,294,057</u>
Balance at 31 December 2025	289,026	1,005,031	1,294,057
Depreciation			
Balance at 1 January 2025	807,830	1,307,260	2,115,090
Depreciation charge for the year	31,911	272,463	304,374
Disposals	(717,547)	(900,581)	(1,618,128)
	<u>122,194</u>	<u>679,142</u>	<u>801,336</u>
Balance at 31 December 2025	122,194	679,142	801,336
Net book value			
At 1 January 2025	136,105	333,817	469,922
	<u>136,105</u>	<u>333,817</u>	<u>469,922</u>
At 31 December 2025	166,832	325,889	492,721
	<u>166,832</u>	<u>325,889</u>	<u>492,721</u>

11 Stocks

	2025 £	2024 £
Raw materials and consumables	69,788	119,700
Work in progress	2,743,408	5,297,782
	<u>2,813,196</u>	<u>5,417,482</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £129,139,137 (2024: £130,290,838). The write-down of stocks to net realisable value amounted to £nil (2024: £nil). The difference between purchase price of stocks and their replacement cost is not material.

Work in progress is stated at net cost.

Notes (continued)

12 Debtors

	2025 £	2024 £
Trade debtors	42,081,371	22,335,762
Amounts owed by group undertakings	665,782	3,563,452
Amounts recoverable on contracts	7,974,905	12,422,951
Other debtors	1,940,175	2,156,692
Corporation tax owed	-	237,239
Deferred tax asset (note 14)	24,576	15,374
	<u>52,686,809</u>	<u>40,731,470</u>

Amounts owned by group undertaking are payable on demand.

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	6,838,903	14,177,849
Amounts owed to group undertakings	3,911,179	3,741,185
Taxation and social security	8,118,688	7,710,006
Accruals	16,249,054	16,600,040
Group relief payable	1,353,694	1,541,488
Payment on account	7,758,136	6,382,583
	<u>44,229,654</u>	<u>50,153,151</u>

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2025 £	Assets 2024 £	Liabilities 2025 £	Liabilities 2024 £	Net 2025 £	Net 2024 £
Accelerated capital allowances	-	-	(55,902)	(64,939)	(55,902)	(64,939)
Short term timing differences	80,478	80,313	-	-	80,478	80,313
	<u>80,478</u>	<u>80,313</u>	<u>(55,902)</u>	<u>(64,939)</u>	<u>24,576</u>	<u>15,374</u>

The deferred tax asset in the current year is included within debtors at note 12.

15 Employees benefits

Defined contribution plans

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The total expense relating to these plans in the current year was £1,139,484 (2024: £1,157,844). The Company has £93,981 pension commitments as at 31 December 2025 (2024: £87,321).

Notes (continued)

16 Capital and reserves

Share capital

	2025 £	2024 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2025 £	2024 £
Less than 1 year	1,997,487	2,175,749
Between 2-5 years	3,326,216	4,200,614
More than 5 years	491,001	280,000
	<u>5,814,704</u>	<u>6,656,363</u>

During the year £2,329,789 was recognised as an expense in the profit and loss account in respect of operating leases (2024: £1,917,984).

18 Transactions with directors and related party transactions

The company entered into transactions with Lord Haughey Kt OBE during the year, the transactions and balances receivable as at the balance sheet date are shown below.

All transactions occurred in the ordinary course of business and at normal market prices.

	Sales 2025 £	Sales 2024 £	Purchases 2025 £	Purchases 2024 £
Lord Haughey Kt OBE	154,362	191,443	-	-
	<u>154,362</u>	<u>191,443</u>	<u>-</u>	<u>-</u>
	Receivables Outstanding 2025 £	Receivables Outstanding 2024 £	Creditors Outstanding 2025 £	Creditors Outstanding 2024 £
Lord Haughey Kt OBE	-	22,654	-	-
	<u>-</u>	<u>22,654</u>	<u>-</u>	<u>-</u>

Notes *(continued)*

19 Ultimate parent company and parent company of larger group

The company's immediate parent undertaking at 31 December 2025 is City Facilities Management Holdings (UK) Limited, a company registered in Scotland.

In the directors' opinion, the company's ultimate parent undertaking and controlling party at 31 December 2025 is City Facilities Management Holdings Limited. This is the only parent undertaking for which group financial statements are drawn up and of which the company is a member.

Copies of its financial statements can be obtained from its registered office, Caledonia House, 2 Lawmoor Street, Glasgow, G5 0US.

20 Subsequent events

There were no subsequent events post the balance sheet date and prior to the date of signing these accounts that would have a material impact on the results reported or the financial position of the company.

21 Accounting estimates and judgements

Key sources of estimation uncertainty

The company utilises estimates in regards to values of work in progress of £2,743,408 (2024: £5,297,782), accruals of £16,249,054 (2024: £16,600,040) and cost of sales of £143,309,222 (2024: £140,819,312); based on each stage of project completion. Fair judgement is used and we believe there are no areas of material uncertainty which affect the financial statements.