OCS Group Topco Limited

Annual Report and Financial Statements

Company registered number 14111894

31 December 2024

Contents

Company information

Company registered number
14111894

Directors

B.M. Deschamps (Chair)	
R. Dutartre	
R.D. Francis	(appointed 12 June 2024)
N.F.C. Lachner	(resigned 13 March 2025)
R.A. Legge	
G.A. McGaghey	(appointed 19 August 2024)
C.P. Rochat	
L.Toumpouris	(appointed 13 March 2025)

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STRATEGIC REPORT

The Directors present their Strategic Report for OCS Group Topco Limited (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company was incorporated as CD&R Madison Topco Limited on 17 May 2022 and changed its name to OCS Group Topco Limited on 24 June 2023. The Company's principal activity is to act as a parent company to UK and overseas investments in facilities management businesses. The Group provides cleaning, security, catering, hard services (maintenance and capital projects), pest control, multi-technical and other facilities management services to organisations around the world with a leading presence in the UK and Ireland and in Asia-Pacific.

The consolidated financial statements reflect the results of the Group, including the Company for the year ended 31 December 2024.

BUSINESS REVIEW

The Group has 130,000 colleagues and approximately 8,000 customers across the UK, Europe, APAC and Middle East regions and provides core services comprising cleaning, catering, hard services (maintenance and capital projects), pest control, security and facilities management and operates across a number of sectors including aviation, commercial, distribution & logistics, education, healthcare, government, retail, manufacturing, media & broadcast, hospitality, rail, transport, venues & events, data centres and construction.

The Group continued on its growth journey, both organically and through acquisitions, to become the best facilities provider in the world, making people and places the best they can be. A number of strategic acquisitions were made in the UK during the year as follows:

- On 28 March 2024, the Group acquired Abate, a leading independent provider of pest control solutions in Norfolk, Sussex and Kent in the UK. Abate serves customers in various sectors, including commercial and residential housing, food manufacturing and high-value cold storage.
- On 31 August 2024, the Group acquired Exclusive Services Group, a well-established provider of contract cleaning services across the UK and Ireland, operating across a number of sectors including education, data centres, leisure, media and retail.
- On 29 November 2024, the Group acquired FES Group's Facilities Management and Support Services businesses. FES provides a unique range of high-quality in-house hard and soft facilities management services to a diverse portfolio of public and private sector clients across the UK. In addition, FES has a strong energy business which aligns perfectly with the Group's vision for growth in this area. The acquisition will double the size of the UK hard facilities business.
- On 29 November 2024, the Group acquired Maxim Facilities Management, one of the fastest-growing independent regional facilities management companies in the North-East of England, providing cleaning, self-delivered window cleaning, hygiene and janitorial services to key markets across the UK with a strong presence in the education sector.

These acquisitions complement and strengthen the Group's existing service offerings, supporting growth into further sectors and enabling the Group to respond to the complex demands from a diverse range of industries and focus on sustainability.

On 29 November 2024, the Group successfully completed a refinancing exercise and entered into new debt arrangements which included senior secured term B loan facilities of £425m and €522m (£860m equivalent) repayable in November 2031 and a revolving credit facility of £220m repayable in May 2031. The term B loan facilities were used to repay the Group's existing debt facilities taken out in 2023 and to fund the November 2024 acquisitions of FES and Maxim. Subsequent to the year-end, on 28 February 2025, the Group also paid €63m to settle its outstanding €55m Atalian vendor loan notes due plus accrued interest. Further details can be found in note 22 to the financial statements.

The Group continued to execute its change program during the year to align strategic goals and business processes across its acquired operations and to integrate these new businesses into the Group's combined operating model, whilst deriving synergy savings where appropriate. A central integration project management team is tasked with the continued delivery of the Board-approved integration plan which includes a number of workstreams such as the implementation of IT systems, roll-out of the OCS brand, simplifying legal entity structures across the Group and alignment of polices and processes. Progress and costs under the plan are monitored by the Board and further details can be found in the Financial Review section of this Strategic Report on page 7.

STRATEGIC REPORT (continued)

BUSINESS STRATEGY AND MODEL
The Group has established a collective vision of wanting to be the partner of choice in the industry. The Group has a clear vision of its newly defined purpose and values as follows:

- The Group's Vision and Mission is 'to become the best provider of facilities services for colleagues, customers and communities by making people and places the best they can be'.
- The Group's strategy, referred to as BEST, was established to enhance how customers are served, how the workforce is empowered and how the Group contributes to the well-being of the communities it touches. The Group's TRUE Values, **T**rust, **R**espect, **U**nity and **E**mpowerment further define the Group's corporate culture and guiding actions.

The Group's five BEST pillars are central to achieving its strategy – delivering the best Experiences, Productivity, Practices, Resilience and Outcomes for customers, colleagues and communities:

Best experiences – creating positive and welcoming environments for people through consistently delivered details which result in positive and memorable lasting impressions;

Best productivity – ensuring effective and streamlined task and project completion for the benefit of colleagues, customers and communities through diligent service, advanced technology and a maintained plan for continuity;

Best practices – built on a foundation of good governance and rooted in a 'safety-first' approach, adhering to the Group's Code of Conduct and Global Quality, Health, Safety and Environment policies to ensure compliance and excellence in practice standards and prioritise colleague and customer well-being;

Best resilience – having the foresight, experience, preparation and proactivity to prioritise operational continuity, understanding that unforeseen events can happen and planning preventative measures to maintain robust and responsive operations;

Best outcomes – the collective goal of delivering exceptional facilities services to enable every colleague, customer and community to achieve their outcomes and be their best.

These pillars address the macro challenges in the industries the Group serves, including technology integration, sustainability, environmental compliance and talent management. The Group has the capacity to offer a broad range of services and expertise, adding value to customers, partners, colleagues and communities.

The Group is committed to doing business the right way, with the highest (best) environmental, social and governance responsibility standards as outlined in its Environmental, Social and Governance (ESG) Policy which can be found on pages 13 and 22 of this Strategic Report. These standards are embedded in the services the Group provides.

The Group's core services include:

- Cleaning - services include housekeeping, washroom, periodical cleaning, commercial and industrial cleaning, specialist window and high-level cleaning, infection prevention and hygiene.
- Catering – meals and catering provided to various environments including workplaces, educational institutions and healthcare settings.
- Hard services – maintenance services (planned preventative maintenance, reactive maintenance and minor works) and capital projects (minor construction refurbishment works).
- Pest control – inspections, customised treatment plans, rodent and insect control, emergency response and integrated pest management.
- Security – on-site security services (guards, patrols) and security service technology (CCTV, alarms, access controls, remote monitoring).
- Facilities management – bespoke, integrated service solutions tailored to the specific dynamics of environments such as hospitals, schools, courts and arenas.

The Group operates across a number of sectors which include aviation, commercial, distribution & logistics, education, healthcare, government, retail, manufacturing, media & broadcast, hospitality, rail, transport, venues & events, data centres and construction.

STRATEGIC REPORT (continued)

KEY PERFORMANCE INDICATORS

The Group's non-financial and financial key performance indicators are listed below and can be found in the sections of the Annual Report and Financial Statements as noted:

Non-financial key performance indicators	**Section**	**Page**
Average headcount	Financial statements - Note 11	75
Number of hires in the year - People into Work	Strategic Report - Colleagues	16
Colleague engagement visits (CEV)	Strategic Report - Colleagues	17
Total recordable injury frequency rate (TRIFR)	Strategic Report - Colleagues	17
Carbon emissions	Strategic Report - SECR	34-35
Net promoter score (NPS)	Strategic Report - Clients	15

Financial key performance indicators		
Revenue	Strategic Report - Financial Review	6
Gross margin	Strategic Report - Financial Review	6
Operating profit before adjusting items	Strategic Report - Financial Review	6
Adjusted EBITDA	Strategic Report - Financial Review	6
Adjusting items	Strategic Report - Financial Review	6
Working capital movement	Strategic Report - Financial Review	6
Operating cash flow	Strategic Report - Financial Review	6
Debtor days	Strategic Report - Financial Review	6

FINANCIAL REVIEW

Financial key performance indicators

The financial key performance indicators of the business are set out below and discussed further in the relevant sections of this financial review.

		2024	2023
Revenue	£m	**2,257.6**	1,915.9
Gross margin	£m	**310.6**	258.7
Operating profit before adjusting items	£m	**97.5**	67.7
Adjusted EBITDA	£m	**145.8**	107.7
Adjusting items*	£m	**71.7**	74.1
Working capital movement	£m	**36.4**	(87.4)
Operating cash flow	£m	**119.8**	60.3
Debtor days	Days	**25.9**	31.4

*included in operating profit

Adjusted EBITDA is an alternative performance measure and is defined as the Group’s operating profit before adjusting items, the Group’s share of profit after tax from joint ventures and excludes depreciation and impairment of tangible and intangible fixed assets and amortisation on acquired intangible fixed assets.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

Trading results

The trading results for the year (including the Group's share of profit after tax from joint ventures and excluding derivative financial instruments and adjusting items) are set out below.

	2024	2023
	£'000	£'000
REVENUE	**2,257,576**	1,915,940
Cost of sales	**(1,946,982)**	(1,657,265)
GROSS PROFIT	**310,594**	258,675
Administrative expenses	**(285,169)**	(266,091)
Other operating income	**359**	938
OPERATING PROFIT/(LOSS)	**25,784**	(6,478)
Share of profit of joint ventures (net of tax)	**2,521**	2,396
Depreciation and non-adjusting amortisation of fixed assets	**45,731**	37,633
EBITDA	**74,036**	33,551
Adjusting items	**71,715**	74,135
ADJUSTED EBITDA	**145,751**	107,686

IAS 1 permits an entity to present additional information for specific items to enable users to assess the underlying financial performance. In practice these items are commonly referred to as "specific" or "non-underlying" items although such terminology is not defined in IFRS and accordingly there is a level of judgement required in determining what items to separately identify. The Board has adopted a policy to separately disclose items it considers are outside the underlying operating results for the particular period under review and against which the Group's performance is assessed. These items are referred to as adjusting items.

The Group acquired a number of new businesses in the year and continued its investment in the integration of prior year acquisitions and synergy realisation. The Group ended the year strongly with a diverse market sector revenue base and revenue in the UK and Ireland represented 75% (2023 – 72%) of the total and 24% (2023 - 26%) related to Asia Pacific. As a percentage of revenue, gross profit was 13.8% (2023 – 13.5%), reflecting a mix of margins across the range of the Group's customer contracts. The Group's cost control measures resulted in administrative expenses excluding adjusting items reducing to 9.4% of revenue from 10.0% in 2023. Adjusted EBITDA was £145.8m (2023 - £107.7m) reflecting a positive performance from the business and the resilience of the Group against the pressures faced by rising inflation on costs.

Both the key regions of UK and Ireland, and Asia Pacific, delivered good revenue growth in the year while adjusted EBITDA margins expanded to 6.5% (2023 – 5.6%) through delivery of synergies and cost savings programmes. In the UK, growth was broad-based across organic business and acquisitions and in Asia Pacific, strong organic growth continued across all key markets in New Zealand, India, Indonesia and the Philippines. Operating cash flow amounted to £119.8m (2023 - £60.3m), supported by the improvement in adjusted EBITDA, and cash generated from operations increased to £156.2m (2023 – cash used in operations - £27.1m) due to improvements in working capital management and the impact of a material customer receipt delayed from 2023 and received in early January 2024.

In addition to acquisitions made in the year, the Group completed a refinancing exercise, the proceeds of which were used to repay existing debt and to fund acquisitions. Investment into integration and implementation of IT systems continued in order to align strategic goals and business processes and deliver synergies across the Group. The costs of all these activities amounted to £27.4m (2023 - £41.4m) and have been reported as adjusting items in the financial statements together with amortisation on acquired customer relationships recognised of £31.2m (2023 - £29.3m), impairment of goodwill relating solely to Aktrion of £8.4m (2023 - £nil), impairment of obsolete software of £nil (2023 - £3.4m) and onerous contract costs of £4.7m (2023 - £nil). Further details can be found in note 6 to the financial statements.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

Reported statutory results
Details of the results are set out in the consolidated profit and loss account on page 52. Key results are summarised below:

	2024			2023		
	Before adjusting items	**Adjusting items**	**Total**	Before adjusting items	Adjusting items	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
REVENUE	**2,257,576**	**-**	**2,257,576**	1,915,940	-	1,915,940
OPERATING PROFIT/(LOSS)	**97,499**	**(71,715)**	**25,784**	67,657	(74,135)	(6,478)
LOSS FOR THE YEAR	**(61,544)**	**(97,179)**	**(158,723)**	(15,651)	(77,994)	(93,645)

Revenue for the year ended 31 December 2024 was £2,257.6m versus £1,915.9m in the prior year. The Group traded well and delivered an operating profit before adjusting items of £97.5m for the year (2023 - £67.7m). As explained in note 6 to the financial statements, adjusting items included within operating results primarily comprised acquisition related costs of £7.0m (2023 - £17.3m), integration costs of £20.4m (2023 - £24.1m), impairment of goodwill relating to Aktrion of £8.4m (2023 - £nil), impairment of software of £nil (2023 - £3.4m), onerous contract costs of £4.7m (2023 - £nil) and amortisation of intangible assets recognised on acquisitions of £31.2m (2023 - £29.3m).

The Group's net finance cost increased to £176.5m (2023 - £82.9m) and included £22.0m (2023 - £nil) of early prepayment fees and the write-off of borrowing costs on the Group's previous term debt and facilities which were replaced with new term loans and revolving credit facilities on completion of the refinancing exercise in November 2024.

The Group entered into a number of interest rate swap and foreign currency forward contracts during the year and reported fair value losses of £2.2m (2023 – gains of £2.1m). Further information on the Group's derivative financial instruments can be found in the section on financial risks under Principal Risks and Uncertainties on page 11 of this Strategic Report and in notes 21 and 28 to the financial statements.

The Group's share of profit from joint ventures amounted to £2.5m (2023 - £2.4m) and a tax charge of £8.4m (2023 - £8.9m) was reported. The resulting loss after tax was £158.7m (2023 - £93.6m).

Financial position
The financial position of the Group at 31 December 2024 is set out in the consolidated statement of financial position on page 54. The Group's net liabilities at 31 December 2024 increased to £290.6m (2023 - £125.6m), reflecting the Group's post tax loss and its investment and financing activities undertaken during the year. Goodwill on the Group's 2024 acquisitions amounted to £156.8m (2023 - £474.2m) and net receipts from new term loans and acquisition facilities, after the repayment of existing facilities, amounted to £296.8m (2023 - £501.8m). Further information on the Group's funding arrangements at 31 December 2024 is described in the section under Borrowings and financial covenants on page 9 of this Strategic Report and in note 21 to the financial statements.

Vendor loan notes for the deferred purchase consideration on the Group's prior years' acquisitions of the OCS and Atalian businesses amounted to £125.5m at 31 December 2024 (2023 - £119.4m). Of this balance, £51.7m relating to the Atalian vendor loan notes has since been since repaid on 28 February 2025, together with further interest accrued after the year-end of £0.4m. Further details can be found in note 22 to the financial statements.

Share capital was £23.8m at 31 December 2024 (2023 - £24.6m) and preference share liabilities amounted to £628.0m at 31 December 2024 (2023 - £572.1m), the increase largely due to outstanding accrued interest on the A and B preference share capital. Further details can be found in notes 23 and 29 to the financial statements.

The Group recognised a net surplus on the OCS Group Transfer of Undertakings Pension Scheme in the UK of £3.2m at 31 December 2024 (2023 - £3.6m) and a net surplus of £5.9m on Local Government Pension Funds in Scotland which were acquired on the Group's acquisition of FES. A net deficit of £17.1m (2023 - £12.7m) was reported on the Group's overseas retirement benefit schemes, which mostly related to a defined benefit pension arrangement in Thailand. More information on the Group's defined benefit pension scheme arrangements can be found in note 27 to the financial statements.

Net cash funds were £117.0m at 31 December 2024 (2023 - £30.6m) and the prior year excluded £45.4m of delayed receipts from a UK factoring provider which were banked just after the year-end on 2 January 2024.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

Borrowings and financial covenants
On 29 November 2024, the Group entered into a number of new borrowings arrangements and the position at 31 December 2024 was as follows:

- A fully drawn £425m senior secured term loan B1 facility with interest of 5.25% to 5.75% over SONIA, subject to certain conditions, repayable in November 2031.

- A fully drawn €522m senior secured term loan B2 facility with interest of 4.25% to 4.75% over EURIBOR, subject to certain conditions, repayable in November 2031.

- A £220m revolving credit facility, undrawn at 31 December 2024 with interest of 3.0% to 4.0% over SONIA, subject to certain conditions, repayable in May 2031. The available revolving credit facility amounted to £180.5m after excluding ancillary facilities for letters of credit, leasing arrangements and overdrafts.

At the time of signing these financial statements, the Group's term loans remained fully drawn and £62m of the revolving credit facility was drawn.

Under the terms of the facilities, the consolidated senior secured leverage ratio is not to exceed 7.25 times. This is tested quarterly on a 12-month trailing basis and only if more than 40% of the revolving credit facility is drawn, net of any cash and cash equivalents of the Group. The first test is due to be completed at the end of June 2025 and reported within 60 days after that date.

Trends and factors affecting future development, performance or position
The Group is well-positioned for the future and continues to adapt to changing markets and environments to make the most of the opportunities for growth in its priority sectors, continuing to provide consistent and reliable support for its clients and grow with them. The Group's success and financial performance are dependent on its ability to continue to serve as a trusted and long-term provider of essential facilities services to its large and diverse customer base.

As a provider of facilities services the Group's performance is dependent upon certain macro level market, regulatory and fiscal trends and factors, which include:

- the growing trend of digitalisation and the importance of data driven informed decision-making to increase both efficiency and productivity within the business and to also improve customer outcomes. The Group continues to identify opportunities and roll-out initiatives to provide digitalised services, AI-based solutions, and incorporate new methods and levels of data collection, recording, monitoring and analysis into current practices;
- ongoing growth in the outsourcing of facilities services in all of the Group's key markets, especially in the APAC region. Based on external market studies, the Group sees continued growth in outsourcing of c.6% Compound Annual Growth Rate 2023-26 in its core markets - UK, New Zealand and Thailand which provides opportunity for increasing the Group's revenues and profits;
- the increase in ESG regulation and the global focus on energy use and carbon reduction provides opportunity for the Group's hard facilities businesses to support its customers with both their ESG regulatory compliance and in reducing their environmental footprints within their businesses. This involves providing data to customers in areas like energy and water use, and waste and wastewater generation to enable accurate ESG reporting but also in adapting customer-built environments to reduce their consumption of energy, water and the production of emissions and waste;

- the Group provides "mission critical" services to customers in areas such as cleaning/hygiene and security services. The Group continues to see an increase in the levels and quality of cleaning and in customer's security requirements. The Group's customers continue to focus on ensuring the best and safest experiences for their employees and their customers and the Group is at the heart of delivering services to deliver such outcomes;
- the Group's future revenue and profit growth is partly driven by inflation. The majority of contract revenue is inflation-linked allowing the Group to pass on inflationary increases (primarily linked to its cost base) to its customers;

STRATEGIC REPORT (continued)

Trends and factors affecting future development, performance or position (continued)

- the Group has external debt with interest tied to SONIA and EURIBOR rates. Material increases in these rates would increase the cost to service debt which if not mitigated presents a risk to the business. There is a natural 'hedge' in place as interest rates usually move in tandem with inflation, which enables us to increase our pricing. In addition, the Group hedges interest rate fluctuations in order to mitigate this risk; and
- in addition to organic growth, the Group has made, and will continue to make, strategic acquisitions to supplement or expand its geographical or service offerings. The success of such acquisitions is dependent upon the Group's ability to manage, execute and integrate such investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board's approach to risk identification and risk management and the most significant identified risks that threaten the delivery of the Group strategy are discussed below.

Risk management framework

In 2023 the Group developed its risk management framework, In 2024 the framework has evolved with the risk team continuing to work with risk leads in the businesses and support functions to further develop risk registers. The Group applies the Three Lines of Defence Model to managing risk, summarised as accountability, reporting and assurance. Group risk management is managed by the Group Head of Risk and Internal Audit. The Group risks are reported to the Audit and Risk Assurance Committee (ARAC).

The first line of defence, accountability, is effectively devolved, with each Group risk assigned to a member of the Group Executive Committee who leads on the development of mitigation plans for each risk and is also responsible for regularly reporting progress in addressing the risk and for ensuring timely implementation of the agreed risk management actions. This includes clearly defining the level of risk the Group is willing to accept to achieve its strategic objectives, monitoring the amount of risk being taken and ensuring the business's activities operate within this framework.

A risk review process is undertaken where each business identifies and assesses their key risks and updates their respective risk registers. Risk review and emerging risk identification follows a bottom-up process starting at the lowest market/sector level by the local management teams. Risks are then consolidated at regional level with review and challenge by the regional executive teams. Finally, risks are consolidated and considered at Group level. Functional risks are reviewed and identified through the various functional management systems. Each risk is evaluated using a defined criteria based on its potential consequence, likelihood, and the existing level of mitigating controls. Any action plans to further mitigate or reduce the risks identified are also captured as part of this process.

Audit and assurance

The Directors gain assurance that controls identified in the risk registers are well designed and operating effectively, through several mechanisms using the Three Lines of Defence Model. This includes first line of defence assurance through the Annual Manager Declaration by senior managers. Second line of defence where oversight is provided by internal assurance activities, for example health and safety audits. The third line of defence is provided by the independent assurance providers for example the Group Internal Audit function and cyber security penetration testing by independent organisations.

Risk appetite

On a bi-annual basis, the Group Executive Committee consider their appetite against the principal risks which helps determine the actions and resources required to mitigate them. The Group's policy on risk management is to apply more controls in areas where the risk appetite is low but to embrace more risk in certain focused areas – typically strategic risks which present opportunities to grow the business.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Group's principal risks and uncertainties are:

Cyber and IT infrastructure
The capability and adequacy of the Group’s IT infrastructure and the ability to protect against cyber-attacks is critically important in ensuring that it has the tools and the operational processes to meet its contractual obligations and to function effectively and efficiently as a business, delivering value to both its customers and its shareholders. Where legacy systems are still in use across the Group, there is a risk that they will be vulnerable to attack or harder to support due to a lack of software and security updates. To mitigate the risk that poses, the Group continues to work through a decommissioning programme to move more core systems into the cloud, and it has invested in technology to improve resilience. To mitigate risk of cyber-attack, the Group has invested in a consolidated set of tools that enhance cyber defences and provide broader coverage which reduce the time to detection should an attack take place. This includes the use of independent third parties to perform penetration testing. Significant work has continued in the year to plan the harmonisation of the Group’s Enterprise Resource Planning (ERP) platforms to achieve consistent, timely reporting across all business units. There is an update and change programme to improve the HR information management systems.

Major programmes and change management
Change management is an inherent part of the group strategy delivery. The scale and complexity of the change programmes introduces risk to the process. Management reduces the risk through executive ownership of the change programmes and appropriate governance to manage and oversee the change programmes. Change programmes are supported by the internal project management function and external specialist resources. Change programmes follow the defined OCS Project Management methodology outlining a standardised approach to project management, project risk mitigation and project management reporting.

Quality, Health and Safety
The Group has a ‘people first’ philosophy and is committed to ensuring the highest standards of health & safety. A failure to maintain high standards could result in injury or harm to its workforce or third parties and potential prosecution and fines, all of which could cause material reputational and brand damage. The Group operates in many diverse types of customer environments including warehouses, schools, healthcare settings, retail stores, corporate offices, railway stations and construction sites, so the types of incidents that could occur are varied. In mitigation the Group has a comprehensive QHSE Strategy that assures compliance and excellence by implementing ISO-based management systems, the appropriate level of training and education across the business and proactively inspecting workplaces and auditing systems so that safe ways of working are developed and a positive safety culture is embedded.

Financial
The Group’s financial risks are primarily market risk, credit risk and liquidity risk.

Market risk
Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group’s income or costs. The Group has interest rate hedging in place for 80% of its principal term debt which is based on variable rates pegged to SONIA and EURIBOR and foreign currency hedging in place for 100% of the interest payments due in the next financial year on its euro-denominated senior secured term loan B2 facility. Further details can be found in the borrowings note 21 to the financial statements.

Operational currency risk is limited as the business operates a model that has local costs for local revenues with limited cross-currency trade. At this point in the investment cycle, the majority of local cash generated is reinvested into growth. The Group is exposed to foreign exchange risk on dividend income from subsidiaries and the translation into sterling of the reported results and net conversion of overseas net assets. A foreign exchange loss of £6.2m (2023 - £11.6m) on the conversion of overseas results and net assets was recorded in the statement of comprehensive income during 2024.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. The Group’s credit risk is diluted due to the lack of contract concentration in any territory generating a reduction in counterparty risk.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation from its operations and ensuring it has access to committed borrowing facilities able to provide continuity of funding. Further details on the Group’s borrowings can be found in note 21 to the financial statements.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Brand reputation

The threat to the organisation's perceived value, trustworthiness, and market position posed by negative influences - such as misuse, misrepresentation, or damaging associations - represents a significant risk. These influences can erode stakeholder confidence, tarnish the organisation's reputation, and lead to financial or market repercussions. The Group mitigates these risks through robust measures, including adherence to group-wide brand guidelines, proactive media and social monitoring, trademark management, crisis communication planning, and effective stakeholder engagement.

Contract Retention and Delivery

The Group recognises the ongoing challenge to deliver quality services to customers at competitive rates and it has demonstrated its capabilities in this area through the organic growth within its existing customer base and its success in winning new contracts. The Group is focused on entering into contracts that will perform well financially by, amongst other things, maintaining a low level of operational gearing within the profit and loss account and by recognising the factors that are likely to result in cost increases during the life of our contracts (such as minimum wage increases) and looking to include contractual mechanisms to pass such costs back to the relevant customer by way of a price increase in order to avoid loss of margin. The Group established a robust contract review and bid sign-off process which allows for rigorous checking and challenge of solutions and pricing models which mitigates this risk. The contract review process is further complemented by a detailed mobilisation process. Customer Relationship Management (CRM) was improved through a group wide roll-out of a CRM system, Salesforce.

Attraction and retention of colleagues

Attraction and retention of key management and the wider workforce is seen as a key risk to the Group in terms of ensuring the business has the appropriate depth of talent to support the current business and its plans for growth. The loss of existing talent would result in a loss of knowledge and expertise which may disrupt business and impact the overall operation of the Group. With attraction and retention of key management and the wider workforce in mind, the Group has improved its recruitment systems and processes in the United Kingdom and across APAC. The TRUE Values formed part of the global brand rollout to further define the corporate culture and guiding actions. The Group launched the Alchemist Leadership Programme in early 2024 to invest in the engagement, growth, and development of the senior leadership community and the first cohort of managers successfully graduated from the programme in January 2025. A second leadership programme called Catalyst was launched in 2024 to develop the next generation of managers. The TRUE Star Awards scheme was rolled out in February 2024 to recognise and reward colleagues each month, quarter and on an annual basis. A group-wide Human Resources Information Systems (HRIS) review was also conducted resulting in an HRIS improvement programme and the Group conducts Global Colleague Engagement Surveys to gauge how motivated and happy colleagues are so that it can act on the feedback received.

Market Dynamics

General economic conditions may adversely affect the Group's financial and operational performance in several ways. The uncertainty caused by various conflicts and increases in commodity and energy prices may cause customers to either reduce the scope of the services they outsource or even pursue in-sourcing solutions, all of which may reduce market demand for the Group's services. Change of governments in the countries in which the Group operates or policies affecting important economic policies may create volatility to the business. Wages, one of the largest cost categories of our business, are exposed to government regulations on minimum wages, compensation, and benefits.

The Group manages these risks as well as it can by maintaining appropriate contractual protections and by carrying out dedicated analysis and planning where needed. The Group also targets a diverse customer base to reduce the effect of a sector or industry specific economic issue that could potentially decrease sales or increase costs. The majority of the Group's contracts span across multiple years and no material reduction of revenue is expected. Additionally, several pricing models are used to match the contract risk to our business model and the Group has sought to fix pricing with suppliers as far as possible to mitigate any price fluctuation due to the risks noted.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Regulatory and Litigation

Compliance with laws and regulations is of utmost importance to the Group. Failure to comply with laws and regulations could irreparably damage the Group's reputation and undermine relationships with its customers and other stakeholders, as well as exposing the Group to prosecution or fines. Whilst the Group maintains an extensive insurance programme to protect against financial liabilities, there are some liabilities that are incapable of insuring against and so preventing the liability from occurring is, as ever, the best way to mitigate this risk. From a perceived risk perspective, particular emphasis is placed on compliance with applicable anti-corruption and anti-bribery laws (including the Bribery Act 2010). The Group is committed to acting ethically and with integrity in all business dealings and relationships, and to implementing and enforcing effective systems and controls to prevent corrupt and unethical behaviours occurring within the Group's operations. The whistleblowing capability was strengthened in the prior year through the roll-out of a global whistleblowing policy, supported by a global hotline (Safecall) managed by an independent third party. The Group Code of Conduct is now embedded through all geographies to support the combined Group and align with its TRUE Values. The compliance function initiated a project to align and formalise the fraud prevention framework across the group which will strengthen regulatory compliance. Internal Audit supports the compliance framework through testing of key compliance controls.

ESG

The Group is developing a comprehensive ESG strategy to deliver the appropriate systems and implement the right training and education across the Group. The ESG strategy is underpinned by an ESG framework, including policies, and operating procedures, which is overseen by the Group ESG Committee and aligned with the Group Head of Risk and Internal Audit to ensure identified material ESG risks are managed through the risk management process. Group investment has been made into a carbon calculation and reporting tool, physical and transitional climate impact analysis, and development of training on ESG, waste, social value, and energy awareness.

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

Section 172 Statement

As set out in section 172(1) (a) to (f) of the Companies Act 2006, the Directors have a duty to promote the success of the Group and Section 172 states:

(1) A Director of a company must act in the way he 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:

(a) the likely consequences of any decision in the long-term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, clients and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company.

The Group had 130,000 colleagues worldwide as at 31 December 2024. As a people business, the Group is a significant employer in key territories in which it operates. The Group has the scale and opportunity to make a significant and positive contribution to the communities in which it operates and to the environment.

Accountability to and transparency with stakeholders is key to the long-term success of the Group. The Board considers the Group's main stakeholder groups to be its financial investors, clients, colleagues, suppliers and communities. The Board recognises the importance of maintaining strong relationships with the Group's stakeholders in order to create sustainable long-term value and strives to balance the effects of decision-making on key stakeholder groups whilst ensuring the need to promote the success of the Group for the benefit of its members as a whole.

Further information on the Group's stakeholder relationships can be found in the following sections of this Strategic Report.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Financial investors
The Group's financial investors include its main shareholder and its lenders. The Company's main shareholder is CD&R Madison S.à r.l.. Certain members of the Group's management are minority shareholders in the Company. Ultimately, the Company is controlled by private funds managed by CD&R, a global private equity firm which was founded in 1978. Representatives from CD&R sit on the Board of Directors as detailed in the Governance Report on pages 37 to 39.

The Group's main lenders comprise banking and credit institutions where the senior secured long-term debt and revolving credit facilities are held.

Why the Group engages
The Board has a statutory duty to promote the success of the Group for the benefit of its shareholders. CD&R's investment strategy is focused on creating lasting value from their investments by driving growth organically and through acquisitions. The direction and approval of CD&R regarding operational and financial performance and the way in which business is conducted ensures alignment in setting and achieving these strategic objectives.

The Group engages regularly with its lenders to build and maintain long-term relationships with them and to demonstrate compliance with key commercial terms under its borrowing arrangements. It is important to ensure the Group's lenders remain comfortable with their exposure to the Group and that they understand and support the Group's strategy, performance and culture.

Stakeholder priorities
Financial investors want to ensure their investments are secure and that the Group's strategy is creating value and delivering long-term, sustainable growth. Timely dialogue, with honest and open conversations, supports building long-term relationships with these stakeholders.

How the Group engages
The Group has regular contact with its main shareholder throughout the year including through calls, Board meetings, monthly business reviews and the supply of management information packs. The Group provides updates on ongoing performance and strategic, operational and other financial matters, as well as the risks and opportunities facing the business. The Group engages with its lenders through two-way dialogue and by providing them with quarterly financial information.

Outcomes
The Directors consider the Group's lenders and shareholders when assessing the financial position of the Group, its use of capital and its strategic direction. The Group undertook a successful refinancing exercise in November 2024 replacing its existing indebtedness with a number of new borrowings arrangements in order to optimise its capital structure. Further details can be found on page 9 of this strategic report and in note 21 to the financial statements.

Clients
The Group's diverse customer base across private and public sectors includes aviation, commercial, distribution & logistics, education, healthcare, government, retail, manufacturing, media & broadcast, hospitality, rail, transport, venues & events, data centres and construction.

Why the Group engages
As part of the development of the Group's new core values in 2023, the Group developed its TRUE Values, its "OCS Commitments" of safety, respect, honesty and openness and its mission statement of "making people and places the best they can be". These all encompass and enshrine the Group's commitment to work in partnership with its customers to help them achieve their goals and improve the experience of their customers and staff.

More details on the Group's TRUE values and mission can be found on the global website at:

https://ocs.com/about-ocs/vision-mission/ and https://ocs.com/about-ocs/true-values/

Stakeholder priorities
The Group works as a strategic partner to clients across a wide range of market sectors to deliver the highest standard of facilities management solutions and tailors its services to meet the unique demands of each client and to help them to achieve their wider corporate or institutional objectives.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Clients (continued)

How the Group engages
The Group provides the essential services to large and small private and public-sector enterprises that keep their businesses and societies running day in and day out.

The Group follows a strategic partnership approach in how it communicates and delivers its services - this means working as part of its clients' teams to deliver high quality, sustainable and essential facilities service solutions.

Importance is placed on understanding how the Group can continually improve by encouraging feedback from clients and listening to their needs. The Group interacts with clients through face-to-face meetings, round tables, site visits, video calls, emails and other forms of virtual communication.

Outcomes
The Group operates the nationally recognised Net Promoter Score ('NPS') system of measuring client experience, which allows it to understand how it can improve the services for clients. This is currently focused on the UK and Ireland although the Group has a project in place to roll the system out to Asia Pacific. For the UK, 2024 produced a score of 71.4 (2023 – 70.48). Putting this into context, an NPS score of 40% or higher is seen as the gold standard in facilities management.

Customer Relationship Management (CRM) was improved through a global roll-out of the Salesforce CRM platform.

Colleagues
Why the Group engages
The Group's colleagues are key to the successful delivery of its services, and it is essential that the Group has an engaged workforce who are aligned with its TRUE Values and strategic goals.

Stakeholder priorities
The Group's colleagues want to work in an inclusive environment where success is celebrated. They want to be rewarded fairly and supported with health, safety and wellbeing and have the right tools and training available to carry out their work and develop their careers.

How the Group engages
The safety of the Group's colleagues and that of others is paramount in everything it does. Strong, consistent and genuine leadership has guided the Group's approach to health & safety ensuring a high level of focus and attention is maintained by its operational teams. The senior leadership team delivers consistent messages about the importance of colleague safety, to ensure that colleagues have the right training, knowledge and equipment to complete their duties safely. Regular briefing sessions are held throughout the year and these sessions provide a drumbeat of consistent messaging to colleagues.

Strong governance of health & safety across the business is maintained. A governance mechanism is being deployed to monitor QHSE vision, policy and deployment. Health & Safety Committees are in place regionally to set objectives, oversee performance and to proactively manage the Group's health & safety and environment risks and systems. This level of oversight provides assurance that the Group maintains legal compliance, protects colleagues, meets client expectations and that it delivers on its own high standards at all times. Robust QHSE Management Systems are implemented and maintained, and regional accreditations are being aligned to a Group Accreditation approach, consolidating the standards of 9001 (Quality), 14001 (Environment) & 45001 (Health & Safety), across the organisation and incorporating 50001 (Energy), where there is commercial demand.

Visible and committed leadership is essential for effective health & safety management. The Group's overriding principle is that every colleague deserves to go home safe and well at the end of each day. QHSE Action Plans are in place across the Group and these plans are regularly reviewed by senior management to ensure that progress against objectives is measured and that any necessary action is taken. Continual focus on safety ensures that colleagues are provided with the correct training and tools to enable them to do their job safely, adopting best practice in work procedures and empowering colleagues to make the right decisions about their safety and that of others. Incident management procedures, including near miss reporting, ensure high levels of scrutiny and the framework necessary to reduce the risk of injury and to drive continual improvement. The Group seeks to implement a number of solutions regionally across the organisation in 2025 encompassing a wider range of tools to support its global QHSE management system. This will transform and streamline QHSE management and reporting, allowing managers to easily engage with the system, perform essential QHSE tasks and provide vastly improved visibility of QHSE performance within their areas of responsibility.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Colleagues (continued)

How the Group engages (continued)
The wellbeing of colleagues is important, and the Group looks for opportunities to engage and inspire colleagues to have healthier lifestyles. Webinars and meet-ups are held which cover topics such as healthy eating, cancer awareness, men's health awareness, menopause, learning disabilities and culture, race and religion. The Group continues to provide support and advice to colleagues through its colleague assistance programmes with access to a 24/7 tool called WeCare which facilitates conversations to help identify and resolve personal concerns. The service is entirely confidential and helps the Group to retain a happier, healthier workforce. In the UK, the Group launched the Colleague Connect- bi-monthly newsletter, with a focus on Health, Wealth, Learning and Lifestyle.

The diversity of the Group’s workforce is considered to be a primary strategic strength. The Group offers equal opportunities to all colleagues and applicants regardless of race, creed, gender, ethnic origin, age, or disability. People with disabilities are considered for employment where they have the appropriate skills and abilities to perform a job.

Colleagues who become affected by a disability during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation, reasonable adjustment, and retraining.

The Board is committed to fostering an inclusive environment where everyone feels valued and can bring their authentic selves to work. To this end, the Group relaunched Diversity, Equity, and Inclusion training on its internal learning management system, the OCS Academy, for digitally connected colleagues. Additionally, the Group has a range of toolbox talks aimed at frontline colleagues, ensuring that all colleagues, regardless of their role or location, have access to resources that promote diversity, equity, and inclusion. Highly trained managers are taught how to interview without bias and support colleagues to raise issues and suggestions. Programmes, such as People into Work, support people from a huge variety of backgrounds who had potentially considered themselves removed from the workforce.

In 2024, in the UK, 378 new colleagues joined from disadvantaged backgrounds. These individuals strengthen the Group’s workforce, showing new ways of working and challenging preconceptions. The Group provides initiatives to celebrate differences and demonstrate that no matter what background and skills individuals have, everyone has a part to play in making the Group a great place to work. CHROMA (our diversity and inclusion network) continues to embed the Group’s culture and provide a sense of belonging for colleagues from all diverse backgrounds by regular initiatives and events such as:

- Wellbeing Month
- Black History Month
- Pride
- MenoMeets
- ManChats

The Group operates a scheme called “MyThanks” which gives colleagues across the business the opportunity to recognise the hard work of others in two ways. Firstly, a “MyThanks” Certificate of Appreciation can be given which is an easy and spontaneous way to say 'thank you' to people who have demonstrated the Group’s values and who have performed in an exceptional way when carrying out their duties. The Group’s TRUE Star Awards scheme, which replaced the OCS stars scheme and was rolled out globally in February 2024, honours the contributions of colleagues who live by its values.

Sound ethical principles are essential to the on-going success of the Group. These principles are enshrined in its TRUE Values and in the various policies the business operates under. The Group’s Code of Conduct is designed to help guide colleagues in how the Group goes about its day-to-day business and provides them with a support mechanism to report any concerns or wrongdoing anonymously, via a third-party whistleblowing provider, Safecall. The policies and the e-learning platforms the Group has in place enables colleagues to understand the Group’s sound ethical principles. The monitoring and review of the effectiveness of the Group’s internal controls and risk management systems by the Board is part of the overall oversight of ensuring that high standards of business conduct are operated throughout the Group.

As part of the Group’s overall approach, colleague engagement takes place in many forms to understand their views. The engagement process begins with induction programmes for new colleagues, training, compulsory e-learning modules, “Back to the Floor” days by senior management, Colleague Engagement Visits by senior management (which focus on health & safety), Toolbox Talks, on the job chats, colleague surveys and many other forms. Colleagues are integral to delivering on the promises the Group makes to its clients. It is therefore vital that the Group recognises and rewards those colleagues who make such an important contribution to the business and place the Group’s values at the heart of their day-to-day activities.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Colleagues (continued)

How the Group engages (continued)

Other forms of colleague engagement include:

- Online communication portals enabling easy connection for those colleagues with company devices including Viva Engage & Intranet
- Timegate messaging/updates enables us to connect with our colleagues in the front-line
- Colleague engagement forums run within each business unit to continue to take pulse surveys and drive the agenda of continuous improvements
- Quarterly 'all hands calls' run regionally and Group-wide

Outcomes

The Group successfully scored highly across all eight categories of Safety, Health, Environmental and Quality practices, achieving a 100% score in seven of the categories and 99% in one of the categories in the Achilles UVDB external audit in the UK.

The Group QHSE function sets annually a wide range of both leading (3) and lagging (7) performance metrics that reflect the health and implementation status of the Group QHSE Management System. Metrics are monitored and reported to the Group Executive Committee and the Management Business Review (MBR) monthly. There were no fatalities recorded in the period. The Group's main metric, the Total Recordable Injury Frequency Rate (TRIFR), was 0.43 in 2024, an improvement from 0.48 in 2023. A TRIFR of less than 1 is considered best-in-class performance.

The Colleague Engagement Visit (CEV) Programme is a proactive QHSE tool that allows management to engage directly with associates in their place of work and understand, and as appropriate, resolve workplace safety issues. The programme operates in parallel to the QHSE processes for planned workplace inspections and audits. In 2024, some 2,098 visits were completed by management teams across the organisation, a 125% achievement against the target of 1,680. In 2023, performance was 123% (1,719 visits against a target of 1,393).

Gender reporting

The gender split of the Group's workforce at 31 December 2024 was as follows:

	Male	**Female**	**Not declared**	**Total**
	No.	**No.**	**No.**	**No.**
Directors	2	-	-	2
Senior managers	6	1	-	7
Employees	78,989	50,278	9	129,276

Directors and senior managers are listed in the Governance Report on page 40.

Gender pay gap analysis for each of the Group's UK entities with 250 or more employees can be found on its website at:

https://ocs.com/uk/gender-pay-report/

Suppliers

Why the Group engages

Procurement's mission within the Group is 'To deliver exceptional value for the Group through strategic sourcing, ethical practices, supplier collaboration and delivery of excellent service'. The Group is committed to engaging with high quality suppliers of all sizes who are aligned to its TRUE Values and with those who uphold the highest regard for human rights. Delivery of our commercial, environmental and social objectives is contingent on maintaining strong and trusted relationships with our Suppliers.

Stakeholder priorities

Suppliers want collaborative long-term relationships with mutual trust and respect, opportunities for growth and innovation, to work in environments that prioritise health & safety, a positive culture and prompt payment in accordance with agreed payment terms.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Suppliers (continued)

How the Group engages

By ensuring close collaboration with the Group's supply chain, services can be developed to reduce cost without impacting quality, increase productivity and maximise service outcomes. Importantly, and in conjunction with the ESG team, the Group is working hard to limit the negative impact on the world through the depletion of natural resources and emission of greenhouse gases, while driving the positive impact on the communities it serves, the stakeholders it engages with and the wider society in general. The Group integrates social value into contracts and relationships with suppliers, ensuring support for local and small enterprises, including social value enterprises, by providing them with opportunities to work with the Group and supporting their development in maturity and growth. The Group believes it is vital to drive diversity and inclusion into its supply chain, its contracts and its people.

The Group believes that genuine and authentic collaboration with its supply chain is vital and to that end a new Supplier Relationship Management Framework was implemented in the UK in the summer of 2024, which will be critical for mutual success. All partners in the supply chain are segmented on an annual basis to ensure the classification of its tier 1 strategic partners and tier 2 emerging suppliers remains relevant. All tier 1, 2 and newly appointed vendors are required to sign up to and observe the Group's Supplier Code of Conduct, governing the way suppliers work and behave, whilst adhering to the Group's Responsible, Ethical and Sustainable Procurement Policy. The Supplier Code of Conduct sets out the Group's clear expectations around working in line with its policies and core values, including health & safety, modern slavery and anti-bribery. Furthermore, as part of the Group's Procurement Process, suppliers are vetted to ensure that they have suitable policies, processes and systems in place to deliver maximum value to the Group's clients and stakeholders. To mitigate risk in the supply chain, the Group has partnered with a third-party to ensure all of its UK subcontractors are Safe Systems in Procurement (SSIP) accredited prior to being onboarded. The SSIP Accreditation is an ongoing mutual recognition of health & safety. When the Group's subcontractors adhere to SSIP standards, they demonstrate a commitment to excellence in health & safety, protecting colleagues and maintaining compliance with regulations.

The Group's dedicated Category Management teams are assigned to a portfolio of suppliers and have developed category strategies to ensure robust category and supplier management, quarterly performance monitoring, commercial effectiveness, and ongoing risk assessment, whilst ensuring ongoing rationalisation of the Group's supply chain.

In 2024, the Group became a member of Social Enterprise UK which provides resources and connections to allow the Group to procure goods and services from social enterprises. The Group also remains on the CIPS Corporate Ethics Register which safeguards against unethical conduct in procurement and supply management. The Group continues to adopt ethical values in how it sources and manages its suppliers and the UK Procurement team are now fully trained and certified in ethical sourcing and supplier management.

The Group began its digital transformation journey in 2024, with the development of its Subcontractor Portal in the UK, a solution for effective management of maintenance tasks across its supply chain. The Portal brings subcontracted tasks and toolsets into one place replacing manual, disjointed and inefficient processes. It provides an effective set of repeatable processes with built in validation ensuring that tasks are progressed as quickly as possible, eliminating time waste. The portal fully integrates with the back-office Computer Aided Facilities Management System (CAFM) to ensure that the Helpdesk and Subcontractors are fully synchronised throughout the task lifecycle. The system is fully automated ensuring that new tasks and status updates are communicated in near real time. Visibility of the task status is available to Helpdesk and Subcontractors alike so these can be acted on as soon as available.

The Group closed the year with the selection of a Source to Contract (S2C) solution that will be implemented and rolled out in 2025. The implementation of a S2C solution will improve efficiency and commercial performance and optimise the Group’s procurement practices.

The Group's procurement policies and processes promote transparency and openness, and as such, ensure the ability for any individual working within its supply chain to report, in confidence, if they believe something is not right.

The Group's work with its partner organisation, the Slave Free Alliance, is helping raise awareness of human rights, in particular modern slavery, and helping to assess, in detail, all suppliers classified as high risk which in turn supports the building of development action plans. Tier 1 strategic partners have undergone the Group’s Modern Slavery Risk Assessment and provided the Group access to their statement and policies relating to the prevention of Modern Slavery.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Suppliers (continued)

Outcomes
The Group's Category Management and Supply Chain Cost team provide a dedicated resource to each business unit across Hard, Soft and Indirect services providing support throughout the bidding, tendering and mobilisation phases of the procurement process. The Procurement Hub provides stakeholders with visibility of the Group's preferred suppliers and approved subcontractors along with access to policies, documentation and other resources to support their procurement activities; whilst the Group's Supplier Hub, gives its supply chain access to key information on the Group's ways of working, supplier relationship management, policies, guidance and ways to get in touch.

Communities

Why the Group engages
Doing business the right way is an integral part of the Group's DNA. As a large business operating in multiple countries and employing 130,000 colleagues, the Group acknowledges the profound impact it can have on the communities in which it operates. The global teams build strong partnerships with local charities and community projects, gifting volunteering hours, raising and making charitable donations, and providing opportunities for people from disadvantaged backgrounds to find work and support their families. This holistic approach reflects the Group's core commitment to doing the right thing in the right way, ensuring that it's actions positively impact society and the environment.

Stakeholder priorities
Communities look to the Group to operate through the lens of social responsibility and sustainability, showing a commitment to environmental stewardship, investing in local areas, and backing community initiatives. Stakeholders rightly expect the Group to invest in local areas by allocating resources, time, and effort to enhance the well-being of the communities where it operates. This includes participating in local unemployment projects, NGO and government initiatives, and other programmes that support individuals from disadvantaged or marginalised parts of society.

How the Group engages
The Group backs communities by forming strategic partnerships with organisations, charities, and government projects which address critical social needs, aligned to the Group's social ambitions and values.

OCS Indonesia has worked with the UK Department for Business and Trade (DBT) and BritCham Indonesia to develop the Green Apprenticeship Project three-year programme, officially launching in March 2025. The programme draws on learnings from the UK's established apprenticeship system. Candidates selected will undergo structured training to acquire technical skills and certifications accredited by leading British vocational institutions. Central to the programme is a commitment to environmental sustainability, incorporating circular economy practices to minimise carbon emissions and mitigate climate change impacts. Industry pioneers in the automotive, e-commerce, and logistics sector will pilot the programme.

The OCS Foundation is a charity governed by a board of trustees that works in partnership with the Group to have a direct and positive impact on communities and individuals' life prospects by supporting them into work. The OCS Foundation's focus is on tackling some of the causes and effects of poverty in society by developing the capacity and skills of socially and economically disadvantaged members of communities and protecting and improving the environment in which they live. The OCS Foundation trialled and rolled out the Group's 'people into work' scheme which has now welcomed more than 640 people into work since its launch in 2023. This scheme is now absorbed into the Group and is integral to its ethos. This scheme is crucial to realising the Group's Environmental, Social, and Governance (ESG) goals as well as having a direct and lasting impact on individuals' lives.

The Foundation's future aims will build on this legacy to ensure children and young people have access to opportunities, advice and support that will help them thrive. This goes beyond just supporting the Group's objectives; it has a direct, positive impact on communities which will leave a legacy of lives changed for the better.

In 2024, through the OCS Foundation in the UK, over 300 colleagues took part in fundraising for the London Youth Rowing and the Foundation through the 'Race the Thames' initiative, there was a collection of toys and gifts for the Lighthouse Women's Refuge in Ipswich, and colleagues took part in and volunteered for the 'Colour Run' in Ipswich which supported the Ipswich and Colchester Hospital's Charity and helped to raise awareness of this vital charity in the local community. Colleagues also took part in numerous other sporting challenges in 2024.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Communities (continued)

How the Group engages (continued)
The PCS Foundation for Social Development in Thailand (PCS Foundation) was established in 2007 with the objectives to tackle some of the causes and effects of poverty in Thailand by developing the capacity and skills of socially and economically disadvantaged members of communities, protecting and improving the environment in which they live. The Foundation collaborates with organisations such as World Vision (WV), Support the Children Foundation, the United Nations World Food Programme, and the Child Exploitation & Online Protection Centre.

The PCS Foundation and WV Thailand have found a common ground to contribute to the development and empowerment of under-represented communities caused by poverty and disparities in accessing the public services. Two projects have been completed, and one project is under implementation. The projects have provided a three-generation centre, a safe space for mixed generations of villagers to exercise together, integrating family communication corners to foster unity in the community and funded the construction of a multipurpose building to provide public health services to rural communities. The third project under way is to build a community health centre, which will service 6 remote villages. All three projects contribute to the Sustainable Development Goal of Good Health and Well-Being, ensuring healthy lives and promoting well-being for all at all ages, supporting over 15,000 local people across 25 villages.

Outcomes
The Group's dedication to community engagement and social responsibility has resulted in substantial positive impacts. By partnering with local charities, community projects, and government initiatives, the Group has significantly contributed to the well-being of the communities it serves. This holistic approach aligns with the Group's core values and mission, creating lasting benefits for society and the environment.

Key decisions

The Board made some key decisions during the year, promoting the Group's purpose, strategy and long-term sustainability. All Board decisions are made having considered the matters set out in Section 172(1) of the Companies Act 2006.

Some of the key decisions in the year included:

Acquisitions
A number of strategic acquisitions were made in the UK, complementing and strengthening the Group’s existing service offerings, supporting growth into further sectors and enabling the Group to respond to the complex demands from a diverse range of industries and focus on sustainability:

- Abate, a leading independent provider of pest control solutions in Norfolk, Sussex and Kent in the UK. Abate serves customers in various sectors, including commercial and residential housing, food manufacturing and high-value cold storage.
- Exclusive Services Group, a well-established provider of contract cleaning services across the UK and Ireland, operating across a number of sectors including education, data centres, leisure, media and retail.
- FES, providing a unique range of high-quality in-house hard and soft facilities management services to a diverse portfolio of public and private sector clients across the UK, with a strong energy business. The acquisition effectively doubles the size of the Group’s UK hard services business.
- Maxim, one of the fastest-growing independent regional facilities management companies in the North-East of England, providing cleaning, self-delivered window cleaning, hygiene and janitorial services to key markets across the UK with a strong presence in the education sector.

Funding
The Group undertook a successful refinancing exercise in November 2024 replacing its existing indebtedness with new borrowings arrangements which included senior secured term B loan facilities of £425m and €522m (£860m equivalent) repayable in November 2031 and a new revolving credit facility of £220m repayable in May 2031. The facilities were used to repay the Group’s existing debt facilities taken out in 2023, to fund the November 2024 acquisitions of FES and Maxim and, in February 2025, to settle the outstanding Atalian vendor loan notes due.

STRATEGIC REPORT (continued)

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT (continued)

Key decisions (continued)

Simplification

In order to streamline and simplify the Group's legal and operating structures and reduce costs, the Group commenced a number of reorganisation projects to consolidate trading activities into fewer legal entities and eliminate duplicate processes and systems. The project will be finalised in 2025.

Board recruitment

The Company appointed a Non-Executive Director, Ringo Francis, to the Board of Directors. Ringo's wealth of experience in the cleaning and hygiene industry and his highly regarded reputation in the industry in the UK and Ireland complements and adds further depth to the board, providing valuable insight, independence and objectivity to the board's decision-making process.

STRATEGIC REPORT (continued)

DIRECTORS' ESG STATEMENT

The Group continues to amplify its efforts around its commitment to global sustainability, growing its own capability to meet ever demanding regulatory requirements, and deliver on the Group's ESG strategy.

2024 has been a busy and successful year in the Group's ESG commitments, to do business the right way, reduce its reliance on natural resources, and advance social mobility, in line with its 2023 ESG Strategy.

In 2023, the Group established a consolidated Scope 1&2 carbon intensity ratio reduction target, until 2027, with 2022 set as the baseline, independently verified by Achilles, to ISO14064-1 standard. The countries in scope, making up more than 80% of the Group's revenue, UK, Ireland, Australia, New Zealand, and Thailand, were independently verified, and surpassed the 2024 intensity target of 9.76%, achieving 9.34%, 11.8% reduction on the baseline.

For the first time in the Group's history, it's UK operations achieved a Carbon Disclosure Project (CDP) Climate Score of B, which recognises that it is taking coordinated action on climate issues and reflects that it has made good progress. There is still room for improvement and 2025 will be another exciting step in the Group's ambitions to be net zero by 2050 across all its global operations.

OCS Indonesia is the first of the Group's Asia country operations to produce a sustainability report, complete a double materiality assessment, and align it to the Global Reporting Initiative (GRI), which has seen it recognised by the Asia Sustainability Reporting Awards, becoming a finalist in the Asia Best Sustainability Report (first time) category.

In 2024, in line with the Group's growth strategy, the Group acquired a number of businesses in the UK as outlined in the Strategic Report on pages 4 and 20. Of the acquisitions, Exclusive Services Group is a leading contract cleaning services company, aligned not just with the Group's values but also its sustainable ambitions. In November 2024, they were honoured with the prestigious Environmental, Social, and Governance Award, at the Irish Contract Cleaning Association (ICCA) awards. FES is a business experienced in guiding its customers through their net zero journey as a leader in energy and decarbonisation. The expertise gained through this acquisition will enable the Group to meet the shift in customer demands for climate-related requirements, like energy reduction, waste management, and transitioning to a low carbon economy.

Actions taken on the Group's path to net zero

GHG reporting expansion
One of the biggest challenges for an international business operating across 3 regions and in over 20 countries is the ability to capture, report, and consolidate energy use and carbon emissions as a group. During Q4 2023, the Group embarked on an expansion programme and introduced a global GHG capture and reporting tool, called the Info Exchange. Following extensive work with the country operational ESG leads, the Group is now able to provide a Scope 1 & 2 2023 baseline and 2024 progress from all country operations.

During 2025, the Group will be expanding its Scope 3 reporting in preparation for Corporate Sustainability Reporting Directive (CSRD) requirements, reporting in 2026 for the first time.

Net zero journey and progress
The Group continues to work towards its commitment to be net zero by 2040 in the UK, Ireland, Australia and New Zealand operations, with all remaining operations to be net zero by 2050. The Group has an ambition to achieve this with alignment to the Science Based Targets initiative (SBTi).

The Group acknowledges that Scope 3 emissions, particularly those from its supply chain, have a substantial impact on the GHG footprint and is dedicated to reaching net zero by partnering with supply chain partners, aligning with the SBTi, and establishing science-based targets (SBTs) to limit global warming to 1.5°C. Supporting a circular economy is one the Group's supply chain areas of focus, looking for innovative ways to reduce waste and resources. As an example, the Group's main UK subsidiary recycled over 4,000 items of uniforms during its rebranding between 1 February 2024 and 30 April 2024. Using a secure environmental recycling supplier, the process saved 1.14kg CO_2e, which is the equivalent of 2,931 miles driven by an average combustion vehicle, 1,263 pounds of coal burned, or 75,655 smartphones charged.

Following work with the Group's external environmental expert, Eunomia, engagement with the SBTi, and a review of business plans for exponential growth through acquisitions, the UK, Ireland, Australia, and New Zealand businesses have decided to take a more pragmatic approach to tackling their near-term Scope 3 supply chain emissions.

STRATEGIC REPORT (continued)

DIRECTORS' ESG STATEMENT (continued)

Net zero journey and progress (continued)
The UK, Ireland, Australia and New Zealand operations commit to their suppliers representing 76% of their Scope 3 emissions from purchased goods, services, and capital goods, and will set SBTs by 2030. The Group will continue to collaborate with its supply partners to move from spend-based to unit-based calculations.

In 2025, the Group will be holding a supplier round table, to explore and collaborate with some of its Tier 1 & 2 suppliers on initiatives to achieve a consensus on decarbonisation, share ideas, inspire others, and develop strategies around circular economy and SBTs.

Supporting customers
The Group's customer-centric approach is guided by its values and desire to do business the right way, fostering strong relationships built on mutual trust and respect. By working closely together to achieve mutually sustainable goals, the Group can achieve greater sustainability outcomes, like waste reduction, energy efficiency, and reduced carbon emissions, through actions that shape success for the planet, community, customer and the Group.

OCS India has used the Group's global carbon capture and reporting tool to provide 9 of its customers with 2023 and 2024 carbon calculations for electricity, water, and fuel use, supporting the customers to make informed decisions when developing their carbon reduction plans. OCS UK&I Limited continues to see requests from its customers to carry out carbon assessments on their sites, using the ISO14064-1 aligned process, and develop carbon reduction plans.

OCS Indonesia has been involved in developing an ESG playbook with PT Hotel International Sanur Indonesia (HISI), a first for Indonesia's Special Economic Zone. The ESG playbook presents a comprehensive framework for integrating Environmental, Social and Governance principles into the zone's operations. Guided by the Group's ESG structure and adjusted to local regulations, the playbook reflects an unwavering commitment to sustainability and ethical governance while driving innovation and community impact. His Majesty (HM)'s The UK Ambassador to Indonesia and Timor Leste and Board Members of the British Chamber of Commerce in Indonesia have been fully aware of the project since its conception in Bali in December 2023.

The Group will continue to work with its customers for a long-term sustainable mutual benefit for the environment, community and business growth.

Continuous improvement in 2025
Continuous improvement is fundamental to the Group's success, having the ability to adapt to challenges, fiscal obstacles like the Pandemic in 2020, extensive sustainability reporting requirements and greater expectations from its customers.

During 2025, the Group will continue to improve the quality of its ESG data capture (implementation of its ESG assurance framework), communicate its short, medium, and long-term plans in more detail, and publicly demonstrate progress to its internal and external stakeholders.

Throughout 2025, the Group will embark on the development of a comprehensive climate transition plan to provide a clear roadmap to achieving its net zero ambitions. The plan will set out interim targets, in alignment with the Paris Agreement's global temperature goals, establish credible metrics and KPIs to track progress, building on the Group's achievements to date, and set out actions, methodologies and pathways to the Group's net zero target of 2050.

Preparation to support the development of the Group's transition plan and regulatory CSRD requirements has already started, with the support from Trio, an external consultancy specialising in helping large companies meet their sustainability goals. Trio will work with the Group to complete a Double Materiality Assessment (DMA) during Q1 of 2025. The outcomes of the DMA will identify the ESG issues most significant to both the Group and its stakeholders, evaluating how ESG issues affect the Group's financial performance and assessing the environmental and social impact of the Group's operations on the communities where it operates. The Group will be disclosing its CSRD response for the first time in its 2025 accounts.

In 2024, the Group Executive Committee agreed to expand the use of EcoVadis, the sustainability rating platform, to include the entire group. By implementing EcoVadis at a group level, the Group will enhance transparency, help unify sustainability standards, provide valuable insights and data that will help it meet regulatory compliance, and guide the Group's culture of continuous improvement. The Group will complete the EcoVadis process during 2025.

The Group is very conscious that attaining global net zero ambitions cannot be achieved without the engagement of multiple stakeholders, especially its employees. That's why the Group has continued to engage and develop its employees' knowledge through effective communication and training. In 2025, a new ESG Awareness eLearning course will be rolled out across the whole group, accessible in multiple languages, affirming the Group's ESG strategy, explaining why it is important, and sharing the Group's expectation for every employee to play their part in achieving its net zero ambitions.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

The aim of the TCFD disclosure is to provide stakeholders with a clear understanding of the climate-related risks and opportunities that are considered material to the Group and provide confidence in the Group's approach to mitigating any risks and pursuing opportunities.

As a responsible business devoted to doing business the right way, working closely with communities where it operates and impacts upon both socially and environmentally, the Group is committed to achieving net zero and to reducing any negative impact on the communities it serves. Acknowledging its essential role in tackling climate change, the Group's TCFD response is shaped by the external scenario analysis carried out by a third party during Q1 of 2024, which evaluated both physical and transition risks. This strategy is in line with the TCFD framework, addressing the four pillars and eleven recommended areas. The Group emphasises its unwavering dedication to responsible corporate governance, sustainability, and comprehensive risk management, ensuring long-term value creation and resilience in a rapidly changing environment.

Governance
In January 2025, the Group General Counsel took over responsibility from the Chief Customer Officer as the ESG representative on the Group Executive Committee and also serves on the ESG Steering Committee. Established towards the end of 2023 and chaired by the Group Head of ESG, the ESG Steering Committee meets bi-monthly to support the implementation of the Group's ESG strategy. This includes governance, systems, processes and training across its international operations, with a strong emphasis on managing climate-related risks and opportunities. The committee comprises key internal stakeholders from the Group Executive Committee, operating businesses, and departments such as QHSE, Legal, Procurement, Operations, Finance, and Human Resources. Subject matter experts are also consulted as needed.

The ESG Steering Committee collaborates with the Group Head of Risk and Internal Audit to ensure that identified material ESG risks, particularly those related to climate change, are managed through the risk management process. The Group Head of ESG provides annual reports and updates to the Audit and Risk Assurance Committee on ESG-related risks, including new regulatory requirements, ESG data assurability and ESG risk management.

As part of the Group's continued strategy to continually improve its data assurability, resilience to current and future regulatory disclosure requirements and commitment to transparent governance, an ESG data reporting mapping exercise was carried out. An assurability framework was created from the exercise, highlighting the appropriate controls, identifying risks and gaps, and establishing actions to close, mitigate, and remove any material risks, with a particular focus on climate-related risks.

The Group Executive Committee maintains oversight of climate-related risks and opportunities, conducting two formal risk register reviews per year. These reviews inform budgets, strategies and financial business plans by identifying material risks and opportunities related to climate change.

Risk accountability is decentralised within the Group, with each strategic risk, including those related to climate change, assigned to a member of the Executive Committee. Both the UK and Ireland, and APAC business regions maintain local risk registers. Any changes to identified risks or new risks are communicated to the Group Head of Risk and Internal Audit, who updates the Group Risk Register and tracks any mitigating actions.

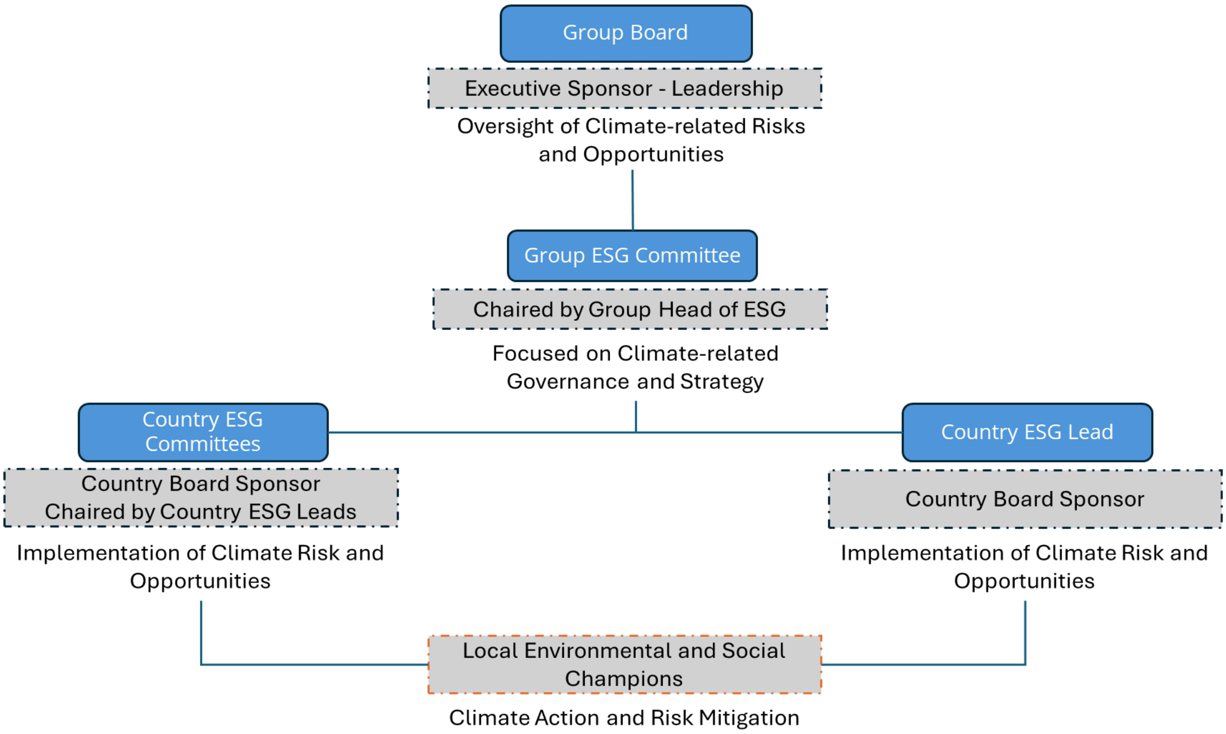
The ESG Steering Committee oversees climate-related projects to mitigate any identified risks and capitalise on opportunities, ensuring the Group's commitments to net zero are met. It works with local country ESG Committees and leads by providing guidance and best practices for implementing agreed actions.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

ESG governance

The ESG Steering Committee's purpose is to support the implementation of the Group's ESG strategy by overseeing governance, systems, processes, and training, with a strong focus on managing climate-related risks and opportunities across its international operations.



Strategy

2024 has seen significant climate-related impacts, with extreme weather events, with various regions facing severe droughts and flooding impacting agriculture, water supply, and infrastructure. 2024 also saw global and sea surface temperatures continue to rise, recording some of the hottest days ever.

At COP 29, the international community built on the momentum from COP 28, achieving a historic agreement to intensify climate action before the decade's end, aiming to keep the global temperature rise within 1.5°C. However, the challenges faced by the Paris Agreement have been compounded by the recent withdrawal of the USA, highlighting the ongoing complexities in global climate governance.

As the Group grows and expands its influence, it understands the critical importance in doing its bit to help maintain the 1.5°C limit. While transitioning to a low-carbon business is both responsible and necessary, it may introduce financial risks and instability to the Group's global operations. This could arise from implementing mitigation measures, incurring additional supply chain costs, or meeting heightened customer expectations. The Group is also acutely aware that the rise in extreme weather events could strain the sourcing of food ingredients and raw materials, and potentially disrupt access to transient workers in certain countries.

During Q1 of 2024, the Group solicited external help from WTW, a leading global advisory, with extensive experience in assessing and mitigating climate risks. WTW completed both a physical and transition risk and opportunities analysis of the Group's business, working closely with the internal ESG team and Group Executive Committee to provide a comprehensive report on the potential risks and opportunities, in alignment with TCFD and UK CFD regulatory requirements. The Group will conduct another qualitative and quantitative scenario analysis in 2026.

Risks at the Group are assessed in terms of impact and likelihood using the enterprise-wide risk management impact and likelihood scales, ERM.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Strategy (continued)

As part of the physical climate risk assessment, the financial impact of Value-at-Risk (VaR) was quantified, where feasible. This involved using probabilistic physical climate risk models to assess potential financial losses due to property damage and business interruption from acute hazards such as floods and windstorms.

The VaR assessment results were translated into the Group's Risk Severity for financial impact and likelihood, as set out in the Group's Enterprise Risk Management scales.

Frequency		Likelihood	
5	Onset occurs within the next year	Certain	>90%
4	Onset occurs 1-2 years	Likely	51%-90%
3	Onset occurs next 2-5 years	Possible	21%-50%
2	Onset occurs in next 5 – 25 years	Unlikely	4%-20%
1	Onset occurs in more than 25 years	Rare	<3%

Impact		
5	Catastrophic	>£14m
4	Major	>£11m - <£14m
3	Moderate	>£7m - <£11m
2	Minor	>£3m - <£7m
1	Insignificant	<£3m

Impact values are based on EBITDA

Risks and opportunities identified over the short, medium, and long- term

Physical risk

An evaluation of the physical risks associated with climate change, was performed on 51 significant locations within the Group's global operations to gauge resilience against physical climate change impacts. This assessment spanned four timeframes - present day, short-term (2030), long-term (2050) and very long-term (2100). Using different time horizons aids the Group in planning investments and infrastructure development, such as the length of leases obtained and planning for relocations. The short-term 2030 enables the Group to focus on any required immediate actions, and the long-term 2050 horizon and beyond, enables the Group time to consider the long-term impacts of climate change on the Group's operations, allowing time to develop and influence its future strategic objectives. In addition, 2030 aligns with international climate targets and key reduction targets for the Group, as well as the Group's overall ambition for net zero by 2050. The scenarios considered included RCP8.5 (4.0°C worst case), RCP4.5 (2-3°C) and RCP2.6 (1.5°C).

The financial risk was measured using Total Insured Value (TIV), which includes the value of buildings, contents, and business interruption. This approach employed recognised climate risk data and models from the insurance industry to provide a scientific and probabilistic forecast of potential physical damage to the Group's assets. The objective of this analysis was to identify the Group's exposure to climate risks and to formulate strategic mitigation actions to ensure financial stability over the medium to long-term.

The climate scenarios used were based on the Representative Concentration Pathways (RCP) designed by the Intergovernmental Panel on Climate Change (IPCC) in their 5th Assessment Report (AR5), aligned with the latest IPCC AR6 report's Shared Socioeconomic Pathway (SSPs) scenarios.

The climate risks were derived from a number of data sources including Willis Towers Watson's own tools Global Peril Diagnostic and Climate Diagnostic, data from Munich Re hazard databases and research in line with the IPCC.

The climate hazards modelled were:

- **Acute Climate Risks** – Extratropical Cyclone, Tropical Cyclone, River Flood
- **Chronic Climate Risks** – Heat Stress, Precipitation, Drought, Fire Weather, Sea Level Rise

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Physical risk (continued)

Summary of findings

When comparing current conditions to the high emissions scenario projected for 2050, there are notable increases in exposure to drought, fire weather, and heat stress. Other hazards show minimal or no change in exposure across the 51 locations analysed within the Group's international operations.

Climate risk	Hazard Exposure	Value at Risk (VaR)		Hazard Exposure	Value at Risk (VaR)	Changes in exposure	Hazard Exposure	Value at Risk (VaR)	Changes in exposure
Heat Stress	Medium	Very low	27 of the Group's 51 locations face high heat stress, with over 80 heatwave days annually above 30°C, mainly in Southeast Asia, India, and the Middle East. Average annual VaR for the Group is modelled as insignificant on the ERM impact scale, based on Business interruption values for the sample portfolio.	Medium	Very low	There is a very small change to the number of assets exposed to heat stress, 4 more assets move into the high heat stress, including Spain. The overall exposure value at risk are broadly similar to current.	High	Insignificant	By 2050, under the high emssions (RCP8.5) scenario, heat stress is projected to pose a high or very high risk to 27 assets, impacting over half of the assessed portfolio. This increase is mainly due to assets in Central and Western Europe experiencing warmer climates. The average annual VaR increases but remains insignificant, though there could be impacts on labour productivity and logistics.
Drought	Low	Insignificant	Drought is not a material risk for most Group assets. 2 assets in Saudi Arabia and UAE have very high exposure, 2 in Australia and Spain have high exposure, and 4 more have moderate exposure. Average annual VaR for drought is well below the insignificant range for the sample portfolio.	Low	Insignificant	There is a shift towards a more extreme drought stress at the moderate level uner a high emissions pathway, upto 2050, However exposure to drought changes less significantly under a 2-3°C scenario.	Medium	Insignificant	Unfavourable conditions are increasing, with 4 locations at very high risk, 3 at high risk and 12 at moderate risk. The average annual VaR for drought remains well below the insignificant range for the sample portfolio. A review of water reliance could be considered.
Flooding	Low	Insignificant/ Minor	8 assets face a very high risk of river flooding (10% likelihood in a decade), 5 others moderately exposed (2% likelihood). Average annual modelled losses are within the insignificant range of the Group's ERM impact scale. However, in severe years (e.g. a 1 in 500 year event), losses could exceed £3m, falling within the Minor range.	Low	Insignificant/ Minor	For the majority of the OCS portfolio, it remains at a very low level of exposure until 2050. The risk profile for flooding remains broadly similar over time, increasing to 15 locations materially exposed.	Low/Medium	Minor	By 2050, the number of locations highly exposed to river flooding will increase slightly, with 10 assets at very high risk, including new exposures in Saudi Arabia and the Philippines. The frequency of flood events is also expected to rise under the high emissions scenario, likely increasing the average annual VaR. A severe 200-year event today could become a 100-year event by 2050. While insurance may still cover such impacts, coverage costs could rise and availability could decrease.
Windstorms	Very Low	Insignificant	20 European locations have a 1% annual chance of extratropical wind speeds over 121 km/h. 2 locations in the Philippines face a moderate risk of tropical cyclones with a 1% annual chance of wind speeds over 213 km/h. Average annual modelled impacts are within the insignificant range of the Group's ERM impact scale, even in severe years.	Very Low	Insignificant	There is no clear trend in the shift of European windstorm activity, therefore the risks do not develop over time or under different emission scenarios, The two locations in the Philippines continue to be moderately exposed to tropical cyclone risk.	Low	Insignificant	The frequency and severity of extratropical cyclones (European windstorms) are expected to remain similar to current conditions. However, the risk of typhoons is projected to increase under the high emissions scenario by 2050. While the frequency of events may rise, it is unlikely to alter the ERM impact range for the sample portfolio.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Changes of risk profile

Physical risk quantification – Acute risks
Using insurance industry recognised climate risk data and modelling against 51 key global sites, WTW calculated the potential physical damage between a 1.5°C and 4°C climate change. From the modelling, the financial impact of both flood and windstorm remains within the Insignificant Risk Impact range, below £3m, based on the sample of assets evaluated.

The markets the Group operates in and the business model adopted, enables it to be adaptable to change. Apart from two locations (Edinburgh, UK and Bangkok, Thailand), the Group's central business operations operate from leased or rented premises. This ensures that the business is more resilient to change and moving buildings and locations and managing remotely is a feasible option, if required.

Physical risk quantification – Chronic risks
The analysis compared current conditions to future scenarios, and the risk profile shows increased exposure to drought, heat stress and fire weather by 2050 under the high emissions scenario (RCP8.5). While river flooding risk remains low, the number of high-risk locations is expected to rise slightly by 2050.

Heat stress could significantly impact the Group's business by increasing energy consumption and carbon emissions due to higher cooling demands. Uncontrolled cooling may reduce productivity, strain cooling equipment, and limit goods and services availability. Temperatures above 35°C pose health risks, including fainting and life-threatening conditions for vulnerable individuals.

Drought conditions could lead to water usage restrictions, higher water costs, and supply chain disruptions, causing delays and increased raw material costs. Employee mental health may suffer, and the risk of heat stroke and other life-threatening conditions could rise.

The chronic financial impact analysis was carried out assuming typical operational vulnerabilities, estimates a 0.5%-10% reduction in operations per day of heat stress and 1% - 20% per day of drought. Under 1.5°C and 4°C scenarios, and although there is increased exposure to heat stress and drought, the financial impact remains within the Insignificant Risk impact range, with both scenarios below £3m.

Following a review by the Group Executive Committee, the low to moderate risk in the short to medium-term and the agility of the business to adapt to change, the Group will continue to monitor changes and review its mitigation plans to maintain the Group's resilience to physical climate change. Another physical climate analysis will be completed in 2026. In addition, in 2025 the Group is reviewing the benefits of obtaining the services of a climate modelling tool, utilised by WTW, to enable annual tracking of climate changes.

Transition risk
In February 2024, the Group undertook a comprehensive transition risk analysis to identify and evaluate potential risk exposures. This structured approach, guided by the TCFD, involved 6 meetings with subject matter experts from various business units. The objective was to assess the level of risk and opportunity exposure to 14 transition risk drivers characterised under Policy & Legal, Technology, Market and Reputation.

The analysis scenarios were aligned with the Paris Agreement's goal of limiting global warming to below +1.5°C above pre-industrial levels by the end of the century. Potential transition risks were identified through discussions with the project team, key internal stakeholders, and leveraging extensive experience with other corporations and public domain research. These risks were assessed in terms of impact and likelihood during expert workshops, in line with the Group's risk management process.

The Group used the ERM impact and likelihood scales for this assessment, cross-referencing with regional assessments conducted by Enviro-Mark Solutions in Australia and New Zealand in 2023. The transition risk exposure was evaluated for short-term (2030) and medium-term (2035) horizons, with impacts assessed annually. Long-term risks were not considered due to the challenges in predicting policy directions beyond 2050.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Residual risk exposure
In the short-term (by 2030), the Group's overall risk exposure remains low, with some notable exceptions in Technology and Market Risks due to increased customer demands for sustainability plans and energy reduction strategies. These exceptions are driven by the Group's strategic actions to align with the SBTi and global net zero targets.

Over the medium-term (2035), some short-term risks persist or intensify, particularly the shift in customer demands and increasing climate-related considerations. Other notable changes include the pricing of greenhouse gas emissions, stricter climate-related regulations and the cost of capital, which are expected to become more pressing.

Strategic opportunities
Despite these risks, the Group is well-positioned to seize strategic opportunities, especially in the APAC markets, by leveraging strong customer relationships and operational efficiencies. The Group's transition scenario analysis indicates a low to moderate residual transition risk by 2035, with a need for further investigation into long-term risks and potential disruptions due to political and economic instability. Therefore, a further transition analysis will be completed in 2026.

In 2024, the Group continued its focus on bolstering its service offering, enabling the Group to effectively respond to complex demands from a diverse range of industries and strengthening its focus on sustainability. The Group acquired FES FM and FES Support Services, a business experienced in guiding its customers through their net zero journey as a leader in energy and decarbonisation. The expertise gained through this acquisition will enable the Group to meet the shift in customer demands for climate-related requirements, such as energy reduction, waste management and transitioning to a low carbon economy.

Transition recommendations
The outcome of the Group’s transition scenario analysis carried out in Q1 of 2024 indicates a low to moderate residual transition risk out to the year 2035. The Group recognises the need for further investigation to comprehend its risks in a longer-term context, especially as it refines its strategic approach, and will carry out further analysis every 3 years. WTW noted within the analysis that exposure could be heightened by a ‘disorderly transition’ toward net zero. This scenario is increasingly possible due to political and economic instability, which may disrupt energy transition plans, particularly in Europe.

Additionally, recent changes in the USA's climate policies have introduced new dynamics. The previous US government’s ambitious targets, such as reducing greenhouse gas emissions by 61- 66% below 2005 levels by 2035 and achieving net zero emissions by 2050, are now being challenged by the new US government's rollback of several climate initiatives. This includes withdrawing from the Paris Agreement and increasing domestic oil and gas production. Such shifts could further complicate global efforts to transition smoothly to net zero.

Consequently, this potential disruption could impact the development of the Group’s own net zero ambitions. The following recommendations were born out of the analysis, many of the objective outcomes already being worked on in practice:

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Consolidated Climate related Risks and Opportunities

Risk		Time Horizon where most material	ERM Risk Rating	Mitigation/Adaption
Physical risks				
Flood	Most of the OCS portfolio has low flood risk. However, by 2050, the highest risk level is expected in KSA and the Philippines.	Long (2050)	**Low to medium risk** Financial assessment: **Insignificant**	Review building portfolio in high risk areas. Ensure business & emergency continuity plans consider identified risks. Carry out stress test of emergency plans. Consider relocation if flood defences are inadequate. Monitor and warn employees of Government & local weather agency warnings.
Drought	Droughts are not a material risk for most OCS locations currently. High to very high exposure exists in KSA, UAE, Spain and Australia. Under a 4°C scenario by 2050, material exposure increases significantly. 4 locations are projected to face 6 months of drought annually.	Long (2050)	**Low to medium risk** Financial assessment: **Insignificant**	Explore option for water saving processes across locations most at risk. Consider on-site water storage as part of building criteria. Encourage and incentivise water saving with employees. Ensure maintenance of water system audits and repairs. Provide water to employees in most affected regions.
Heat Stress	Nearly half of locations face high heat stress with 80+ heatwave days annually, mainly in SE Asia, India and the Middle East. By 2050, over half will be high or very high, driven by Central/Western Europe under a 4°C scenario.	Long (2050)	**Medium to high risk** Financial assessment: **Insignificant** (There could be an impact on labour productivity & logistics)	Review building design for inefficiencies. Use the findings to inform future and current building lease criteria. Consider buildings with adaption measures such as solar shading, trees and thermal insulation. Consider employees commute and encourage transport modes less affected by heatwaves.
Windstorms	20 European locations have a 1% annual chance of extratropical winds >120 km/h. 2 Philippine locations face moderate tropical cyclone risk with 1% chance of winds >213 km/h. No significant change expected in the medium-term, but typhoons may increase by 2050 under high emissions.	Long (2050)	**Very low to low risk** Financial assessment: **Insignificant**	Consider engineering assessments of high-risk assets to inform course of action. Ensure critical equipment attached to buildings is secure. Review building designs for level of protection. Ensure business and emergency contingency plans take account of identified risks.
Transition risks				
Pricing of Greenhouse Gas (GHG) Emissions	It is assumed that there will be increasing levels of carbon pricing globally over the short to medium-term. In the short-term, minimal impact is expected. Long-term impact may increase as costs are passed on to customers.	Medium (2035)	**Likelihood: Unlikely - Likely** Financial assessment: **Moderate**	Continue with commitment to net zero by 2040 (ANZ, UK&I) and 2050 (globally). Enhance data collection processes to inform plans. Ensure transition plan in place. Ensure any new buildings adhere to stringent environmental standards. Plan for transition of technical/hard services, vehicles to electric, considering limitations beyond 2035.
Shift in Customer Demands	Sustainability has emerged as a significant driver for customers, particularly in government contracts in the UK. Customers are increasingly requesting sustainable plans and energy reduction strategies. ESG ratings are becoming more important for our customers across the global business.	Short (2030) & Medium (2035)	**Likelihood: Rare** Financial assessment: **Catastrophic**	Provide customers with clear and accessible information. Develop the ability to quickly adapt and innovate in response to customers needs. Continue to develop carbon assessment and reduction initiatives for customers. Develop value proposition capitalising on our global footprint. Continue to integrate low emission technology into existing operations to improve competitiveness.
Transition opportunity				
Shift in Customer Demands	Sustainability is becoming increasingly more important to international companies and governments, especially in Asia.	Short (2030) & Medium (2035)	**Likelihood: Likely** Financial assessment: **Catastrophic**	Provide customers with clear and accessible information. Develop the ability to quickly adapt and innovate in response to customers needs. Continue to develop carbon assessment and reduction initiatives for customers. Develop value proposition capitalising on our global footprint. Continue to integrate low emission technology into existing operations to improve competitiveness.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Actions in line with recommendations
Following a review of the physical risks, where the most material time horizon is long-term 2050, the Group will carry out further scenario analysis every 3 years, periodically check government and local weather agencies, and ensure employees are informed of any potential risks. The Group's business continuity and emergency plans will be regularly reviewed and updated to keep them relevant. As part of this process, the lease criteria will also be reviewed to ensure that the Group's offices are resilient to forecasted climate change. The pace of change and adoption will be informed by future analysis.

The Group continues to transition to a low carbon economy, with initiatives and plans that reflect the recommendations borne out by the transition analysis. The Group is going through a process of enhancing the assurance of its data collection, with an ESG data framework being implemented in 2025. The Group starts work on its transition plan in 2025 which will inform stakeholders of how it will mitigate climate risks and capitalise on opportunities for a sustainable future. Building on services already being provided, such as carbon emission calculations, access to circular economy initiatives through its supply chain, and, technologies to reduce energy and water waste, the Group will be developing its sustainable offerings for customers, with the ability to adapt to the more complex sustainability needs, including energy reduction, energy management efficiencies, and access to renewable energy solutions, following the acquisition of FES.

Risk Management
The risk management methodology is set by the Group Head of Risk and Internal Audit to ensure consistency of approach. Climate-related risks are formally integrated into the main risk register and reviewed by the Group Executive Committee alongside all other identified business risks. The Group takes a holistic approach to managing risks and uses the ERM Framework to identify, assess, prioritise and mitigate each individual risk. The Group has an established ESG Committee, which is a sub-committee of the Board, to provide oversight and governance support.

The accountable Executive Committee member leads on developing a mitigation plan for each risk and is responsible for regularly reporting progress in addressing the risk and for ensuring timely management actions.

Existing and emerging risks identified through a review of future regulatory requirements, customer demands communicated through tenders and business reviews, and market trends, are raised with the Risk Owner for review by the Executive Committee. The Group’s ESG team has developed a heat map tool to track the development and implementation of future regulatory and standards requirements, which will be introduced in early Q2 of 2025. The heat map will be monitored by the Group Head of ESG and mitigation plans developed with the support of the ESG Committee with updates provided to the Group Head of Risk and Internal Audit and the Executive Committee as part of the risk register review process.

The analysis carried out on the potential physical and transition risk to the Group’s business, with the help of external experts and robust modelling, has helped it to solidify its understanding and provided an opportunity to test the Group’s businesses resilience. The learnings from the analysis exercise will help inform business strategy for the short and medium-term.

Data assurability
The Group has seen significant growth through acquisitions since it was acquired by CD&R. This brings with it challenges around data assurability due to the use of multiple systems across different business entities and a need for standardisation of reporting, compliance and accurate information for decision-making. A key focus for the Group Head of ESG is to establish a pathway towards global assurability.

During Q4 2024, an ESG mapping exercise was undertaken with the support of the Group Head of Risk and Internal Audit, to articulate the activities in each of the processes used to capture and report ESG data, understand the key controls, and produce an assurance framework. The framework will be implemented in 2025 and assurance gap actions identified and closed.

Metrics & targets
The Group’s vision is to become the world’s best facilities services provider, delivering exceptional outcomes for its colleagues, customers, and the communities it serves. At the heart of this vision are its people, advanced technology, and a steadfast commitment to ESG principles.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Metrics & targets (continued)
To achieve the Group's net zero ambitions and transition to a low carbon economy, it recognises the importance of setting clear measurements and targets. Each year, the Group strives to enhance the quality and availability of its data, empowering the business to make informed financial and strategic decisions. This ongoing commitment to data excellence will continue through 2025, with a global project to establish a global unified, standardised, and dynamic reporting structure that consolidates key performance indicators across countries, regions, and divisions, to optimise the data's value for decision-making. This work includes setting measurable targets around ESG. By accurately reporting ESG data and sharing it with the Group's internal stakeholders, enabling them to see the impact of their decisions and work to reduce emission, ensures the Group remains on track to meet its environmental goals and support its broader vision and mission.

The Group has committed to achieving net zero by 2040 in the UK, Ireland, Australia and New Zealand businesses, and to reach global net zero by 2050.

The following milestones for the short, medium and long-term have been agreed by the Group Executive Committee and published on the Group's website:

- All countries outside of the UK, Ireland, Australia, and New Zealand to achieve Scope 1 & 2 net zero by 2040
- 100% renewable energy (Scope 2) in the UK, Ireland, Australia, and New Zealand offices by 2025
- 100% electric or hybrid vehicles across the Group's global business by 2034
- 70% reduction in Scope 1 emissions by 2030, across the UK, Ireland, Australia and New Zealand businesses
- The Group commits those suppliers in the UK, Ireland, Australia and New Zealand, representing 76% of its Scope 3 emissions from purchased goods, services, and capital goods, to set SBTs by 2030.

Each country business is responsible for developing its own local plans and targets to meet the Group's net zero targets, supported by the Group Head of ESG.

During Q4 of 2023, the Group established consolidated Scope 1 & 2 carbon intensity ratios and reduction targets through to 2027. The countries in scope for the consolidated emissions baseline and targets are the UK, Ireland, Australia, New Zealand and Thailand with 2022 as the baseline year. The 2022 baseline year, 2023 and 2024 emissions have been independently verified to the ISO14064-1 standard.

Scope 1 & 2 Carbon intensity ratio reduction targets

Year	2022*	2023	2024	2025	2026	2027
Intensity target	10.59	9.76	8.75	7.72	6.56	5.56
Actual intensity		9.18	8.76			
% reduction against baseline		13.3%	17.3%			
% reduction against target		5.9%	0.0%			

*Baseline year

2024 was a successful growth period for the Group. The growth and activity in acquisitions led to increased absolute emissions due to more contracts, offices, employees and services, resulting in higher travel, energy use, resources, and vehicle usage. However, the intensity ratio demonstrates that the overall strategy and trajectory is reduction. In 2023, the Group set intensity targets to effectively monitor progress during rapid growth. The Group exceeded its 2023 intensity target of 9.76 by 5.9% and was within 0.01% of achieving its target of 8.75 in 2024, with a consecutive reduction of 17.3% reduction against the 2022 baseline.

STRATEGIC REPORT (continued)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) (continued)

Full Group Scope 1 & 2 consolidated GHG emissions
The Group has maintained a strong focus on enhancing the quality and resilience of its ESG data and availability. In 2024, it successfully completed the first full year of carbon data capture and emissions reporting, leveraging the global Info Exchange system introduced in 2023. This advancement enables the Group to capture, consolidate, and report Scope 1 and Scope 2 emissions data from all country operations, except for joint ventures in Cambodia and Bangladesh. 2023 served as the baseline year for consolidated reporting. In 2024, there has been an increase in carbon emissions, attributed to several factors including the acquisition of businesses, efforts to improve data accuracy and organic business growth. The following Scope 1 & 2 GHG emissions are the consolidation of the Group's country operations, excluding Cambodia and Bangladesh, for 2024 and the 2023 baseline year:

GHG emissions (Tonnes of CO2e) 2023*		GHG emissions (Tonnes of CO2e) 2024	
Group Scope 1	Group Scope 2	Group Scope 1	Group Scope 2
17,368	2,087[1]	18,136	2,396

*The 2023 baseline emissions have been adjusted to include 1st Mechanical Limited (1M) operation in New Zealand. 1M's 2023 & 2024 carbon emissions will be identified, reported and audited in April 2025.

[1]Adjusted following identified carbon reporting tool mis-categorisation of EV commuting, UK&I between Scope 2 & 3 emissions in 2023.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

In accordance with the 2018 regulations which amend the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, the following energy and carbon sources are required to be reported within Large Unquoted Company Annual Accounts:

- Natural Gas Consumption
- Electricity Consumption
- Transport Consumption where the organisation has direct responsibility for the purchasing of fuel e.g., for company vehicles and personal vehicles used for business purposes.

The Group has partnered with Toitū and their carbon reduction scheme, the UK's only accredited greenhouse gas certification scheme, to measure and calculate the UK operations energy consumption and carbon emissions.

The following methodologies have been used to calculate the Group's CO2e emissions:

- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- The Department of Environment, Food and Rural Affairs (DEFRA) Environmental Reporting Guidelines (2020)

It was determined that the most appropriate boundary of control (financial, organisational, or operational) to report on, was operational control.

There are no UK subsidiaries that are required to report, based on the SECR reporting guidelines.

This methodology has been applied to UK operations for 2024.

The Group's data inventory has been verified by a qualified independent auditor in accordance with international standard ISO 14064-1.

STRATEGIC REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

SECR Data

The SECR period follows the financial accounting period for the Group, during the financial period of 1 January 2024 to 31 December 2024.

The following data includes Scope 1, 2 and Scope 3 business travel and summarises the energy consumption (kWh) and carbon emissions (tCO2e).

Total consolidated UK consumption & carbon emissions

GHG emissions (Tonnes of CO2e)	2024	2023
Scope 1 (Direct emissions - Generated from the fuel (e.g. gas) used in the operations of buildings and vehicles)	11,911	11,635
Scope 2 (Indirect emissions - Generated from the use of purchased electricity in all buildings from which the Group operates	771	689*
Scope 3 (Other indirect emissions - business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel	1,850	1,602
Total Scope 1, 2, & 3 (business travel)	14,532	13,926*
GHG intensity (Tonnes of CO2e per £m revenue)	9.1	9.7*
Intensity Ratio: tCO2e /turnover yearly % change	-6.2	-9.6*

* Adjusted following identified carbon reporting tool mis-categorisation of EV commuting, UK&I between Scope 2 & 3 emissions in 2023.

Energy Use (kWh)	2024	2023
Gas and Fuel	53,446,986	49,894,425
Electricity	3,609,064	2,939,750
Total	57,056,050	52,834,175

The UK business reported the above emissions on a location-based approach in line with the GHG Protocol. With the 2025 accounts, the UK business will also report using a market-based approach.

In 2024, the UK business saw an increase in Scope 1, 2, and 3 emissions. This rise is primarily due to the success of its growth strategy, increased operational activity and the continued expansion of its aviation laundry operations to pre-pandemic levels. The impact of acquisitions also contributed to this increase. The prior year acquisitions of Accuro in October 2023 and Profile in December 2023 are now fully integrated, with a full year of energy use and emissions included. In 2025, the UK business will complete a review of its baseline, due to the changes in its emissions profile brought on by organic growth and further acquisitions in 2024.

Despite the rise in absolute emissions, the Group achieved a reduction in the UK's businesses carbon intensity ratio, decreasing from 9.7 to 9.1 per £m of revenue. This accomplishment underscores the Group's ongoing commitment to sustainability and operational efficiency. The Group remains dedicated to further improving its carbon efficiency and promoting sustainable growth. Its transition to electric and hybrid vehicles continues, aiming for 100% by 2034, and plans to switch to renewable energy as the main source for its UK, Ireland, Australia, and New Zealand offices by the end of 2025, are on track.

STRATEGIC REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Voluntary reporting – Australia, New Zealand & Ireland carbon emissions

	Australia		**New Zealand**		**Ireland**	
GHG emissions (Tonnes of CO2e)	**2024**	**2023**	**2024**	**2023***	**2024**	**2023**
Scope 1 (Direct emissions - Generated from the fuel (e.g. gas) used in the operations of buildings and vehicles)	306.0	284.0	1,777.3	1,922.6	955.4	786.0
Scope 2 (Indirect emissions - Generated from the use of purchased electricity in all buildings from which the Group operates	62.8	60.9	5.3	33.9	46.3	81.0[1]
Scope 3 (Other indirect emissions - business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel	134.8	253.9	48.3	130.9	54.7	33.0
Total Scope 1, 2, & 3 (business travel)	503.6	598.8	1,830.9	2,087.4	1,056.4	900.0[1]
GHG intensity (Tonnes of CO2e per £m revenue)	9.0	10.3	12.3	17.1	11.9	13.3[1]
Intensity Ratio: tCO2e /turnover yearly % change	-12.6	22.4	-28.1	24.8	-10.5	-28.0[1]

*New Zealand's 2023 carbon emissions have been adjusted to include the 1 Mechanical Limited (1M) operation in New Zealand. 1M has been included in the Toitū Carbon Reduce Programme and their 2023 & 2024 carbon emissions will be independently audited in April 2025.

[1]Adjusted following identified carbon reporting tool mis-categorisation of EV commuting, UK&I between Scope 2 & 3 emissions in 2023

This Strategic Report is approved by the Board of Directors and signed on behalf of the Board.

R.A. Legge
Director
5 June 2025

Second Floor
81 Gracechurch Street
London
EC3V 0AU

GOVERNANCE REPORT

GOVERNANCE COMMITMENTS

The Group's governance commitments include maintaining high ethical standards guided by its Code of Conduct and values, establishing transparent and accountable governance structures, nurturing a culture of continuous improvement by monitoring and reporting on ESG performance, and ensuring compliance with all laws and industry standards through well-defined policies and independent external oversight.

Scheme of Delegation and Governance

The Group has agreed a scheme of Governance and Delegated Authority which establishes its governance regime. This includes inter alia provisions for the approval of customer and supplier contracts, capital expenditure, changes to remuneration practices and arrangements and changes to financing arrangements. This scheme has been cascaded down the Group organisation.

Code of Conduct

The Group's Code of Conduct is issued to colleagues and sets a universal standard that applies to all of the Group's colleagues worldwide. It is a foundational document that defines the principles and standards guiding every aspect of business within the Group. The Code of Conduct refers to ethical conduct required and also to prohibited actions and behaviours, and how colleagues should behave towards one another, the Group's customers, suppliers and other stakeholders. Colleagues are required to follow this Code of Conduct and this assists in the management of risk.

CORPORATE GOVERNANCE

The Directors recognise that effective corporate governance is essential to the on-going success of the Group. Building a modern-day sustainable business is significantly dependent on good governance and compliance and is fundamental to the execution of the Group's Vision and Mission underpinned by the Group's TRUE Values and shared principles of being accountable and responsible for quality, health, safety and the environment. The Group's corporate governance framework has been designed to support this and the Board is committed to ensuring that the procedures, policies and practices of the business continue to be effective.

The Directors have adopted the Wates Corporate Governance Principles for Large Private Companies as its approach to Corporate Governance. In addition, the Directors consider that the annual report and financial statements comply with the requirements of the Guidelines for Disclosure and Transparency in Private Equity 'The Walker Guidelines'.

WATES PRINCIPLES

The Directors believe the appropriate approach to corporate governance is to adopt the Wates Corporate Governance Principles for Large Private Companies. The approach is based upon six broad principles, which the Directors have adopted.

Principle 1 – Purpose and Leadership
An effective board develops and promotes the purpose of a company and ensures that its values, strategy, and culture align with that purpose.

The Group's strategy and purpose is to become the world's best facilities services provider, helping to deliver the best outcomes for people. This is embodied in the Group's Vision and Mission statement 'to become the best provider of facilities services for colleagues, customers and communities by making people and places the best they can be'.

The Group's strategy, referred to as BEST was established to enhance how customers are served, how the workforce is empowered and how the Group contributes to the well-being of the communities it touches. The strategy is reinforced by the Group's TRUE Values which guide how the business interacts with customers, colleagues, partners, and communities, ensuring a cohesive approach towards achieving the Group's mission. More information on the Group's Business Model and Strategy can be found in the Strategic Report on page 5.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 1 – Purpose and Leadership *(continued)*

The Group is accountable to and has regular contact with its main shareholder, CD&R Madison S.à r.l, through Board meetings and the supply of management information packs and presentations. The Board holds overall responsibility for developing and promoting the purpose of the Group and the leadership team ensure that the values, strategy and culture are embedded into every aspect of the Group's business. As well as being verbally communicated at Town Halls and during business meetings, the Group's values are displayed on the intranet, on office posters, digital screens and incorporated into new joiners' induction processes. The Group's Code of Conduct guides how colleagues should go about the Group's business in the right way every day and in every part of the world.

The engagement and satisfaction of the Group's colleagues remains a top priority in shaping the future of the Group and helping it to achieve its strategy. The Group fosters a culture where every colleague feels respected, valued and heard. The Group completed its first annual colleague engagement survey during the year so that suggestions and insights can be addressed and feedback can be actioned.

The Group has an independent third-party whistleblowing facility in place operated by Safecall which is available to all colleagues and allows them to report issues via a dedicated freephone number, email or via Safecall's website. Colleagues can report concerns relating to their working environment in a safe and secure way, including concerns about misconduct, wrongdoing, or unethical practices. In line with the Group's Values, the Group looks to create a culture of openness and actively promote speaking up throughout the business via the Code of Conduct, the intranet site, workplace posters and other means. Regular reviews of cases are undertaken to understand the status of investigations and if there are any emerging themes.

Further information on the Group's engagement with its key stakeholders including financial investors, colleagues, clients, suppliers and communities is given in the Strategic Report on pages 13 to 20. Information on the Group's interaction with stakeholders to achieve long-term sustainable benefits for the environment can be found in the Strategic report on page 23.

The Board's Audit and Risk Assurance Committee advises the Board on the Group's overall risk appetite, tolerance and strategy and the principal and emerging risks the Group is willing to take in order to achieve its strategy. It also reviews the effectiveness of the whistleblowing, risk management and fraud policies and procedures.

Principle 2 – Board Composition
Effective board composition requires an effective chair and a balance of skills backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The directors who served on the Board of the Company for all or part of the year and up to the date of approval of the Annual Report and Accounts were:

Bruno Deschamps (Chair)		
Romain Dutartre		
Ringo Francis	(Independent Director)	(appointed 12 June 2024)
Nikolaus Lachner		(resigned 13 March 2025)
Rob Legge	(Group Chief Executive Officer)	
Gary McGaghey	(Group Chief Financial Officer)	(appointed 19 August 2024)
Christian Rochat		
Leontios Toumpouris		(appointed 13 March 2025)

The size and composition of the Board is considered appropriate for the size and complexity of the Company and the Group. During the year, Ringo Francis was appointed as an independent Non-Executive Director to complement the Board's existing expertise and add further depth by providing valuable insight, independence and objectivity to decision-making.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 2 – Board Composition *(continued)*

Board meetings are formally held four times a year (but may be held more often if needs require) and comprises the Group Chief Executive Officer, the Group Chief Financial Officer, the non-independent director and four investor directors from CD&R who bring a wealth of experience and significant resources. One of the investor directors has an independent role as Chair of the Company.

The Group also has regular monthly dialogues with the Board via the monthly business review process.

Details on the current Directors of the Board are as follows:

Bruno Deschamps - Chair (Investor Director)
Bruno serves as the Chair of the Company. He is an Operating Advisor to CD&R in New York and London. He holds directorships in the following other CD&R portfolio companies: Kalle Group, SIG plc and Wolseley UK. He is a member and prior Chairman of Diversey, a global leader of hygiene and sanitation products, services, and solutions to the institutional and industrial markets. Previously, he served as Chairman of the Advisory Board of Kloeckner Pentaplast, one of the world's largest suppliers of films for pharmaceuticals, medical devices, food, electronics, and general packaging, and, from 2008 to 2011, as Group Managing Partner of 3i plc (London).

He served as a CD&R Operating Partner from 2002 to 2007 during which time he was Chairman and CEO of Brakes and played a key role in the Firm's investments in Culligan, Rexel, and VWR. Bruno also served as President and Chief Operating Officer of Ecolab, a Fortune 100 company with more than $14 billion in revenue. During his ten years in Germany, he served as CEO of Henkel Adhesives Worldwide and as president and CEO of Teroson Gmbh and Henkel Ecolab. Bruno also served as Chairman and CEO of his family-owned speciality chemical company, SAIM, in France. He is a member of the board of the William Pitt Committee of Chatham House, a knight of the Legion d'honneur, France, and past president of the French Foreign Trade Advisors in the UK. Bruno has an M.B.A. in marketing and finance from ISG Paris.

Romain Dutartre - Investor Director
Romain joined CD&R in 2019 and is a partner principally engaged in evaluating investment opportunities in the business services and industrials sectors. He has played a key role in the Firm's other investments in Inizio, SIG plc and SOCOTEC. Previously, he worked at private equity firms Advent International and Apax Partners. He started his career as a management consultant at Bain & Company. Romain has an M.B.A. from Harvard Business School and an M.Sc. in management from Ecole Superieure de Commerce de Paris.

Ringo Francis – Independent Director
Ringo was appointed as non-executive director of the Company during 2024 and brings a wealth of experience in the cleaning and hygiene industry. He is the founder and former Chief Executive Officer of The Zenith Hygiene Group Plc having led the company from its inception in 1996, growing the business organically and through strategic acquisitions, until its sale to Bain Capital in 2018.

Ringo's industry accolades included PWC's CEO of the Year for the Southeast East Region in 2016 and Grant Thornton's top 200 Hertfordshire company for Zenith Hygiene Group Plc in the same year. Additionally, he was recognised as one of the Chancellor's 1000 Companies to Inspire Britain. He is currently a Non-Executive Director and investor in ClenzAir & CEH Technology, and he also serves as Director and Trustee at Hospitality Action. Ringo's leadership has consistently driven significant operational improvements and strategic growth across these organisations.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 2 – Board Composition *(continued)*

Robert Legge - Group Chief Executive Officer
Rob is the Chief Executive Officer of the Group. His expertise in the facilities management sector has been instrumental to the integration of the UK, Ireland, and Asian businesses of Atalian into the Group following their acquisitions in February 2023.

Rob is driven by a clear vision: establishing the Group as the premier facilities services provider worldwide. His strategy focuses on expanding the Group's presence, particularly in the UK, Europe, Middle East, and APAC regions and his vast experience in mergers and acquisitions is a crucial asset in achieving this growth.

Rob has been pivotal in the facilities management sector since establishing Servest in 1997 and his strategic leadership was critical in the 2018 sale of Servest to Atalian Global Services. Following this, he served on the leadership team at Atalian Global Services for five years, guiding the company through significant developments.

Gary McGaghey – Group Chief Financial Officer
Gary became an executive director of the Company in 2024 and joined the Group in 2023 bringing a wealth of experience in building world class finance teams and delivering organic and M&A driven growth around the world.

Gary has a strong track record in preparing businesses for sale and executing complex carve-out and sale processes. The transformational results he has achieved throughout his career have spanned a range of sectors, including private equity, listed and privately owned FMCG, beverages, pharma and digital marketing services.

Gary's expertise is a significant asset to the Group and his extensive experience working on merger and acquisition deals plays a pivotal role in ensuring that value is created and growth is achieved at every opportunity within the business.

Christian Rochat - Investor Director
Christian joined CD&R in 2004 and is a partner based in London. He led the Firm's investments in Belron, Exova, SIG plc, SOCOTEC, SPIE, Westbury Street Holdings, and Wolseley UK, as well as the sale of Brakes Group. He serves on the Compliance Committee. Prior to joining CD&R, he was a managing director at Morgan Stanley Capital Partners and a director at Schroder Ventures (now Permira). He also worked in the London and New York offices of Morgan Stanley's mergers and acquisitions department. Christian has a Ph.D. and B.A. in law from the Université de Lausanne and an M.B.A. from Stanford Graduate School of Business.

Leontios Toumpouris – Investor Director
Leontios joined CD&R in 2021 and is principally engaged in evaluating investment opportunities in European business services companies. Previously, he worked at the private equity firm Apax Partners and started his career at the investment firm Terra Firma Capital Partners. Leontios has an M.B.A. from Harvard Business School and a B.A. in Economics from the University of Cambridge.

Board effectiveness
The roles and responsibilities of the Chair and the Group Chief Executive Officer are separate. The Chair takes responsibility for leading the Board and ensuring that it functions effectively. The business matters discussed at the board meeting principally include the strategic, operational and financial oversight of the Group, and other ad-hoc matters reflecting agreed governance and legal requirements. Information is provided to board members prior to meetings taking place. The Chair allows sufficient time is given at meetings to discuss each item, promoting open debate and facilitating constructive discussion and decisions are minuted.

All Directors including the Chair possess a wide range of skills, backgrounds, experience and knowledge across a broad range of businesses. During the year, an independent Non-Executive Director was appointed to complement the Board's existing skills and experience and provide an independent view on matters being discussed. The Board is further supplemented by Board committees and the boards of subsidiaries within the Group as well as Group and Regional Executive Committees (ExComms).

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 2 – Board Composition *(continued)*

Board effectiveness (continued)
The Group's ExComm as at 31 December 2024 comprised:

Rob Legge – Group Chief Executive Officer (also a Director of the Company)
Gary McGaghey – Group Chief Financial Officer (also a Director of the Company)
Bob Taylor* – Group Customer Officer
Scott Thorn-Davis – Group General Counsel
Valerie Dale* – Group Chief People Officer
Ketan Patel – Group Chief Information Officer
Daniel Dickson – Group Chief Executive Officer, UK & Ireland
Roland Salameh – Group Chief Executive Officer, APAC and Middle East
Dan Barber – Group Chief Communications Officer

*resigned from the Group ExComm in 2025

The Board monitors the performance of the Group ExComm and keeps the strategy under review.

Under the terms of the Scheme of Delegated Authority, many of the decisions of the Board are delegated to the Group Chief Executive Officer or the members of the Group ExComm.

Board appointments and reappointments
All proposed appointments and reappointments are formally considered by CD&R and the Remuneration Committee (REMCO). The Directors do not retire by rotation and may hold office for as long as deemed appropriate.

The Group operates a D,E&I policy and is committed to promoting equal opportunities in employment and creating an inclusive working environment in which diversity is valued and celebrated. The Group recognises that diversity promotes innovation and business success as each colleague brings unique capabilities, experiences and characteristics to the workforce, increasing creativity, flexibility and productivity. The Board does not set predetermined diversity targets for membership of the Board but looks to ensure there is an appropriate balance of expertise and diversity.

Board performance and evaluation
The Board's performance is monitored by CD&R on an ongoing basis. The Chair has regular dialogue with his fellow directors and the Company Secretary on the effectiveness and operation of the Board and Board Committees.

The Chair regularly interacts with the Group Chief Executive Officer and reviews his performance. Annual performance of the Group's ExComm members is undertaken by the Group Chief Executive Officer.

Board training, learning and development
All Directors have access to training to enable them to carry out their duties effectively and can take advice from the Group General Counsel in his capacity as Company Secretary or independent professional advice in furtherance of their duties if necessary.

Principle 3 – Directors' Responsibilities
The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The Company is accountable to its main shareholder, CD&R Madison S.à r.l, as discussed under Principle 1 on page 37 of this Governance Report.

The Board is collectively responsible to the shareholders for ensuring the long-term success of the Company and the Group and for developing the Group's overall strategy. It is also responsible for monitoring the Group's performance and for ensuring that prudent and effective controls are in place to assess risk appetite and manage risk.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 3 – Directors' Responsibilities *(continued)*

The Board members recognise the importance of good governance and have a clear understanding of their roles and responsibilities. The management and Directors receive comprehensive and timely reporting of information on all aspects of the business. This includes financial information on profitability, balance sheet position, cash flows, banking covenants and KPI's, referenced to business plans and budgets in order to allow them to contribute fully in the decision-making process.

The Board has two committees which report to it, the Remuneration Committee (REMCO) and the Audit Risk and Assurance Committee (ARAC). Each committee has an agreed set of Terms of Reference which have been approved by the Board.

The REMCO meets at least twice a year and otherwise as required. It comprises four members who are:

Christian Rochat - CD&R appointee and Chair
Romain Dutartre - CD&R appointee
Bruno Deschamps - Board Chair
Rob Legge - Group Chief Executive Officer

The terms of reference of the committee are to determine and review the ongoing appropriateness and relevance of the Remuneration Policy (including base compensation, increases, incentive schemes and bonuses), approve the appointment and termination of certain key positions and to approve any material changes to retirement schemes and long service programmes. The Group's remuneration policy is to provide executive remuneration packages which are designed to attract, motivate and retain executives of high calibre and to reward them for enhancing the value of the business.

The ARAC meets at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The committee has four members as follows:

Romain Dutartre - CD&R appointee and Chair
Leo Toumpouris - CD&R appointee
Rob Legge - Group Chief Executive Officer
Gary McGaghey- Group Chief Financial Officer

The Group Head of Risk and Internal Audit, Group General Counsel and, from time to time, other members of senior management also attend the ARAC meetings.

Areas of responsibility covered by the committee include financial reporting, risk appetite, tolerance and strategy, internal controls and risk management, compliance, whistleblowing and fraud, internal and external audit.

A risk register is maintained and each Group risk is assigned to a member of the Group ExComm. The Directors gain assurance that the controls identified in the risk registers are well designed and operating effectively through accountability and assurance mechanisms. Senior management within the businesses are required to provide an Annual Manager Declaration and the Group Head of Risk and Internal Audit provides independent assurance through internal audits.

The Articles of Association of the Company also set out how a Director shall not infringe his duty to avoid a conflict situation and the process to be followed if the situation arises. Directors declare any conflicts of interest at each meeting of the Group and Company.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 4 – Opportunity and Risk
A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, establishing oversight for the identification and mitigation of risks.

The business strategy clearly identifies the direction for the Group and opportunities to deliver this strategy are a key focus of board meetings.

Oversight of risk management is performed by the Group Head of Risk and Internal Audit, by the Directors' ongoing interactions with management, and by risk being an item on the ExComms and ARAC agendas. The Board retains overall responsibility for risk management and senior management are responsible for identifying and mitigating risk. The principal risks to the business were updated in 2024 to include additional risks relating to major programmes and change management, brand reputation and ESG. Further details on the Group's approach to risk management are outlined in the Strategic Report on pages 10 to 13.

Principle 5 – Remuneration
A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Board has appointed the REMCO to oversee all aspects of remuneration ensuring it is fair and appropriate to support the success of the Group. Annual reviews of senior executives' remuneration are carried out, including benchmarking to external sources. A key principle of the remuneration policy, which includes bonuses and long-term incentive arrangements, is to ensure the executive remuneration structures align to the long-term sustainable success of the Group. Certain members of the Group's senior management team are shareholders in the Company.

The Group is in the process of implementing a Grading and Benefits Matrix pay structure which defines a collection of grades, levels, or bands linking related jobs within the Group's hierarchy. It will provide a framework to implement compensation and benefits strategies which will:

- align the reward strategy with the Group's mission, vision, purpose, culture and business strategy;
- encourage required behaviours and performance;
- bring order and clarity in managing pay rises and career development;
- help to ensure fairness and lawfulness, for example by avoiding pay discrimination.

An external provider is used to benchmark base salaries and benefits and ensure the Group is competitive in the market in order to attract new talent into the business, to retain existing talent and to reflect current market trends. The Group's annual salary review process considers the benchmarking for each role, local labour markets, minimum and living wage requirements, and cost of living and inflation.

Principle 6 – Stakeholder Relationships and Engagement
Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders including the workforce and having regard to their views when taking decisions.

The Board is committed to fostering effective stakeholder relationships which are aligned to its TRUE Values to enable the long-term success of the Group. The TRUE Values guide every interaction the Group has with its key stakeholder groups which includes financial investors, colleagues, clients, suppliers and communities.

GOVERNANCE REPORT (continued)

WATES PRINCIPLES (continued)

Principle 6 – Stakeholder Relationships and Engagement *(continued)*

The Group's engagement with its key stakeholder groups is discussed in the Strategic Report on the following pages:

Stakeholder Group	**Page**
Financial investors	14
Clients	14-15
Colleagues	15-17
Suppliers	17-19
Communities	19-20

This Governance Report is approved by the Board of Directors and signed on behalf of the Board.

R.A. Legge
Director
5 June 2025

Second Floor
81 Gracechurch Street
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DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Group and the Company for the year ended 31 December 2024.

STATUTORY DISCLOSURES
Certain information required to be contained in this Directors' Report can be found in the accompanying Strategic Report, Governance Report and Financial Statements and are incorporated into the Directors' Report by reference.

HISTORY AND OWNERSHIP
The Group was formed when Clayton, Dubilier & Rice (CD&R) acquired the facilities services division of OCS Group on 30 November 2022 and, the UK, Ireland and Asia facilities management operations and Aktrion specialist automotive division from the Atalian Group on 28 February 2023.

The Company's majority shareholder is CD&R Madison S.à r.l. and the principal investor is Clayton, Dubilier & Rice Fund XI, L.P., a company incorporated in the Cayman Islands. Ultimately, the Company is controlled by private equity funds managed by Clayton, Dubilier & Rice, LLP (CD&R).

Founded in 1978, CD&R is a private equity firm with a history of working with management teams to build stronger, more profitable businesses. CD&R has offices in London and New York and manages investments on behalf of institutional, public and private investors worldwide. CD&R has an experienced team of investment professionals and operating partners and has an investment strategy based on principles developed by the investment team over many decades to build stronger, more profitable businesses. Four of the Company's directors are from CD&R as noted on pages 38 to 39 of the Governance Report. CD&R's investors include leading financial institutions, university endowments, and corporate and public pension funds.

CD&R tailors its investments to meet the needs of founders, family owners, management teams and significant shareholders seeking a partner who can provide strategic and operational support, as well as capital for long-term growth. Value is created by collaborating with management to spur operational performance improvements, by accelerating growth strategies, injecting new talent and boosting productivity. The firm executes a consistent investment strategy across North America and Europe, focusing on market-leading businesses in the consumer/retail, healthcare, industrial, and services sectors.

DIVIDENDS
There were no dividends paid in the year and the Directors do not recommend the payment of a final dividend (2023 – none).

POLITICAL DONATIONS
During the year, no political donations were made by the Group or the Company (2023 – none).

DIRECTORS' REPORT (continued)

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNITIES

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in place for the benefit of the Directors during the year and up to the date of approval of these financial statements.

Director's and Officers' liability insurance was also in place during the year and up to the date of approval of these financial statements for the benefit of the Company, the Directors and its officers.

GOING CONCERN

The Group made a loss after tax of £158.7m for the year (2023 - £93.6m) and net liabilities increased to £290.6m (2023 - £125.6m). The Group had a net current liability position of £714.5m (2023 - £491.5m). The Group holds cash and cash equivalents of £117.0m (2023 - £30.6m) and borrowings of £956.9m (2023 - £605.3m). £834.0m (2023 - £506.9m) of the borrowings are repayable in more than one year and are therefore presented as non-current liabilities.

The Group completed a refinancing exercise in November 2024 replacing existing borrowings with a £425m senior secured loan B1 facility and a €522m senior secured loan B2 facility, both of which were fully drawn at 31 December 2024, and a £220m senior revolving credit facility which was undrawn at 31 December 2024. These financing arrangements will be subject to certain financial covenants which are tested quarterly on a trailing 12-month basis.

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2024, the Directors are required to consider whether the Group and the Company can continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing these financial statements. In considering this requirement, the Directors have reviewed the latest financial forecasts from the Board approved budget for a period of two years to 31 December 2026 (the Base Case Forecasts). These Base Case Forecasts indicate that adequate resources are in place to support the Group's operational needs whilst maintaining headroom under its financial covenants and meeting repayments of its Vendor Loan Notes as they fall due.

The Directors have also considered risks relating to changes to the economic environment, inflationary pressures and global political uncertainty and have completed a reverse stress test using the Base Case Forecasts to understand the Group's sensitivity to changes in growth and profitability to assess the point at which financial covenants or facilities headroom would be breached. Mitigating actions were also modelled including applying a time-lag assumption between reduction in growth and the related direct cost reductions of 3 months and significantly decreasing growth-related capital expenditure and non-essential spend.

As a result of completing this assessment, the Directors concluded that the likelihood of the reverse stress scenarios arising were remote given the current business performance supported by long term contracts, robustness of the sales pipeline and the low levels of customer concentration and dependency. The stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts.

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 9. The Group's principal risks are summarised on pages 10 to 13. The financial position of the Group, its cash flows, liquidity position, borrowing facilities and financial covenants are described in the Strategic Report on pages 8 to 9. In addition, the Strategic Report includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

Having due regard to these matters after making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period to 31 December 2026 and that it is appropriate to continue to adopt the going concern basis in their preparation.

MODERN SLAVERY ACT

The Modern Slavery Act 2015 requires the Group to report steps undertaken to ensure that its operations and supply chains are free of human trafficking and slavery. The Group maintains processes and activities to ensure compliance in this area and its full statement can be found on its website at:

https://ocs.com/modern-slavery-act/

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ('IFRSs'), and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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 Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the Company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Company and Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and 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, governance report and directors’ report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the annual report and financial statements include a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

DIRECTORS' REPORT (continued)

PROVISION OF INFORMATION TO THE AUDITOR

Each of the current Directors confirm that, as far as they are aware, there is no relevant audit information of which the auditor is unaware and they have 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 auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

AUDITOR

Ernst & Young LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed in accordance with section 485 of the Companies Act.

This Directors' Report is approved by the Board of Directors and signed on behalf of the Board.

R.A. Legge
Director
5 June 2025

Second Floor
81 Gracechurch Street
London
EC3V 0AU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCS GROUP TOPCO LIMITED

Opinion

We have audited the financial statements of OCS Group Topco Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes 1 to 36, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCS GROUP TOPCO LIMITED
(continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 46 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCS GROUP TOPCO LIMITED
(continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are UK Adopted International Accounting Standards, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), the Companies Act 2006, and United Kingdom's direct and indirect tax regulations. In addition, the Group and the Company must comply with operational and employment laws and regulations including; health and safety regulations, environmental regulations, Competition Law, anti-bribery and corruption regulations and General Data Protection Requirements in each of the jurisdiction in which it operates.

- We understood how the Group and Company are complying with those frameworks by holding enquiries with management and those charged with governance. We understood the potential incentive and ability to override controls, and employee access to guidance of how to report any instances on non-compliance. We understood any controls put in place by wider group management to reduce the opportunities for fraudulent transactions.

- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by obtaining and reading group policies and holding enquiries of management and those charged with governance. Through these procedures we considered the risk of management override in relation to revenue recognition as key area of focus. We addressed the risk through sample testing of revenue recognised in the year to underlying contracts and other supporting documentation, ensuring such revenue was recognised in accordance with the satisfaction of performance obligations in line with the operating companies' revenue recognition policy and United Kingdom Adopted International Accounting Standards. Where appropriate we have also used data analytics and obtained the entire population of journals for the year and identified specific transactions for further investigation based on certain criteria. We understood the transaction identified for testing and agreed them to source documentation.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:

    - Enquiry of management and those charged with governance as to any fraud identified or suspected in the year, any actual or potential litigation or claims or breaches of significant laws or regulations applicable to the Group and the Company

    - Auditing the risk of management override of controls, through testing a sample of journal entries and other adjustments for appropriateness;

    - Enquiry of management, coupled with testing of journal entries, in order to identify and understand any significant transactions outside of the normal course of business;

    - Challenging the judgments made by management through corroborating the basis of those judgements and considering contradicting evidence, and

    - Reading financial statement disclosures and testing of supporting documentation to assess compliance with applicable laws and regulations.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCS GROUP TOPCO LIMITED
(continued)

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

Use of our report

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

Ernst & Young LLP

Ruth Logan (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date 5th of June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024			2023		
		Before adjusting items	**Adjusting items***	**Total**	Before adjusting items	Adjusting items*	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
REVENUE	5	**2,257,576**	**-**	**2,257,576**	1,915,940	-	1,915,940
Cost of sales		**(1,946,982)**	**-**	**(1,946,982)**	(1,657,265)	-	(1,657,265)
GROSS PROFIT		**310,594**	**-**	**310,594**	258,675	-	258,675
Administrative expenses		**(213,454)**	**(71,715)**	**(285,169)**	(191,956)	(74,135)	(266,091)
Other operating income		**359**	**-**	**359**	938	-	938
OPERATING PROFIT/(LOSS)		**97,499**	**(71,715)**	**25,784**	67,657	(74,135)	(6,478)
Finance income	7	**14,628**	**-**	**14,628**	3,744	-	3,744
Finance costs	8	**(169,074)**	**(22,005)**	**(191,079)**	(86,626)	-	(86,626)
(Loss)/gain on derivative instruments at fair value through profit or loss	28	**(2,224)**	**-**	**(2,224)**	2,183	-	2,183
Share of profit of joint ventures, net of tax	18(A)	**2,521**	**-**	**2,521**	2,396	-	2,396
LOSS BEFORE TAXATION	9	**(56,650)**	**(93,720)**	**(150,370)**	(10,646)	(74,135)	(84,781)
Income tax	12	**(4,894)**	**(3,459)**	**(8,353)**	(5,005)	(3,859)	(8,864)
LOSS FOR THE YEAR		**(61,544)**	**(97,179)**	**(158,723)**	(15,651)	(77,994)	(93,645)
(Loss)/profit for the year attributable to:							
- Equity holders of the Company		**(61,486)**	**(97,179)**	**(158,665)**	(15,683)	(77,994)	(93,677)
- Non-controlling interests		**(58)**	**-**	**(58)**	32	-	32
		(61,544)	**(97,179)**	**(158,723)**	(15,651)	(77,994)	(93,645)

All activities derive from continuing operations and acquisitions.

* Adjusting items are analysed in note 6.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
LOSS FOR THE YEAR		**(158,723)**	(93,645)
Items that will not be classified subsequently to profit or loss:			
Actuarial loss on retirement benefit schemes	27	**(2,510)**	(480)
Related income tax		**386**	1
		(2,124)	(479)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on foreign currency net investments		**(6,247)**	(11,585)
Related income tax		**-**	-
		(6,247)	(11,585)
OTHER COMPREHENSIVE EXPENSE		**(8,371)**	(12,064)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(167,094)**	(105,709)
Total comprehensive expense for the year/period attributable to:			
- Equity holders of the Company		**(167,037)**	(105,704)
- Non-controlling interests		**(57)**	(5)
		(167,094)	(105,709)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024	2023
		£'000	£'000
NON-CURRENT ASSETS			
Intangible assets and goodwill	13	**1,326,801**	1,126,109
Property, plant and equipment	15	**48,491**	41,277
Right-of-use assets	16	**73,192**	55,423
Investments in joint ventures	17(A)	**24,594**	23,704
Deferred tax assets	26	**15,438**	11,948
Retirement benefit assets	27	**9,143**	3,640
Derivative financial instruments	21,28	**782**	2,079
Trade and other receivables	19	**746**	754
		1,499,187	1,264,934
CURRENT ASSETS			
Inventories	18	**7,530**	6,956
Trade and other receivables	19	**339,826**	329,136
Derivative financial instruments	21,28	**89**	-
Cash and cash equivalents	30	**232,225**	107,736
		579,670	443,828
TOTAL ASSETS		**2,078,857**	1,708,762
CURRENT LIABILITIES			
Trade and other payables	20	**(426,101)**	(366,142)
Borrowings	21	**(122,946)**	(98,321)
Loan notes - deferred purchase consideration	22	**(125,489)**	-
Lease liabilities	24	**(24,490)**	(17,222)
Derivative financial instruments	21,28	**(160)**	-
Provisions	25	**(9,955)**	(7,201)
Current tax		**(5,315)**	(2,618)
		(714,456)	(491,504)
NON-CURRENT LIABILITIES			
Borrowings	21	**(833,978)**	(506,940)
Loan notes - deferred purchase consideration	22	**-**	(119,428)
Preference shares	23	**(627,964)**	(572,059)
Lease liabilities	24	**(49,929)**	(38,706)
Derivative financial instruments	21,28	**(1,319)**	-
Provisions	25	**(12,648)**	(3,652)
Retirement benefit liabilities	27	**(17,115)**	(12,674)
Deferred tax liabilities	26	**(112,060)**	(89,415)
		(1,655,013)	(1,342,874)
TOTAL LIABILITIES		**(2,369,469)**	(1,834,378)
NET LIABILITIES		**(290,612)**	(125,616)
EQUITY			
Share capital	29(A)	**23,759**	24,569
Share premium	29(B)	**862**	877
Treasury shares	29(C)	**(1,460)**	(2,635)
Foreign exchange translation reserve	29(B)	**(16,643)**	(10,385)
Retained losses	29(B)	**(297,903)**	(138,909)
Equity attributable to equity holders of the Company		**(291,385)**	(126,483)
Non-controlling interests		**773**	867
TOTAL EQUITY		**(290,612)**	(125,616)

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2025 and were signed on its behalf by:

R.A. Legge

Director

Company registration number: 14111894

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
NON-CURRENT ASSETS			
Investments in subsidiary undertakings	17(B)	**582,011**	582,011
		582,011	582,011
CURRENT ASSETS			
Trade and other receivables	19	**218**	201
		218	201
TOTAL ASSETS		**582,229**	582,212
CURRENT LIABILITIES			
Trade and other payables	20	**(6,232)**	(6,975)
		(6,232)	(6,975)
NON-CURRENT LIABILITIES			
Preference shares	23	**(632,520)**	(576,030)
		(632,520)	(576,030)
TOTAL LIABILITIES		**(638,752)**	(583,005)
NET LIABILITIES		**(56,523)**	(793)
EQUITY			
Share capital	29A)	**23,759**	24,569
Share premium	29(B)	**862**	877
Treasury shares	29(C)	**(1,460)**	(2,635)
Retained losses	29(B)	**(79,684)**	(23,604)
TOTAL EQUITY		**(56,523)**	(793)

As permitted by section 408 of the Companies Act 2006, the Company's statement of profit or loss has not been included in these financial statements. The Company's loss for the year was £57,561,000 (2023 - £10,983,000).

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2025 and were signed on its behalf by:

R.A. Legge

Director

Company registration number: 14111894

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	SHARE CAPITAL £'000	SHARE PREMIUM £'000	TREASURY SHARES £'000	FOREIGN EXCHANGE TRANSLATION RESERVE £'000	RETAINED LOSSES £'000	TOTAL £'000	NON-CONTROLLING INTERESTS £'000	TOTAL EQUITY £'000
Balance at 1 January 2023		1,601	-	-	1,161	(33,476)	(30,714)	949	(29,765)
Loss for the year		-	-	-	-	(93,677)	(93,677)	32	(93,645)
Actuarial loss on retirement benefit schemes		-	-	-	-	(481)	(481)	2	(479)
Currency translation differences on foreign currency net investments		-	-	-	(11,546)	-	(11,546)	(39)	(11,585)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		-	-	-	(11,546)	(94,158)	(105,704)	(5)	(105,709)
Currency redenomination	29(A)	37	-	-	-	-	37	-	37
Issue of ordinary shares	29(A)	6,367	828	-	-	-	7,195	-	7,195
Issue of preference shares	29(A)	1,069	19	-	-	-	1,088	-	1,088
Redesignation and recognition of preference shares	29(A)	15,495	30	-	-	-	15,525	-	15,525
Own share issues	29(C)	-	-	(2,635)	-	(2,760)	(5,395)	-	(5,395)
Share-based payments	29(C)	-	-	-	-	60	60	-	60
Recognition of senior preference shares financial liability		-	-	-	-	(8,575)	(8,575)	-	(8,575)
Acquisition of subsidiary undertakings		-	-	-	-	-	-	(5)	(5)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(72)	(72)
BALANCE AT 31 DECEMBER 2023		**24,569**	**877**	**(2,635)**	**(10,385)**	**(138,909)**	**(126,483)**	**867**	**(125,616)**
Loss for the year		-	-	-	-	(158,665)	(158,665)	(58)	(158,723)
Actuarial loss on retirement benefit schemes	27	-	-	-	-	(2,114)	(2,114)	(10)	(2,124)
Currency translation differences on foreign currency net investments	29(B)	-	-	-	(6,258)	-	(6,258)	11	(6,247)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		-	-	-	(6,258)	(160,779)	(167,037)	(57)	(167,094)
Issue of treasury shares to employees	29(C)	-	-	1,275	-	-	1,275	-	1,275
Acquisition of treasury shares	29(C)	-	-	(100)	-	-	(100)	-	(100)
Share-based payments	29(C)	-	-	-	-	1,793	1,793	-	1,793
Reclassification to preference shares financial liability	29(A),(B)	(810)	(15)	-	-	-	(825)	-	(825)
Acquisition of subsidiary undertakings		-	-	-	-	(8)	(8)	8	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	(45)	(45)
BALANCE AT 31 DECEMBER 2024		**23,759**	**862**	**(1,460)**	**(16,643)**	**(297,903)**	**(291,385)**	**773**	**(290,612)**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	SHARE CAPITAL £'000	SHARE PREMIUM £'000	TREASURY SHARES £'000	RETAINED LOSSES £'000	TOTAL EQUITY £'000
Balance at 1 January 2023		1,601	-	-	(1,656)	(55)
Loss for the year		-	-	-	(10,983)	(10,983)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		-	-	-	(10,983)	(10,983)
Currency redenomination	29(A)	37	-	-	-	37
Issue of ordinary share capital	29(A)	6,367	828	-	-	7,195
Issue of preference shares	29(A)	1,069	19	-	-	1,088
Redesignation and recognition of preference shares	29(A)	15,495	30	-	-	15,525
Own share issues	29(C)	-	-	(2,635)	-	(2,635)
Share-based payments	29(C)	-	-	-	(2,390)	(2,390)
Recognition of senior preference shares financial liability		-	-	-	(8,575)	(8,575)
BALANCE AT 31 DECEMBER 2023		**24,569**	**877**	**(2,635)**	**(23,604)**	**(793)**
Loss for the year		-	-	-	(57,561)	(57,561)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		-	-	-	(57,561)	(57,561)
Issue of treasury shares to employees	29(C)	-	-	1,275	-	1,275
Acquisition of treasury shares	29(C)			(100)		(100)
Share-based payments	29(C)	-	-	-	1,481	1,481
Reclassification to preference shares financial liability	29(A),(B)	(810)	(15)	-	-	(825)
BALANCE AT 31 DECEMBER 2024		**23,759**	**862**	**(1,460)**	**(79,684)**	**(56,523)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	2023 £'000
Loss for the year		**(158,723)**	(93,645)
Adjustments for:			
Defined benefit pension costs	11	**3,348**	2,277
Share-based payments expense	11	**2,249**	74
Share of profit of joint ventures		**(2,521)**	(2,396)
Net finance expense		**176,451**	82,882
Loss/(gain) on derivatives		**2,224**	(2,183)
Income tax expense		**8,353**	8,864
Amortisation of intangible assets	13	**33,636**	31,450
Depreciation of property, plant and equipment	15	**18,024**	13,930
Depreciation of right-of-use assets	16	**25,285**	21,554
Impairment of intangible assets and goodwill	13	**8,371**	3,400
Loss on disposal of intangible assets		**96**	120
Loss on disposal of property, plant and equipment		**545**	74
Loss on disposal of joint ventures		**-**	233
Increase/(decrease) in provisions		**4,340**	(738)
Currency translation differences		**(1,881)**	(2,994)
Other non-cash items		**(30)**	(2,616)
Operating cash flows before movements in working capital		**119,767**	60,286
(Increase)/decrease in inventories		**(250)**	356
Decrease/(increase) in trade and other receivables		**43,045**	(39,937)
Decrease in trade and other payables		**(6,397)**	(47,805)
Cash generated by/(used in) operations		**156,165**	(27,100)
Income taxes paid		**(13,091)**	(9,253)
Pension contributions	27	**(2,352)**	(8,140)
Net cash generated from/(used in) operating activities		**140,722**	(44,493)
Interest received		**4,219**	2,070
Proceeds on disposal of property, plant and equipment		**382**	449
Purchases of intangible assets		**(9,241)**	(3,284)
Purchases of property, plant and equipment		**(25,652)**	(22,958)
Acquisition of subsidiary undertakings	14	**(208,924)**	(416,805)
Payments related to prior year acquisitions		**(4,914)**	(1,148)
Cash and cash equivalents acquired	14	**16,886**	40,189
Payments received from joint ventures		**209**	760
Dividends received from joint ventures		**1,293**	1,980
Net cash used in investing activities		**(225,742)**	(398,747)
Interest paid		**(100,928)**	(50,032)
Proceeds from borrowings		**1,169,828**	512,760
Repayment of borrowings		**(869,546)**	(239,439)
Derivative settlement		**420**	-
Lease principal payments	24	**(27,829)**	(22,657)
Dividends paid to non-controlling interests in subsidiaries		**(45)**	(72)
Proceeds from issue of ordinary shares	29(A)(B)	**-**	23,845
Proceeds from issue of preference shares	23	**-**	172,306
Purchase of Treasury shares by EBT	29(C)	**(100)**	(791)
Sale of Treasury shares by EBT	29(C)	**1,275**	-
Net cash from financing activities		**173,075**	395,920
Currency translation differences		**(1,615)**	(1,598)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**86,440**	(48,918)
Opening cash and cash equivalents		**30,601**	79,519
CLOSING CASH AND CASH EQUIVALENTS	30	**117,041**	30,601

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

OCS Group Topco Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Second Floor, 81 Gracechurch Street, London, EC3V 0AU. The principal activity of the Company is to act as a parent company to UK and overseas investments in facilities management businesses which provide cleaning, security, catering, hard services (maintenance and capital projects), pest control, multi-technical and other facilities management services to organisations around the world.

2. BASIS OF PREPARATION

The audited consolidated financial statements ('the financial statements') include the financial statements of the Company and all of its subsidiary undertakings (together referred to as 'the Group'). The financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act of 2006 and interpretations issued by the International Financial Reporting Standards ('IFRS') Interpretations Committee ('IFRIC') applicable to companies reporting under UK adopted IFRS.

The individual financial statements of the Company have been prepared under FRS 101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. In accordance with Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement. The amount of loss for the year of the Company is disclosed in the Company balance sheet.

The financial statements incorporate the financial statements of the Company and all its subsidiary undertakings and the Group's interest in joint ventures. All intra-Group transactions, balances, income, expenses and cash flows are eliminated on consolidation.

The financial statements are presented in pounds sterling, rounded to the nearest thousand (£'000). Pounds sterling is the functional currency of the Company and the presentation currency for the Group's financial reporting. They have been prepared on a going concern basis and under the historical cost convention, except where adopted IFRS require an alternative treatment. The principal variations relate to financial instruments (IFRS 9 'Financial Instruments'), acquisitions of business combinations (IFRS 3 'Business Combinations'), share-based payments (IFRS 2 'Share-based payment') and leases (IFRS 16 'Leases').

Going concern

The Group made a loss after tax of £158.7m for the year (2023 - £93.6m) and net liabilities increased to £290.6m (2023 - £125.6m). The Group had a net current liability position of £714.5m (2023 - £491.5m). The Group holds cash and cash equivalents of £117.0m (2023 - £30.6m) and borrowings of £956.9m (2023 - £605.3m). £834.0m (2023 - £506.9m) of the borrowings are repayable in more than one year and are therefore presented as non-current liabilities.

The Group completed a refinancing exercise in November 2024 replacing existing borrowings with a £425m senior secured loan B1 facility and a €522m senior secured loan B2 facility, both of which were fully drawn at 31 December 2024, and a £220m senior revolving credit facility which was undrawn at 31 December 2024. These financing arrangements will be subject to certain financial covenants which are tested quarterly on a trailing 12-month basis.

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2024, the Directors are required to consider whether the Group and the Company can continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing these financial statements. In considering this requirement, the Directors have reviewed the latest financial forecasts from the Board approved budget for a period of two years to 31 December 2026 (the Base Case Forecasts). These Base Case Forecasts indicate that adequate resources are in place to support the Group's operational needs whilst maintaining headroom under its financial covenants and meeting repayments of its Vendor Loan Notes as they fall due.

The Directors have also considered risks relating to changes to the economic environment, inflationary pressures and global political uncertainty and have completed a reverse stress test using the Base Case Forecasts to understand the Group's sensitivity to changes in growth and profitability to assess the point at which financial covenants or facilities headroom would be breached. Mitigating actions were also modelled including applying a time-lag assumption between reduction in growth and the related direct cost reductions of 3 months and significantly decreasing growth-related capital expenditure and non-essential spend.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Going concern (continued)
As a result of completing this assessment, the Directors concluded that the likelihood of the reverse stress scenarios arising were remote given the current business performance supported by long term contracts, robustness of the sales pipeline and the low levels of customer concentration and dependency. The stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts.

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 9. The Group's principal risks are summarised on pages 10 to 13. The financial position of the Group, its cash flows, liquidity position, borrowing facilities and financial covenants are described in the Strategic Report on pages 8 to 9. In addition, the Strategic Report includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

Having due regard to these matters after making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period to 31 December 2026 and that it is appropriate to continue to adopt the going concern basis in their preparation.

3. MATERIAL ACCOUNTING POLICIES

Revised standards
The following standards, interpretations and amendments to existing standards became effective on 1 January 2024 and have not had a material impact on the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IAS 1: Non-current Liabilities with Covenants;
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements; and
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback.

New and revised standards in issue but not yet effective
The following other standards, interpretations and amendments to existing standards have been issued but were not mandatory for accounting periods beginning on 1 January 2024. These either have been, or are expected to be, endorsed by the UK Endorsement Board and are not expected to have a material impact on the Group:

Effective date	New accounting standards or amendments
1 January 2025	Amendments to IAS 21: Lack of Exchangeability
1 January 2026	Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
1 January 2026	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
1 January 2026	Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/effective date deferred indefinitely	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or joint venture

The following new standard is expected to change the presentation of the Consolidated financial statements:

Effective date	New accounting standards or amendments
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passes. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Intra-group balances and transactions, income and expenses, and any unrealised gains or losses arising from such transactions are eliminated on consolidation to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

Business combinations

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Deferred consideration represents amounts payable in future periods and also forms part of the consideration transferred in a business combination. Deferred consideration is measured at fair value at the acquisition date and is recorded as a liability. Acquisition-related costs are recognised in profit or loss as incurred.Contingent consideration is included in the cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

At the acquisition date, the identifiable assets and liabilities of the acquired entity that meet the conditions for recognition under IFRS 3 'Business combinations' are recognised at their fair value at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are recorded. Those provisional amounts are adjusted, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. Adjustments can only be made up to 12 months after the acquisition date.

Goodwill arising on acquisition of a subsidiary undertaking or business is recognised as an asset and is initially measured at cost, being the excess of the fair value of the purchase consideration over the aggregate of the fair values of the net assets acquired. If, after reassessment, the Group's interest in the aggregate of the fair values of the net assets acquired exceeds the cost of the business combination, the excess is recognised immediately in the statement of profit or loss.

Employee Benefit Trust

The Group has an Employee Benefit Trust (EBT), The OCS Group Employee Benefit Trust, for the purpose of facilitating the holding of shares in OCS Group Topco Limited for the benefit of employees of the Group. The EBT is consolidated on the basis that the Company has control and the assets and liabilities of the EBT are included on the Group Balance Sheet and shares held by the EBT in the Company are presented as a deduction from equity. The cash received by the EBT is defined as restricted cash as the Company has no access, recourse or direction of that cash.

Revenue

Revenue is recognised when the Group transfers control of a service or product to a customer. Facilities services contracts typically require the provision of a number of interrelated services and goods to the customer over a period of time and are considered to represent a single performance obligation.

The Group's activities are wide-ranging, and as such, depending on the nature of the product or service delivered and the timing of when control is passed to the customer, the Group will account for revenue over time and at a point in time. Where payments are received from clients in advance of services provided, the amounts are recorded as deferred income and included in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue (continued)
Additional details of revenue recognition on a divisional basis are as follows:

Cleaning
Contracts for Cleaning services relate to a variety of commercial cleaning activities across a variety of industries including retail and transport and typically require the provision of a group of interrelated goods and services to the customer over a period of time. Such goods and services are typically considered to represent a single performance obligation as each promise is satisfied over the same period. For the majority of the Group's contracts, invoices are raised in the month or months after the delivery of the services. Where cleaning services are provided outside of contractual arrangements and are one-off in nature, revenue is recognised at the point in time those services are delivered.

Catering
Contracts for catering services relate to the provision of catering and hospitality services to a variety of sectors including care and education. Contracts can require the provision of goods to the customer, considered to be a single performance obligation. Revenue is recognised at the point at which food and drinks are provided based on till receipts taken on-site. Promotional discounts are recorded at the point of sale. Revenue is reported net of VAT and discounts applied. The performance obligation is satisfied upon the delivery of the food and drink and payment of the transaction price is due immediately when the customer purchases the food and/or drink.

Alternatively, contracts for catering services can require the provision of a group of interrelated goods and services to the customer over a period of time. Such goods and services are typically considered to represent a single performance obligation as each promise is satisfied over the same period. For the majority of these contracts, invoices are raised in the month or months after the delivery of the services.

Security
Contracts for security services relate to guarding services and the installation of supporting goods such as access control systems, CCTV and biometric equipment. In contracts that include the outright sale of equipment, revenue in respect of the sale and installation is recognised at a point in time when the goods have been installed. Guarding services represents a series of services with a constant pattern of transfer to the customer over time. Revenue in respect of such services is recognised over the period of the contract. For the majority of the Group's contracts, invoices are raised in the month or months after the delivery of the services.

Technical Services
Contracts for technical services typically require the provision of a group of interrelated goods and services to the customer over a period of time. Such goods and services are typically considered to represent a single performance obligation as each promise is satisfied over the same period. For the majority of the Group's contracts, invoices are raised in the month or months after the delivery of the services. Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract.

Projects
Contracts for projects typically relate to construction and building works. Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract. Refer to note 4 for further details on judgements relating to estimated total costs.

Contract assets and liabilities
A contract asset is recognised when revenue recognised on an individual contract exceeds the amounts billed on that contract to date. Contract assets are reduced by appropriate allowances for estimated irrecoverable amounts. Where cash received from a customer for an individual contract exceeds the revenue recognised, the amount is included in contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Adjusting items

The effects of transactions that are adjusting items by virtue of their nature, size or incidence are separately disclosed where the Group considers such disclosure to be necessary to assist in understanding the underlying trading and financial results of the Group as these costs do not form part of the underlying business. Examples of items that are considered by the Directors for designation as adjusting items include, but are not limited to:

- Significant costs incurred as part of the purchase and integration of an acquired business and which are considered to be material.
- Restructuring costs within a territory or sector within the Group which are both material and incurred as part of a significant change in strategy.
- Amortisation of acquisition-related intangibles and non-current asset impairment charges (including goodwill).
- Other items which are material and considered to be non-recurring in nature and/or are not as a result of the underlying trading activities for the business.

The classification of adjusting items requires significant management judgement to determine the nature and intention of the transaction.

Foreign exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the balance sheet date.

The results of overseas subsidiary undertakings and joint ventures are translated at average exchange rates for the period. The assets and liabilities of such undertakings are translated at period end exchange rates. Exchange differences on the results for the period and the opening net assets are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). All other exchange differences are included in the profit and loss account in the period in which they arise except for, in the case of the Group financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) which are recognised in other comprehensive income and reported under equity.

When an overseas operation is disposed of the cumulative amount recorded directly in equity related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Employee benefits

i) Retirement benefit schemes

The Group operates both defined contribution and defined benefit pension arrangements in the UK and overseas.

A defined contribution pension plan is a plan under which the Group pays fixed contributions into a separate entity. These contributions are expensed in the period in which they accrue.

The service cost of defined benefit pension plans relating to the period, together with gains and losses on settlements and curtailments and the cost of any benefits relating to past service, are charged to the profit and loss account. The net interest cost on the net defined benefit liability is shown within net finance costs in the profit and loss account. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The assets of the pension schemes are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Employee benefits (continued)
i) Retirement benefit schemes (continued)

The difference between the market value of the assets of the schemes and the present value of accrued pension liabilities is shown as an asset to the extent considered recoverable or a liability on the balance sheet gross of deferred tax.

The Group's main overseas defined benefit pension arrangements relate to Thailand commitments which become payable as employees reach retirement age. Costs are provided for over the expected service lives of the employees. In addition to employee churn, other key assumptions are wage inflation and the rate used to discount the expected future payments to present value. Actuarial valuations are obtained at least triennially and are reassessed annually if the principal actuarial assumptions have changed significantly.

ii) Share-based payments
The Company operates a cash-settled and equity-settled share-based compensation plan whereby employees render services as consideration in exchange for equity instruments. Under the plan, management has subscribed for a number of shares in the Company and these shares legally vest upon change of control of the Group.

Equity-settled transactions
The Company recognises a compensation cost in respect of the equity-settled shares that is based on the fair value of the awards, measured using the Black Scholes valuation methodology. Adjustments are made to reflect the number of awards expected to vest. The compensation cost is recognised on a straight-line basis over the expected vesting period of the awards, with a corresponding increase in equity. The level of vesting is reviewed at each balance sheet date and the impact of the revision of original estimates is recognised in the profit or loss account with a corresponding adjustment to equity.

Cash-settled transactions
A liability is recognised for the fair value of cash-settled transactions which applies to the Group's B preference shares granted to management. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The level of vesting is reviewed at each balance sheet date and the impact of the revision of original estimates is adjusted for.

Taxation
Income tax comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income.
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (or more) than the value at which it is recognised, a deferred tax liability (or asset) is recognised for the additional (or reduced) tax that will be paid in respect of that difference. Similarly, a deferred tax asset (or liability) is recognised for the reduced (or additional) tax that will be paid because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Taxation (continued)
Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and joint ventures except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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

Deferred tax is measured on a non-discounted basis.

Where items recognised in other comprehensive income or equity are chargeable or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if the Group has a legally enforceable right to set off the current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Intangible assets
i) Goodwill
Goodwill is initially recognised as an asset at cost and is reviewed for impairment at least annually. Goodwill is subsequently measured at cost less any accumulated impairment losses. An impairment charge is recognised in profit or loss for any amount by which the carrying value of goodwill exceeds its recoverable amount.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group’s policy for goodwill arising on the acquisition of joint ventures is described in the Investments accounting policy on page 67.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (continued)

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets that are acquired as a result of a business combination are recorded at fair value at the acquisition date, provided they are identifiable and capable of reliable measurement. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Brands, having indefinite useful lives, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level expected to benefit from the brand.

Other intangible assets having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is charged within administrative expenses to write down cost to estimated residual value by equal annual instalments over the period of estimated useful economic lives as follows:

Customer contracts and relationships	1 – 15 years
Software	3 – 15 years

Provision is made for any impairment.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided within cost of sales or administrative expenses, depending on the nature of the asset, to write off the cost less estimated residual value of each asset, on a straight-line basis over its useful economic life as follows:

Freehold and long-term leasehold property	50 years
Short-term leasehold property	over the term of the lease
Motor vehicles	3 – 10 years
Plant and machinery, equipment, fixtures and fittings	3 – 15 years

Depreciation is not provided on freehold land.

Right-of-use assets and leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (lease term of twelve months or less) and leases of low value assets (less than £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the expected future lease payments, discounted using the rate implicit in the lease or the lessee's incremental borrowing rate. The lease liability is then increased to reflect interest on the lease liability and reduced to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) to reflect any change in an index or a rate used to determine the lease payments or any change in expected exercise of purchase, renewal or termination options.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Right-of-use assets and leases (continued)
The right-of-use assets comprise the initial measurement of the corresponding lease liability including provision for dilapidation costs, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. Provision for dilapidation costs are expected future costs to be incurred upon exit of a lease at the end of the lease term in order to return the leased asset to its original condition and are determined based on historical lease exits and market-related data. Right-of-use assets and lease liabilities are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided within cost of sales or administrative expenses depending on the nature of the asset to write off cost by equal annual instalments over the shorter of the lease term or the period of estimated useful economic lives as follows:

Short-term leasehold property	over the term of the lease
Motor vehicles	1 – 8 years
Plant and machinery, equipment, fixtures and fittings	1 – 15 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Investments
Except as stated below, investments held as non-current assets are stated at cost less any provision for impairment.

In the consolidated accounts, shares in joint ventures are accounted for using the equity method. A joint venture is a contractual arrangement whereby the Group and one or more parties undertake an economic activity that is subject to joint control. The consolidated profit and loss account includes the Group's share of the results of the joint ventures. In the consolidated balance sheet, the investments in joint ventures are shown as the Group's share of the net assets, including goodwill, of the joint ventures plus any long-term loan funding by the Group less any provision for impairment. Goodwill represents the excess of the cost of the investment over the Group's share of the net fair value of the acquired identifiable assets and liabilities. Where losses in a joint venture reduce the carrying value of the Group's investment to £nil, further losses are not recognised.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets and liabilities (continued)

Subsequent measurement of financial assets is determined based on the classification of the assets. The Group's financial assets include trade receivables, amounts owed by joint ventures and other receivables which are all subsequently measured at amortised cost, and derivative financial instruments which are measured at fair value through profit and loss.

The Group's financial liabilities include bank borrowings, lease liabilities, trade payables, amounts owed to joint ventures, other payables, accruals, preference share capital and deferred purchase consideration. After initial recognition, the Group's financial liabilities are measured at amortised cost.

Financial assets and liabilities are only offset in the balance sheet when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled, or control and substantially all of the risks and rewards of ownership of the financial asset are transferred to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Where derivatives do not qualify for hedge accounting, any gains or losses on remeasurement are immediately recognised in profit or loss. Where derivatives do qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the relationship and the item being hedged.

Derivative financial instruments with maturity dates of more than one year from the reporting date are disclosed as non-current.

Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

Non-financial assets (continued)

With the exception of goodwill, where impairment losses are not reversed, where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. If the reasons for the previous impairment loss have ceased to apply, an impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied to the assets (other than goodwill) of the CGU on a pro rata basis.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised and is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually or when circumstances indicate that their carrying values may be impaired.

Further details on the Group's assessment of impairment of goodwill and brands can be found in note 13.

Financial assets

A loss allowance is recognised for expected credit losses (ECLs), measured at an amount equal to lifetime ECL, based on the Group's historical credit loss experience adjusted for any specific factors and general economic conditions and updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Inventories and long-term contracts

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the first-in, first-out (FIFO) method or average cost basis. Provision is made for obsolete, slow-moving or defective items where appropriate.

The value of long-term contract work is accounted for within revenue and the excess over payments on account is included within debtors as amounts recoverable on contracts. Cumulative costs incurred, net of amounts transferred to cost of sales, payments on account not set off against the value of long-term contract work and provision for any known or anticipated losses, are included within work-in-progress. Excess payments on account are included in creditors as payments on account.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. MATERIAL ACCOUNTING POLICIES (continued)

Trade receivables

Trade receivables are initially measured at their transaction price if they do not contain a significant financing component, which is the case for substantially all trade receivables. The loss allowance is measured at an amount equal to lifetime expected credit losses. Those are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that takes into account historical information on defaults adjusted for the forward-looking information per customer. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.

The carrying amount of trade receivables includes receivables which are subject to a factoring arrangement. Under this arrangement, the Group transfers the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. The arrangement significantly reduces the Group's exposure to credit risk for those receivables derecognised as a result of being sold to the factor.

Due to the short-term nature of the current receivables, their carrying value is considered to be the same as their fair value.

Cash and cash equivalents

Cash and cash equivalents shown in the consolidated and Company statement of financial position comprise cash at bank and in hand and short-term highly liquid deposits with a maturity of 3 months or less, which are subject to an insignificant risk of changes in value. In the consolidated cash flow statement, net cash and cash equivalents comprise cash and cash equivalents, as defined above, net of bank overdrafts.

Provisions for liabilities

Provisions for liabilities, including contingent consideration on acquisitions, insurance liabilities, overseas pension arrangements and onerous contracts where future costs are expected to exceed future revenues, are made at the amounts expected to be paid in respect of present obligations relating to past events where the timing of payments or the amounts involved are uncertain. With the exception of insurance and deferred tax, amounts are discounted to present value when the time value of money is material.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less the cumulative amount of income recognised in accordance with IFRS 15.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

4. USE OF KEY JUDGEMENTS AND ESTIMATES

In the application of the Group's material accounting policies, which are described in note 3, 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.

The following are the critical judgements involving estimations that the Directors made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. USE OF KEY JUDGEMENTS AND ESTIMATES (continued)

Key sources of estimation uncertainty

Revenue recognition

The Group's revenue recognition policies are central to how the Group measures the work it has performed in each financial year. These policies require forecasts to be made of the outcomes of long-term construction services which require estimates to be made of both cost and income recognition on each contract. On the cost side, estimates of forecasts are made on the final out-turn of each contract in addition to potential costs to be incurred for any maintenance and defects liabilities. On the income side, estimates are made on variations to consideration which typically include variations due to changes in scope of work, recoveries of claim income from customers, and potential liquidated damages that may be levied by the customer. Estimates are reviewed regularly throughout the contract life based on latest available information and adjustments made where necessary.

Given the pervasive nature of estimates on revenue, cost of sales and related balance sheet amounts, it is difficult to quantify the impact of taking alternative assessments on each of the estimates above.

Deferred tax assets

The recoverability of the Group's deferred tax assets of £47,872,000 (gross of net-off for deferred tax liabilities in respect of acquisition related intangibles), which relate primarily to timing differences, is dependent on sufficient future taxable profits. Based on the Group's latest forecasts the Directors' judgement is that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Retirement benefit schemes

The net surplus/deficit on the Group's defined benefit retirement benefit schemes is determined based on actuarial advice and the calculation is significantly affected by relatively small changes in the actuarial assumptions concerning future inflation, discount rates and mortality. The net surplus recognised on the OCS Group Transfer of Undertakings Pension Scheme was £3,208,000 at 31 December 2024 after actuarial losses in the year of £616,000. An asset ceiling adjustment of £25,341,000 has been recorded in respect of a surplus that cannot currently be recognised due to recoverability uncertainty. The Group also recognised a net surplus on the Scottish Local Government Pension Funds (which were acquired on the acquisition of FES) of £5,935,000 at 31 December 2024 after actuarial losses in the year of £64,000.

The Group's main overseas pension arrangements is a Thailand unfunded defined benefit pension arrangement and commitments under the scheme become payable as employees reach retirement age. Costs are provided for over the expected service lives of the employees. The obligation under the plan is determined based on actuarial valuations. In addition to employee churn, other key assumptions are wage inflation and the rate used to discount the expected future payments to present value. At 31 December 2024, the scheme had net pension liabilities of £15,735,000 and recorded an actuarial loss of £1,870,000 in the year.

Further details on the Group's retirement benefit schemes can be found in note 27.

Carrying value of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of a CGU exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount.

In assessing value in use, future cash flows are projected based upon budgets and plans and making appropriate judgements about rates of growth. The estimated future pre-tax cash flows are discounted to their present value using a post-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

As a result of the analysis performed, an impairment charge of £8,371,000 was recognised following the impairment review of goodwill which related solely to Aktrion. Further details can be found in note 13.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. USE OF KEY JUDGEMENTS AND ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

Fair values in business combinations

The fair values of tangible and intangible assets acquired on the acquisition of subsidiaries involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair values involves applying a combination of assumptions including revenue growth and customer attrition rate and the use of appropriate discount rates.

Further details on the Group's fair values of assets and liabilities acquired in business combinations can be found in note 14.

Critical accounting judgements

Revenue recognition

Revenue recognition policies require judgement to be made with regard to the identification of performance obligations within long-term contracts. A significant number of these contracts relate to construction or building works, and management have made a judgement that the input method is the most appropriate basis for revenue recognition for these contracts based on costs incurred. These contracts also often include an element of variable consideration and management are required to make judgements of the point in time when the variable consideration is highly probable not to suffer significant reversal in the future.

Adjusting items

Adjusting items are items of financial performance which the Group believes should be separately identified on the face of the statement of profit or loss to assist in understanding financial performance achieved by the Group. Determining whether an item is part of adjusting items or not requires judgement based on the nature of the item. An analysis of amounts included in adjusting items is detailed in note 6.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. REVENUE

The Group's revenue by geographical market is as follows:	**2024** **£'000**	2023 £'000
United Kingdom & Ireland	**1,685,930**	1,386,843
Asia Pacific	**543,385**	499,711
Rest of the World	**28,261**	29,386
	2,257,576	1,915,940

The Group has recognised the following assets and liabilities relating to contracts with customers:

	CONTRACT ASSETS		**CONTRACT LIABILITIES**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Uninvoiced revenue (note 19)	**84,765**	55,744	**-**	-
Deferred income (note 20)	**-**	-	**25,203**	12,090
	84,765	55,744	**25,203**	12,090

Uninvoiced revenue relates to the Group's right to consideration for work completed but not billed and deferred income reflects advanced consideration received from customers in respect of work to be completed in the following reporting period. Uninvoiced revenue arising on the Group's FES and Maxim acquisitions on 29 November 2024 amounted to £26,841,000 and deferred income on the Group's FES acquisition on 29 November 2024 was £13,616,000. No other contract assets or liabilities were assumed on the Group's acquisitions in 2024. Uninvoiced revenue on the Group's prior year acquisition of Atalian at 28 February 2023 amounted to £38,994,000 and deferred income amounted to £6,220,000.

6. ADJUSTING ITEMS

Included in operating profit/(loss):	**2024** **£'000**	2023 £'000
Acquisition costs	**7,022**	17,276
Integration costs	**20,421**	24,158
Onerous contract costs (note 25)	**4,687**	-
Impairment of goodwill (note 13)	**8,371**	-
Impairment of intangible fixed assets (note 13)	**-**	3,400
Amortisation of customer contracts and relationships (note 13)	**31,214**	29,301
	71,715	74,135
Included in finance costs:		
Borrowing costs (note 8)	**10,023**	-
Fees on early prepayment of debt (note 8)	**11,982**	-
	22,005	-

Acquisition costs include legal and professional advisor costs incurred on the Group's acquisitions and on due diligence work carried out to assess the viability of potential acquisition targets. The Group's 2024 acquisitions are detailed in note 14 and include Abate, Exclusive Services, FES and Maxim. The Group's 2023 acquisitions were Atalian, Accuro and Profile.

Integration costs relate to the Group's integration plan undertaken to align strategic goals and business processes across the Group's acquired operations and to create a combined operating model and synergies for the Group following these acquisitions. Costs relate to the implementation of IT systems, roll-out of the OCS brand, simplifying legal entity structures across the Group and alignment of policies and processes.

Onerous contract costs incurred in 2024 relate to a customer contract for vehicle-related services for which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received. Further disclosure can be found in note 25.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. ADJUSTING ITEMS (continued)

Following the annual review of goodwill, an impairment charge of £8,371,000 was recognised in relation to Aktrion. Further details can be found in note 13. Impairment of intangible fixed assets in 2023 related to a software system that is no longer in use.

Amortisation of customer contracts and relationships recognised as intangible assets on the Group's acquisitions is separately identified to improve the understanding of the results of the underlying business.

In November 2024, the Group completed a refinancing exercise, the proceeds of which were used to repay existing debt and to fund acquisitions. Finance costs include adjusting items for early prepayment fees and the write-off of borrowing costs on the Group's previous term debt and facilities which were replaced with new term loans and revolving credit facilities on completion of the refinancing exercise.

7. FINANCE INCOME

	2024	2023
	£'000	£'000
Interest receivable on financial assets not classified as FVTPL	**4,171**	3,722
Net interest income on defined benefit pension schemes (note 27)	**190**	22
Currency adjustments	**10,267**	-
	14,628	3,744

Currency adjustments relate to foreign exchange gains on the Group's Euro-denominated borrowings and vendor loan notes

8. FINANCE COSTS

	2024	2023
	£'000	£'000
Interest payable on bank loans and overdrafts	**75,296**	56,635
Interest payable on loans	**4,969**	3,626
Interest payable on vendor loan notes (note 22)	**8,296**	7,284
Interest payable on preference shares (note 23)	**55,209**	1,960
Borrowing costs	**7,684**	6,682
Net interest expense on defined benefit pension schemes (note 27)	**419**	281
Interest on factoring arrangements (note 19)	**15,122**	8,774
Other finance expenses	**1,982**	1,302
Interest expense for financial liabilities not classified as FVTPL	**168,977**	86,544
Unwinding of discount on provisions	**83**	77
Currency adjustments	**14**	5
Finance costs before adjusting items	**169,074**	86,626
Borrowing costs (note 6)	**10,023**	-
Fees on early prepayment of debt (note 6)	**11,982**	-
Finance costs adjusting items	**22,005**	-
	191,079	86,626

The Group's previous term debt and facilities were replaced with new borrowings arrangements on 29 November 2024, further details of which can be found in note 21. Finance costs include £22,005,000 (2023 - £nil) of early prepayment fees and the write-off of borrowing costs on the Group's previous term debt and facilities.

Information on the Group's vendor loan notes can be found in note 22 and the Group's transactions relating to preference shares can be found in note 23. Interest on factoring arrangements relates to a non-recourse facility which is disclosed in note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. LOSS BEFORE TAXATION

	Note	2024	2023
Loss before taxation is stated after charging:		£'000	£'000
Employee benefit expense	11	**1,447,485**	1,227,415
Amortisation of intangible fixed assets	13	**33,636**	31,450
Impairment of goodwill	13	**8,371**	-
Impairment of intangible fixed assets	13	**-**	3,400
Depreciation of property, plant and equipment	15	**18,024**	13,930
Depreciation of right-of-use assets	16	**25,285**	21,554
Short-term and low-value lease payments		**5,456**	2,589
Loss allowance on trade receivables		**1,689**	844
Net foreign exchange losses		**41**	5

10. AUDITOR'S REMUNERATION

	2024	2023
Fees payable to the Company's auditor for:	£'000	£'000
Audit of the Company and Group financial statements	**524**	400
Audit of the Company's subsidiaries	**2,400**	2,039
Other non-audit services	**10**	1,320
	2,934	3,759

11. EMPLOYEE AND KEY MANAGEMENT INFORMATION

	2024	2023
The average monthly number of employees and key management was as follows:	No.	No.
Operations	**115,702**	109,758
Sales and administration	**9,166**	5,451
	124,868	115,209

	2024	2023
Staff costs (including key management):	£'000	£'000
Wages and salaries	**1,317,653**	1,123,425
Social security costs	**100,832**	80,535
Pension costs - defined contribution schemes	**23,403**	21,104
Pension costs - defined benefit schemes (note 27)	**3,348**	2,277
Share-based payments - equity-settled (note 29C)	**1,793**	60
Share-based payments - cash-settled (notes 23, 29C)	**456**	14
	1,447,485	1,227,415

The Company has no employees and its directors are remunerated either by a subsidiary entity or by entities outside of the Group.

The Company operates a cash-settled and equity-settled share-based compensation plan whereby employees render services as consideration in exchange for equity instruments. Under the plan, a number of senior managers of the Group have subscribed for ordinary and preference shares in the Company which legally vest upon change of control of the Group. A charge of £1,793,000 (2023 - £60,000), calculated under the provisions of IFRS 2 has been included in the current year and an amount of £456,000 (2023 - £14,000) payable on the B preference shares issued by the Company to management has also been provided for. Refer to note 29C for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. EMPLOYEE AND KEY MANAGEMENT INFORMATION (continued)

The aggregate compensation for key management of the Group who were remunerated by subsidiary companies was as follows:

	2024	2023
	£'000	£'000
Salaries, bonuses and other short-term employee benefits	**6,436**	4,949
Social security costs	**822**	618
Company contributions to defined contribution pension schemes	**87**	107
Share-based payments - equity-settled	**1,372**	47
Share-based payments - cash-settled	**336**	11
Total compensation	**9,053**	5,732
Highest paid director	**1,894**	1,049

During the year, 5 (2023 - 5) of the key management personnel had benefits accruing to them under defined contribution pension schemes and no key management personnel (2023 - none) were members of the defined benefit pension plans. Under the Company's share-based compensation plan, a number of senior managers of the Group have subscribed for ordinary and preference shares in the Company which legally vest upon change of control of the Group. A charge of £1,372,000 (2023 - £47,000), calculated under the provisions of IFRS 2 has been included in the current year and an amount of £336,000 (2023 - £11,000) payable on the B preference shares issued by the Company to management has also been provided for. Refer to note 29C for further details.

12. TAXATION

The OECD released the Pillar Two Model Framework in December 2021, which introduces a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million.

As part of the UK adoption of the OECD Pillar Two rules, Finance (No 2) Bill 2023 brought into effect the Pillar Two framework for UK tax legislation and was substantively enacted on 20 June 2023. The rules are applicable to the Group for the financial year ended 31 December 2024.

The Group has applied the exemption within IAS 12 from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on this assessment, the Group would meet at least one of the safe harbours in all the jurisdictions in which the Group operates and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TAXATION (continued)

	2024	2023
	£'000	£'000
Current tax		
UK corporation tax	**(14)**	1,254
Foreign tax	**8,567**	7,866
Adjustments in respect of prior year	**628**	(106)
	9,181	9,014
Deferred tax		
Origination and reversal of timing differences	**3,290**	(1,415)
Adjustments in respect of prior year	**(4,118)**	859
Changes in tax rates	**-**	406
	(828)	(150)
Income tax reported in statement of profit or loss	**8,353**	8,864
Income tax credit reported in statement of comprehensive income	**(386)**	(1)
Total tax charge	**7,967**	8,863

Reconciliation of income tax reported in statement of profit or loss:

Loss before tax	**(150,370)**	(84,781)
Exclude share of profit or joint ventures	**(2,521)**	(2,396)
Loss before tax excluding joint ventures	**(152,891)**	(87,177)
Tax on loss at standard UK corporation tax rate of 25% (2023 - 23.52%)	**(38,223)**	(20,504)
Factors affecting charge for year:		
- expenses not deductible for tax purposes	**52,927**	33,738
- income not taxable	**(15,926)**	(35)
- irrecoverable withholding tax	**2,598**	1,579
- adjustments to tax charge in respect of previous year	**(3,490)**	753
- difference between UK and overseas tax rates	**(1,600)**	(205)
- deferred tax not recognised on timing differences	**17,361**	(4,402)
- other reconciling items	**(5,294)**	(2,060)
Total tax charge for the year reported in the profit and loss account	**8,353**	8,864

Included in the statement of comprehensive income is an overseas corporation tax credit of £nil (2023 - £nil) relating to exchange differences on translation of foreign operations that may be reclassified subsequently to profit or loss and a UK corporation tax credit of £nil (2023 - £nil) and a UK deferred tax credit of £78,000 (2023 - charge of £98,000) and an overseas deferred tax credit of £307,000 (2023 - £99,000) relating to defined benefit pension schemes that will not be reclassified subsequently to profit or loss.

In the Spring Budget 2021, the UK Government announced that the corporation tax rate for larger companies would increase to 25% from 19% with effect from 1 April 2023. This new law was substantively enacted on 24 May 2021. For the year ended 31 December 2024, the tax rate was 25% (2023 - a weighted average rate of 23.52%). Deferred tax assets and liabilities are measured for all UK entities at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on the enacted tax rate at the balance sheet date of 25% (2023 - 25%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INTANGIBLE ASSETS AND GOODWILL

	CUSTOMER CONTRACTS AND RELATIONSHIPS	BRANDS	SOFTWARE	INTANGIBLE ASSETS UNDER DEVELOPMENT	GOODWILL	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2023	212,964	44,249	12,108	-	178,245	447,566
Adjustment to goodwill recognised in the prior year	-	-	-	-	2,771	2,771
New subsidiaries acquired	235,327	4,890	1,776	-	474,217	716,210
Additions	-	-	1,106	2,178	-	3,284
Disposals	-	-	(120)	-	-	(120)
Currency adjustments	(6,715)	(388)	(255)	34	(11)	(7,335)
At 31 December 2023	**441,576**	**48,751**	**14,615**	**2,212**	**655,222**	**1,162,376**
Adjustment to goodwill recognised in the prior year (note 14)	-	-	-	-	1,470	1,470
New subsidiaries acquired (note 14)	76,815	-	14	-	156,775	233,604
Additions	-	-	673	8,568	-	9,241
Disposals	-	-	(4,415)	(38)	-	(4,453)
Transfers	-	-	3,686	(3,686)	-	-
Reclassification	-	-	-	1,108	-	1,108
Currency adjustments	(2,501)	(171)	(56)	(29)	(13)	(2,770)
At 31 December 2024	**515,890**	**48,580**	**14,517**	**8,135**	**813,454**	**1,400,576**
Amortisation and impairment						
At 1 January 2023	1,409	-	137	-	-	1,546
Charge for the year	29,301	-	2,149	-	-	31,450
Impairment	-	-	3,400	-	-	3,400
Currency adjustments	(118)	-	(11)	-	-	(129)
At 31 December 2023	**30,592**	**-**	**5,675**	**-**	**-**	**36,267**
Charge for the year	31,214	-	2,422	-	-	33,636
Disposals	-	-	(4,358)	-	-	(4,358)
Impairment	-	-	-	-	8,371	8,371
Currency adjustments	(145)	-	4	-	-	(141)
At 31 December 2024	**61,661**	**-**	**3,743**	**-**	**8,371**	**73,775**
Net book value						
At 31 December 2024	**454,229**	**48,580**	**10,774**	**8,135**	**805,083**	**1,326,801**
At 31 December 2023	410,984	48,751	8,940	2,212	655,222	1,126,109

Following the annual review of goodwill, an impairment charge of £8,371,000 was recognised in relation to Aktrion during the year. An impairment charge of £3,400,000 was recognised in the prior year relating to a software system that is no longer in use.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INTANGIBLE ASSETS AND GOODWILL (continued)

For the purposes of impairment testing, goodwill acquired through business combinations and brands with indefinite useful lives are allocated to cash generating units (CGUs). In 2023, management completed an assessment of the Group's CGUs following the acquisitions of the Atalian, Accuro and Profile businesses and identified 4 CGUs for the enlarged group - United Kingdom & Ireland, Thailand, Rest of the World and Aktrion, each representing identifiable operating segments and being the lowest level at which goodwill and intangible assets with indefinite lives are monitored. In 2024, management reassessed the appropriateness of these CGUs and determined that they continue to represent the current and ongoing position within the Group. Accordingly, goodwill and brands have been allocated as follows:

	BRANDS		GOODWILL	
	2024	2023	**2024**	2023
CGU	**£'000**	£'000	**£'000**	£'000
United Kingdom & Ireland	**40,765**	40,765	**665,038**	506,552
Thailand	**5,688**	5,624	**75,787**	74,501
Rest of the World	**2,127**	2,362	**56,840**	58,648
Aktrion	**-**	-	**7,418**	15,521
	48,580	48,751	**805,083**	655,222

The Group tests goodwill and brands, which have indefinite useful lives, annually for impairment, or more frequently if there are indications that the brands might be impaired.

The Group recognises the OCS, PCS and 1M brands. OCS delivers a range of facilities management services globally and the brand is a registered trademark which is recognised on an international scale. In Thailand, Cambodia and Bangladesh, the facility management services are delivered under the PCS brand. The Group also owns and operates the 1M brand in New Zealand providing specialist project design and build services for heating, ventilation and air conditioning together with maintenance and refurbishment services, primarily to commercial buildings.

The Group performed its annual impairment testing in December 2024 and December 2023.

For the 2024 impairment testing, the recoverable amount of each CGU was determined based on value-in-use calculations using pre-tax cash flow projections based on the latest management approved budget and updated five-year plan, reflecting the Group's latest estimates on revenue growth, ranging between 5% and 8%, cost management and synergy achievement. Pre-tax discount rates reflecting current market assessments of the time value of money and risks specific to each CGU were applied to the cash flow projections and ranged between 10.8% and 12.6%. Beyond the five-year plan, terminal values were calculated based on growth rates of 3%.

For 2023, the impairment testing analysis was performed on post-tax cash flows applying post-tax discount rates specific to each of the CGUs ranging between 9.1% and 12.4% and revenue growth rates of between 7% and 10% were applied to the cash flow forecasts. Terminal values were calculated beyond the five-year plan based on growth rates of 3%.

As a result of the analysis performed, an impairment charge of £8,371,000 (2023 - £nil) was recognised following the impairment review of goodwill and related solely to Aktrion. The Aktrion business under-performed in 2024 due to a combination of factors and the carrying value was assessed to be below its recoverable amount. The manufacturing services segment, which is the core of the business, experienced declines due to a general downturn in automotive manufacturing in Europe, from unstable global trading conditions, increasing competition from China and the manufacturing gap as OEMs (Original Equipment Manufacturers) retool into electric car production, all of which negatively impacted on trading performance. While the business has started to shift focus to aftermarket services, which is a sector with higher potential, it has incurred set up costs for this shift and is yet to reach the scale required to be profitable. The carrying value is sensitive to assumptions around revenue growth and gross margins. A sensitivity of +/- 2% on revenue growth over the forecast period changes the carry value by +/- £4.5m and a sensitivity of +/- 1% on gross margins over the forecast period changes the carry value by +/- £4.4m.

All other CGU's recoverable amounts were in excess of their carrying values and management concluded that no impairment charges were required for these CGUs in 2024 (2023 - £nil). For the key assumptions used in the analysis, namely growth and synergy achievements, management has concluded that there are no reasonable changes in key assumptions that would give rise to an impairment charge for these CGUs within the next financial year.

Company

The Company had no intangible assets at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ACQUISITIONS

Abate

On 28 March 2024, the Group acquired Abate, comprising Abate Limited and its wholly-owned subsidiary Monitor Pest Control Limited, for an initial consideration of £3,040,000 and deferred consideration of £200,000 and contingent consideration of up to £58,000. Abate operates primarily in East Anglia, London and Kent and provides pest control solutions to customers in various sectors including commercial and residential housing, food manufacturing, and high-value cold storage. The acquisition strengthens the Group's existing pest control expertise and expands its reach across new industries.

The following values were attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES	IFRS	FAIR VALUES
	£'000	**£'000**	**£'000**
Property, plant and equipment	20	-	20
Right-of-use assets	-	212	212
Trade and other receivables	378	-	378
Cash and cash equivalents	571	-	571
Trade and other payables	(627)	-	(627)
Lease liabilities	-	(212)	(212)
Current tax	(166)	-	(166)
Net assets acquired	176	-	176
Goodwill			3,122
Total consideration			**3,298**

An IFRS accounting policy realignment was applied to account for lease liabilities under IFRS 16 and recognise an equivalent right-of-use asset.

The total consideration is made up of:	**£'000**
Cash consideration on completion	3,040
Deferred consideration	200
Contingent consideration	58
	3,298

The amounts disclosed in the cash flow are as follows:	**£'000**
Cash consideration on completion	3,040
Cash and cash equivalents acquired	(571)
Net cash outflow	**2,469**

The deferred consideration of £200,000 and contingent consideration of £58,000 have been included under trade and other payables (note 20). The deferred consideration was paid in March 2025 and the contingent consideration was paid in April 2025.

The revenue included in the Group's results for 2024 was £1,002,000 and profit before tax and adjusting items was £224,000 for the nine-month period since acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ACQUISITIONS (continued)

Exclusive Services

On 31 August 2024, the Group acquired Exclusive Services, comprising The Exclusive Services Group Limited and its directly-held subsidiaries Exclusive Contract Services Limited and Brayborne Facilities Services Limited, for an initial consideration of £11,353,000 and deferred consideration of £1,850,000. Exclusive Services provides contract cleaning services across the UK and Ireland and operates across a number of sectors including education, data centres, leisure, media and retail. The acquisition complements the Group's existing cleaning services and supports growth in further sectors such as media and data centres.

The following provisional values were attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES	IFRS	PPA	FAIR VALUES
	£'000	£'000	£'000	£'000
Identifiable intangible assets:				
Customer contracts and relationships	-	-	3,740	3,740
Property, plant and equipment	975	-	-	975
Right-of-use assets	-	1,161	-	1,161
Deferred tax assets	62	-	-	62
Inventories	125	-	-	125
Trade and other receivables	4,897	-	-	4,897
Cash and cash equivalents	1,558	-	-	1,558
Trade and other payables	(4,653)	-	-	(4,653)
Borrowings	(275)	-	-	(275)
Lease liabilities	-	(1,161)	-	(1,161)
Provisions for liabilities	(225)	-	-	(225)
Current tax	1	-	-	1
Deferred tax liabilities	(9)	-	(935)	(944)
Net assets acquired	2,456	-	2,805	5,261
Goodwill				7,942
Total consideration				**13,203**

An IFRS accounting policy realignment was applied to account for lease liabilities under IFRS 16 and recognise an equivalent right-of-use asset. The PPA (purchase price allocation) adjustments arising on acquisition relate to the recognition of intangible assets for customer contracts and relationships and the related deferred tax liability.

The total consideration is made up of:	**£'000**
Cash consideration on completion	11,353
Deferred consideration	1,850
	13,203

The amounts disclosed in the cash flow are as follows:	**£'000**
Cash consideration on completion	11,353
Cash and cash equivalents acquired	(1,558)
Net cash outflow	**9,795**

The deferred consideration of £1,850,000 is payable in August 2025 and has been included under trade and other payables (note 20).

The revenue included in the Group's results for 2024 was £12,473,000 and profit before tax and adjusting items was £251,000 for the four-month period since acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ACQUISITIONS (continued)

FES

On 29 November 2024, the Group acquired FES Group's Facilities Management and Support Services businesses (FES), comprising Forth Holdings (Support Services) Limited (including its subsidiaries FES Support Services Limited, FES FM Limited, Forth Renewables Limited and FES Property Services Limited), Forth and Oban Limited and Active Air Conditioning Limited for a total consideration of £187,912,000.

FES provides a unique range of in-house hard and soft facilities management services to a diverse portfolio of public and private sector clients across the UK and has a strong energy business. which aligns perfectly with the Group’s vision for growth in this area. The acquisition will double the size of the Group's UK hard services business.

The following provisional values were attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES	IFRS	PPA	FAIR VALUES
	£'000	£'000	£'000	£'000
Identifiable intangible assets:				
Customer contracts and relationships	-	-	69,576	69,576
Property, plant and equipment	729	-	-	729
Right-of-use assets	-	2,136	-	2,136
Retirement benefit assets	6,004	-	-	6,004
Inventories	210	-	-	210
Trade and other receivables	44,747	-	-	44,747
Cash and cash equivalents	13,938	-	-	13,938
Trade and other payables	(63,900)	-	-	(63,900)
Lease liabilities	-	(2,136)	-	(2,136)
Provisions for liabilities	(5,587)	-	-	(5,587)
Current tax	(16)	-	-	(16)
Deferred tax liabilities	(1,457)	-	(17,394)	(18,851)
Net assets acquired	(5,332)	-	52,182	46,850
Goodwill				141,062
Total consideration				**187,912**

An IFRS accounting policy realignment was applied to account for lease liabilities under IFRS 16 and recognise an equivalent right-of-use asset. The PPA (purchase price allocation) adjustments arising on acquisition relate to the recognition of intangible assets for customer contracts and relationships and the related deferred tax liability.

The total consideration is made up of:	**£'000**
Cash consideration on completion	**187,912**

The amounts disclosed in the cash flow are as follows:	**£'000**
Cash consideration on completion	187,912
Cash and cash equivalents acquired	(13,938)
Net cash outflow	**173,974**

The revenue included in the Group's results for 2024 was £18,099,000 and profit before tax and adjusting items was £703,000 for the one-month period since acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ACQUISITIONS (continued)

Maxim

On 29 November 2024, the Group acquired Maxim Facilities Management Ltd for a total consideration of £7,119,000. Maxim provides cleaning, self-delivered window cleaning, hygiene and janitorial services to key markets across the UK, with a strong presence in the education sector.

The acquisition adds regional density to the Group's cleaning division and enables the Group to capitalise on growth opportunities and deliver enhanced services to an expanded customer base.

The following provisional values attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES	IFRS	PPA	FAIR VALUES
	£'000	£'000	£'000	£'000
Identifiable intangible assets:				
Customer contracts and relationships	-	-	3,499	3,499
Software	14	-	-	14
Property, plant and equipment	392	-	-	392
Right-of-use assets	-	296	-	296
Inventories	82	-	-	82
Trade and other receivables	2,505	-	-	2,505
Cash and cash equivalents	819	-	-	819
Trade and other payables	(3,841)	-	-	(3,841)
Lease liabilities	-	(296)	-	(296)
Current tax	(31)	-	-	(31)
Deferred tax liabilities	(94)	-	(875)	(969)
Net assets acquired	(154)	-	2,624	2,470
Goodwill				4,649
Total consideration				**7,119**

An IFRS accounting policy realignment was applied to account for lease liabilities under IFRS 16 and recognise an equivalent right-of-use asset. The PPA (purchase price allocation) adjustments arising on acquisition relate to the recognition of intangible assets for customer contracts and relationships and the related deferred tax liability.

The total consideration is made up of:	**£'000**
Cash consideration on completion	6,619
Deferred consideration	500
	7,119

The amounts disclosed in the cash flow are as follows:	**£'000**
Cash consideration on completion	6,619
Cash and cash equivalents acquired	(819)
Net cash outflow	**5,800**

The deferred cash consideration of £500,000 is payable in November 2025 and has been included under trade and other payables (note 20).

The revenue included in the Group's results for 2024 was £1,200,000 and profit before tax and adjusting items was £97,000 for the one-month period since acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. ACQUISITIONS (continued)

Profile

In the prior year, on the 5 December 2023, the Group acquired Profile Security Group Limited and its subsidiaries, one of the UK's largest independent security specialists for a total consideration of £20,677,000. The assets and liabilities recognised on the acquisition were based on provisional values which have since been updated for amounts in relation to the recognition of lease liabilities and the equivalent right-of-use asset, other financial assets and liabilities and tax balances. As a result, the net assets recognised on acquisition have reduced by £1,470,000 and the goodwill on the acquisition has therefore increased to £19,172,000 from the previously reported amount of £17,702,000.

The following provisional values were attributed to the major categories of assets and liabilities acquired:

	BOOK VALUES	IFRS	PPA	FAIR VALUES
	£'000	£'000	£'000	£'000
Identifiable intangible assets:				
Customer contracts and relationships	-	-	4,991	4,991
Property, plant and equipment	748	-	-	748
Right-of-use assets	-	685	-	685
Trade and other receivables	9,768	-	-	9,768
Cash and cash equivalents	49	-	-	49
Trade and other payables	(12,126)	-	-	(12,126)
Lease liabilities	-	(685)	-	(685)
Current tax	(600)	-	-	(600)
Deferred tax liabilities	(77)	-	(1,248)	(1,325)
Net assets acquired	(2,238)	-	3,743	1,505
Goodwill				19,172
Total consideration				**20,677**

An IFRS accounting policy realignment was applied to account for lease liabilities under IFRS 16 and recognise an equivalent right-of-use asset. The PPA (purchase price allocation) adjustments arising on acquisition relate to the recognition of intangible assets for customer contracts and relationships and the related deferred tax liability.

The total consideration was made up of:	£'000
Cash consideration on completion	16,350
Deferred consideration	2,927
Contingent consideration	1,400
	20,677

The deferred consideration of £2,927,000 was paid during the year and the contingent consideration of £1,400,000 was outstanding at 31 December 2024 and is disclosed under trade and other payables (note 20). The contingent consideration was settled in April 2025 following formalisation of the amount of liability outstanding.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD PROPERTIES	LONG-TERM LEASEHOLD PROPERTIES	SHORT-TERM LEASEHOLD PROPERTIES	MOTOR VEHICLES	PLANT & MACHINERY, EQUIPMENT, FIXTURES & FITTINGS	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2023	193	412	1,145	466	9,656	11,872
New subsidiaries acquired	3,125	131	300	744	17,512	21,812
Additions	23	726	858	1,029	20,323	22,959
Disposals	-	-	(8)	(28)	(509)	(545)
Currency adjustments	(25)	(20)	(12)	(32)	(450)	(539)
At 31 December 2023	**3,316**	**1,249**	**2,283**	**2,179**	**46,532**	**55,559**
New subsidiaries acquired (note 14)	608	48	-	624	836	2,116
Additions	291	113	1,648	2,005	21,594	25,651
Disposals	-	(34)	(14)	(115)	(2,305)	(2,468)
Transfers	167	(259)	-	-	92	-
Reclassification	-	-	-	-	(1,108)	(1,108)
Currency adjustments	(11)	(31)	(3)	(77)	(587)	(709)
At 31 December 2024	**4,371**	**1,086**	**3,914**	**4,616**	**65,054**	**79,041**
Depreciation						
At 1 January 2023	-	6	43	19	355	423
Charge for the year	136	159	796	552	12,287	13,930
Disposals	-	-	(8)	(5)	(9)	(22)
Currency adjustments	(3)	(1)	(3)	(2)	(40)	(49)
At 31 December 2023	**133**	**164**	**828**	**564**	**12,593**	**14,282**
Charge for the year	255	204	701	744	16,120	18,024
Disposals	-	-	(30)	(56)	(1,454)	(1,540)
Transfers	(34)	-	29	-	5	-
Currency adjustments	(3)	(7)	1	(18)	(189)	(216)
At 31 December 2024	**351**	**361**	**1,529**	**1,234**	**27,075**	**30,550**
Net book value						
At 31 December 2024	**4,020**	**725**	**2,385**	**3,382**	**37,979**	**48,491**
At 31 December 2023	3,183	1,085	1,455	1,615	33,939	41,277

Company

The Company had no property, plant and equipment at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RIGHT-OF-USE-ASSETS

	SHORT-TERM LEASEHOLD PROPERTIES	MOTOR VEHICLES	PLANT & MACHINERY, EQUIPMENT, FIXTURES & FITTINGS	TOTAL
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2023	9,151	9,715	3,419	22,285
New subsidiaries acquired	791	14,562	9,264	24,617
Additions	13,338	17,006	2,375	32,719
Disposals	(511)	(944)	(171)	(1,626)
Modifications	(658)	(24)	(32)	(714)
Reclassifications	1,628	(1,980)	352	-
Currency adjustments	(419)	(165)	(151)	(735)
At 31 December 2023	**23,320**	**38,170**	**15,056**	**76,546**
New subsidiaries acquired (note 14)	841	2,421	543	3,805
Adjustment to new subsidiaries acquired in the prior year (note 14)	-	249	-	249
Additions	13,230	21,270	8,118	42,618
Disposals	(1,281)	(7,649)	(2,157)	(11,087)
Modifications	171	(22)	(860)	(711)
Currency adjustments	(919)	(455)	(212)	(1,586)
At 31 December 2024	**35,362**	**53,984**	**20,488**	**109,834**
Depreciation				
At 1 January 2023	259	342	132	733
Charge for the year	5,440	12,588	3,526	21,554
Disposals	(280)	(644)	(171)	(1,095)
Modifications	(16)	(2)	(3)	(21)
Reclassifications	49	-	(49)	-
Currency adjustments	(28)	(8)	(12)	(48)
At 31 December 2023	**5,424**	**12,276**	**3,423**	**21,123**
Charge for the year	6,698	15,432	3,155	25,285
Disposals	(339)	(8,059)	(971)	(9,369)
Modifications	(3)	(17)	(31)	(51)
Currency adjustments	(170)	(149)	(27)	(346)
At 31 December 2024	**11,610**	**19,483**	**5,549**	**36,642**
Net book value				
At 31 December 2024	**23,752**	**34,501**	**14,939**	**73,192**
At 31 December 2023	17,896	25,894	11,633	55,423

In the prior year, on 5 December 2023, the Group acquired the Profile Security Group Limited and its subsidiaries. The assets and liabilities recognised on the acquisition were based on provisional values which have since been updated. A further amount of £249,000 has been recognised to account for lease liabilities under IFRS 16 and an equivalent right-of-use asset.

The average remaining lease term is 1.8 years (2023 - 2.2 years). Lease modifications relate to amendments to lease terms. Right-of-use assets are pledged to secure the related lease liabilities of the Group.

Company
The Company had no right-of-use assets at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Subsidiary undertakings	**-**	-	**582,011**	582,011
Joint ventures	**24,594**	23,704	**-**	-
	24,594	23,704	**582,011**	582,011

(A) JOINT VENTURES

The Group does not have any individually material joint ventures. Summarised financial information is as follows:

	2024	2023
Group's share:	**£'000**	£'000
Non-current assets	**3,366**	3,704
Current assets	**31,425**	28,884
Current liabilities	**(18,703)**	(17,762)
Non-current liabilities	**(67)**	(1,043)
Net assets	**16,021**	13,783
Attributable to third parties	**(8,451)**	(7,266)
Net assets attributable to the Group	**7,570**	6,517
Goodwill	**17,024**	17,187
	24,594	23,704

	2024	2023
Group's share:	**£'000**	£'000
Operating profit	**3,349**	2,889
Finance costs	**(40)**	(113)
Profit before taxation	**3,309**	2,776
Income tax	**(788)**	(380)
Profit for the year	**2,521**	2,396

(B) INVESTMENTS HELD BY THE COMPANY

	SUBSIDIARY UNDERTAKINGS
	£'000
Cost	
At 1 January 2024 and 31 December 2024	**582,011**
Net book value	
At 31 December 2024 and 31 December 2023	**582,011**

There were no provisions held against the Company's investment in subsidiary undertakings in 2024 or 2023.

Details of the Group's subsidiary undertakings and joint ventures are shown in note 36.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. INVENTORIES

	2024	2023
	£'000	£'000
Raw materials and consumables	**4,372**	3,958
Finished goods and goods for resale	**3,158**	2,998
	7,530	6,956

Company
The Company had no inventories at 31 December 2024 and 31 December 2023.

19. TRADE AND OTHER RECEIVABLES

	2024	2023
	£'000	£'000
Trade receivables	**160,312**	156,146
Loss allowance	**(3,975)**	(3,783)
	156,337	152,363
Uninvoiced revenue	**84,765**	55,744
Amounts owed by joint ventures	**679**	672
Other receivables	**30,369**	69,237
Taxation	**12,810**	6,402
Prepayments and accrued income	**55,612**	45,472
	340,572	329,890
Analysed as:		
Non-current	**746**	754
Current	**339,826**	329,136
	340,572	329,890

Other receivables include bank deposits with maturity dates exceeding more than three months and includes current amounts of £703,000 (2023 - £757,000) and non-current amounts of £746,000 (2023 - £754,000).

The Group finances a portion of its working capital through a trade receivables factoring programme. £119,201,000 (2023 - £96,371,000) of the trade receivables balance relates to the Group's continuing interest in this facility and all of this is current. The Group has been mandated by the factoring company to manage on their behalf the recovery of the receivables that have been sold to them. Cashflows relating to the working capital facility are shown within cash generated from operations. An amount of £45,447,000 was included in other receivables at 31 December 2023 which related to late receipts from the UK factoring provider. These were received on 2 January 2024.

Amounts owed by joint ventures are unsecured and generally due for settlement within one month.

Trade receivables are generally due for settlement within one month. Trade receivables are short-term in nature and therefore the carrying value is assumed to equal the fair value. Further details of impairment and risk exposure can be found in note 28.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. TRADE AND OTHER RECEIVABLES (continued)

The risk profile of the Group's trade receivables based on invoice age is as follows:

	2024	2023
	£'000	£'000
Less than three months	**144,581**	139,085
Three months	**6,540**	9,780
Four months	**2,342**	1,837
Five months and older	**6,849**	5,444
	160,312	156,146

Receivables are written off when there is no reasonable expectation of recovery. There were no material changes to the loss allowance in the year and at 31 December 2024, trade receivables were carried net of expected credit losses of £3,975,000 (2023 - £3,783,000). The ageing analysis of the ECLs against trade receivables was as follows:

	2024	2023
	£'000	£'000
Less than three months	**875**	143
Three months	**335**	108
Four months	**629**	3
Five months and older	**2,136**	3,529
	3,975	3,783

Company
The Company had trade and other receivables of £218,000 at 31 December 2024 (2023 - £201,000) which represented amounts owed by subsidiary undertakings of £215,000 (2023 - £174,000) and other receivables of £3,000 (2023 - £27,000). The amounts are unsecured, non-interest bearing and repayable on demand.

20. TRADE AND OTHER PAYABLES

	2024	2023
	£'000	£'000
Trade payables	**93,268**	81,479
Amounts owed to joint ventures	**174**	141
Other taxes and social security	**84,505**	85,974
Other payables	**31,768**	46,101
Accruals	**187,175**	134,043
Deferred income	**25,203**	12,090
Deferred consideration (note 14)	**4,008**	6,314
	426,101	366,142

Trade payables are unsecured and are generally paid within two months of invoice date.

The Directors consider that the carrying amount of trade payables approximates to their fair value, due to their short-term nature.

Other payables relate mainly to staff wages and salary costs. Deferred and contingent consideration is payable on the Group's acquisitions of Abate of £200,000 and £58,000 (subsequently paid in March 2025 and April 2025 respectively). Exclusive Services of £1,850,000 payable in August 2025, Maxim of £500,000 payable in November 2025 and £1,400,000 on the Group's 2023 acquisition of Profile was settled in April 2025 following formalisation of the amount of liability outstanding.

Amounts owed to joint ventures are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. TRADE AND OTHER PAYABLES (continued)

Company

The Company had trade and other payables of £6,232,000 outstanding at 31 December 2024 (2023 - £6,975,000) of which £3,470,000 (2023 - £4,525,000) represented amounts owed to subsidiary undertakings which are repayable on demand and £2,762,000 has been accrued in 2024 (2023 - £2,450,000) in respect of IFRS 2 leaver provisions.

21. BORROWINGS

	2024 £'000	2023 £'000
Current		
Revolving credit facility	-	10,033
Bank loans - interest accrued on term loans	6,951	11,058
Other bank loans	811	95
Bank overdraft	115,184	77,135
	122,946	98,321
Non-current		
Bank loans - term loans	830,123	489,704
Bank loans - delayed draw term loan	-	16,350
Other bank loans	3,855	886
	833,978	506,940

Bank overdrafts are unsecured and repayable on demand. Other bank loans are also unsecured and repayable in accordance with the terms of the loans varying between 1 and 8 years.

On 29 November 2024, the Group completed a refinancing exercise replacing its existing term debt and facilities comprising a £350m secured term loan B1 facility, a €172.5m senior secured term loan B2 facility, a £78m delayed draw term acquisition facility and a £117m revolving credit facility with the following new borrowings arrangements:

- a £425m senior secured term loan B1 facility with interest of 5.25% to 5.75% over SONIA, subject to certain conditions, repayable in November 2031. The loan was fully drawn at 31 December 2024 and interest accrued and outstanding amounted to £3,897,000;
- a €522m senior secured term loan B2 facility with interest of 4.25% to 4.75% over EURIBOR, subject to certain conditions, repayable in November 2031. The loan was fully drawn at 31 December 2024 and interest accrued and outstanding amounted to £2,864,000; and
- a £220m revolving credit facility, undrawn at 31 December 2024 with interest of 3.0% to 4.0% over SONIA, subject to certain conditions, repayable in May 2031. The available revolving credit facility amounted to £180.5m after excluding ancillary facilities for letters of credit, leasing arrangements and overdrafts. Interest accrued and outstanding amounted to £190,000 at 31 December 2024.

The Group's borrowings outstanding under its previous facilities at 31 December 2023 included:

- a fully drawn £350m senior secured term loan B1 facility with interest based of 8.25% to 8.75% over SONIA, subject to certain conditions, repayable in February 2030. During the year, £5,301,000 of interest was capitalised into payment-in-kind (PIK) loan notes, also due for repayment in February 2030. Interest accrued and outstanding at 31 December 2023 amounted to £7,998,000;
- a fully drawn €172.5m senior secured term loan B2 facility with interest of 7.75% to 8.25% over EURIBOR, subject to certain conditions, repayable in February 2030. During the year, £2,295,000 of interest was capitalised into PIK loan notes, also due for repayment in February 2030. Interest accrued and outstanding amounted to £2,946,000;

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. BORROWINGS (continued)

- £16.4m drawn under an acquisition facility of £78m in the form of senior secured delayed draw term loans with interest of 8.25% to 8.75% over SONIA, subject to certain conditions, repayable in February 2030. Outstanding accrued interest amounted to £114,000; and
- £10m drawn under a revolving credit facility of £117m with interest of 3.5% to 4.25% over SONIA, subject to certain conditions, repayable in February 2030. The available revolving credit facility amounted to £85m after excluding ancillary facilities for letters of credit, leasing arrangements and overdrafts. Interest accrued and outstanding amounted to £33,000.

A breakdown of the term loans is as follows:	**2024**	2023
	£'000	£'000
Senior secured term loans	**857,832**	499,481
Senior secured delayed draw term loans	**-**	16,350
PIK loan notes	**-**	7,596
Gross loan amount	**857,832**	523,427
Interest accrued	**6,951**	11,058
Capitalised borrowing costs	**(27,709)**	(17,373)
Net loan amount	**837,074**	517,112

Derivative financial instruments

The Group has interest rate hedging in place for 80% of its principal term debt which is based on variable rates pegged to SONIA and EURIBOR and foreign currency hedging in place for 100% of the interest payments due in the next financial year on its euro-denominated senior secured term loan B2 facility and for 100% of the amount outstanding on its euro-denominated vendor loan notes due for repayment in February 2025.

The Group entered into new GBP and EUR interest rate swaps effective 29 November 2024 based on principal amounts of £60m and €279.6m respectively. Interest is received at floating rates based on SONIA and EURIBOR and paid at fixed rates of 4.181% for the GBP interest rate swap and 2.1595% and 2.164% for the EUR interest rate swaps. The interest rate swaps all have a maturity date of 30 November 2027. In addition, the Group extended the terms of the GBP and EUR interest rate swaps of £280m and €138m which were entered into on 28 February 2023. The swaps were due to mature on 28 February 2026 and have been extended to mature on 30 November 2027 following the Group's refinancing of its borrowings in November 2024. Interest is received at floating rates based on SONIA and EURIBOR and paid at fixed rates of 4.066% (2023 - 4.115%) for the GBP interest rate swap and 2.5535% (2023 - 3.153%) for the EUR interest rate swap.

At 31 December 2024, the Group had foreign currency forward contracts in place for €18.8m and €14.8m of interest payments due in May 2025 and November 2025 on the senior secured term loan B2 facility and €63m for repayment of vendor loan notes due in February 2025 (see note 22 for further details).

At 31 December 2024, the fair value of derivative financial assets was £871,000 (2023 - £2,079,000) and the fair value of derivative financial liabilities was £1,479,000 (2023 - £nil). A loss of £2,268,000 was recognised in the profit and loss account during the year (2023 - a gain of £2,079,000).

Company

The Company had no outstanding borrowings at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. LOAN NOTES - DEFERRED PURCHASE CONSIDERATION

	2024	2023
	£'000	£'000
64,103,000 loan notes of £1.00 each	**73,828**	68,971
55,000,000 loan notes of €1.00 each	**51,661**	50,457
	125,489	119,428
Analysed as:		
Current	**125,489**	-
Non-current	**-**	119,428
	125,489	119,428

Loan notes payable by the Group are made up of deferred purchase consideration on the acquisitions of the OCS and Atalian businesses.

Loan notes amounting to £64,103,000 were issued on 30 November 2022 in connection with the Group's acquisition of OCS. Interest is charged at a fixed rate of 7% per annum, compounded on an annual basis. The loan notes are redeemable on 30 November 2025 or earlier, in whole or in part, at the option of the Group. Accrued interest of £9,725,000 was outstanding at 31 December 2024 (2023 - £4,868,000).

On 28 February 2023, redeemable loan notes to the value of €55,000,000 were issued in connection with the Group's acquisition of Atalian. Interest is charged at a fixed rate of 7% per annum, compounded on an annual basis. Accrued interest of £6,056,000 was outstanding at 31 December 2024 (2023 - £2,797,000). The loan notes were repaid on the due redemption date of 28 February 2025 at an amount of £52,142,000, equivalent to €55,000,000 plus accrued interest of €7,981,000 up to that date.

23. PREFERENCE SHARES

	2024	2024	2023	2023
	No.	£'000	No.	£'000
Senior preference shares of £0.000000001029 each (2023 - £0.000000001029 each)	**8,575,000**	**8,575**	8,575,000	8,575
A preference shares of £0.8823 each (2023 - £0.8823 each)	**609,301,406**	**615,554**	609,301,406	560,621
B preference shares of £0.8823 each (2023 - £0.8823 each)	**8,436,718**	**3,835**	7,518,216	2,863
Redeemable preference shares of £0.8823 each (2023 - £0.8823 each)	**-**	**-**	-	-
Group - non-current	**626,313,124**	**627,964**	625,394,622	572,059
Fair value adjustment to Company's B preference shares financial liability		**4,556**		3,971
Company - non-current	**626,313,124**	**632,520**	625,394,622	576,030

The Company's senior preference shares have a 0% coupon and are non-redeemable unless there is a change in control of the Group. The A and B preference shares accrue a 10% coupon, compounded annually, and are redeemable by the Company at any time, although a redemption can also be triggered by a change in control of the Group. The preference shares rank ahead of the ordinary shares in the event of a change in control or liquidation of the Company.

As a change in control of the Group is ultimately determined by the Company's shareholder, CD&R Madison S.à r.l, this would trigger a repayment of the preference shares and the Company would have an unavoidable obligation to settle the outstanding amounts in accordance with terms set out in the Articles of Association. Therefore, the preference shares have been classified as financial liabilities with the exception of a number of B preference shares held by the EBT which are treated as equity as shown in note 29.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. PREFERENCE SHARES (continued)

Movements in preference shares were as follows:

	2024	**2024**	2023	2023
	No.	**£'000**	No.	£'000
Group - preference shares at the beginning of the year	**625,394,622**	**572,059**	446,068,260	384,600
Issue of A preference shares	**-**	**-**	3,611,193	3,183
Redenomination of A preference shares from € to £	**-**	**-**	-	1,832
Redenomination of redeemable preference shares from € to £	**-**	**-**	-	7,137
Redesignation of redeemable preference shares to A ordinary shares (note 29A)	**-**	**-**	(7,101,337)	(6,266)
Redesignation of redeemable preference shares to A preference shares	**-**	**-**	(347,965,506)	(307,010)
Redesignation of A preference shares from redeemable preference shares	**-**	**-**	347,965,506	307,010
Further issue of A preference shares	**-**	**-**	180,282,564	180,283
Redesignation of ordinary share to senior preference share (note 29A)	**-**	**-**	1	-
Subdivision of senior preference share	**-**	**-**	8,574,999	-
Redesignation of A preference shares to B preference shares	**-**	**-**	(3,947,512)	(3,617)
Redesignation of B preference shares from A preference shares	**-**	**-**	3,947,512	3,617
Redesignation of A preference shares to A ordinary shares (note 29A)	**-**	**-**	(9,468,541)	(8,354)
Redesignation of A preference shares to B ordinary shares (note 29A)	**-**	**-**	(143,221)	(126)
Issue of B preference shares	**-**	**-**	5,630,779	5,059
Fair value of senior preference shares financial liability	**-**	**-**	-	8,575
Fair value of B preference shares financial liability	**-**	**(585)**	-	(3,971)
B preference shares held by EBT reclassified to equity (note 29A)	**-**	**-**	(849,021)	(779)
Issue of further B preference shares to EBT (note 29(A))	**-**	**-**	(1,211,054)	(1,088)
B preference shares acquired by EBT (note 29(A))	**(78,190)**	**(70)**	-	-
B preference shares sold by EBT (note 29(A))	**996,692**	**895**	-	-
	626,313,124	**572,299**	625,394,622	570,085
Dividend accrued on A preference shares - (note 8)	**-**	**54,933**	-	1,950
Dividend accrued on B preference shares - (note 8)	**-**	**276**	-	10
Dividend accrued on B preference shares - (notes 11)	**-**	**456**	-	14
		55,665	-	1,974
Group - preference shares at the end of the year	**626,313,124**	**627,964**	625,394,622	572,059
Fair value adjustment to Company's B preference shares financial liability	**-**	**4,556**	-	3,971
Company - preference shares at the end of the year	**626,313,124**	**632,520**	625,394,622	576,030

Details of the Company's share transactions during the year are disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. LEASE LIABILITIES

	2024	2023
	£'000	£'000
At the beginning of the year	**55,928**	21,408
New subsidiaries acquired (note 14)	**3,805**	25,347
Adjustment to new subsidiaries acquired in the prior year (note 14)	**249**	-
New leases	**40,983**	29,712
Disposals	**(1,732)**	(113)
Modifications	**(660)**	(693)
Payments	**(27,829)**	(22,657)
Interest accrued	**4,969**	3,626
Currency adjustments	**(1,294)**	(702)
At the end of the year	**74,419**	55,928

	2024	2023
	£'000	£'000
Maturity analysis:		
Within one year	**24,490**	17,222
Between one and five years	**40,312**	32,664
After five years	**9,617**	6,042
	74,419	55,928

Analysed as:		
Current	**24,490**	17,222
Non-current	**49,929**	38,706
	74,419	55,928

Company
The Company had no outstanding leases at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PROVISIONS

	INSURANCE	OVERSEAS EMPLOYEE BENEFITS	UK PENSION	ONEROUS CONTRACTS	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	9,254	1,346	6,227	-	-	16,827
New subsidiaries acquired	-	-	-	-	1,619	1,619
Utilised in the year	(1,684)	(704)	(6,227)	-	(97)	(8,712)
Unused amounts reversed	(2,201)	-	-	-	-	(2,201)
Unwinding of discount	-	77	-	-	-	77
Charged to profit and loss account	-	3,143	-	-	180	3,323
Currency adjustments	-	(69)	-	-	(11)	(80)
At 31 December 2023	**5,369**	**3,793**	**-**	**-**	**1,691**	**10,853**
New subsidiaries acquired (note 14)	-	-	-	5,812	-	5,812
Utilised in the year	(1,615)	(674)	-	(3,889)	(152)	(6,330)
Unused amounts reversed	-	-	-	-	(32)	(32)
Unwinding of discount	-	83	-	-	-	83
Charged to profit and loss account	1,501	4,515	-	4,687	-	10,703
Reclassification	-	-	-	2,255	(858)	1,397
Currency adjustments	-	210	-	(38)	(55)	117
At 31 December 2024	**5,255**	**7,927**	**-**	**8,827**	**594**	**22,603**
Current	5,255	933	-	3,173	594	9,955
Non-current	-	6,994	-	5,654	-	12,648
At 31 December 2024	**5,255**	**7,927**	**-**	**8,827**	**594**	**22,603**
Current	5,369	141	-	-	1,691	7,201
Non-current	-	3,652	-	-	-	3,652
At 31 December 2023	5,369	3,793	-	-	1,691	10,853

Insurance provisions relate to the Group's self-insurance arrangements and will become payable as claims are notified and settled.

Other overseas employee benefits provisions relate to Thailand service award commitments payable when eligible employees reach retirement age and are based on length of service.

The UK pension provision related to contributions payable to the OCS Group Staff Pension and Assurance Scheme (see note 27). The scheme is in surplus and is subject to an asset ceiling adjustment.

Provisions have been recognised for certain contracts with customers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received over the terms of those contracts, which vary between 1 and 9 years.

Other provisions include liabilities in respect of overseas employee benefits and labour-related legal claims.

Company
The Company had no provisions outstanding at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. DEFERRED TAX

Deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset, when the deferred income taxes relate to the same fiscal authority and there is an intention to settle the balance net. These amounts have been presented net on the face of the balance sheet as permitted by IAS 12 'Income Taxes' as follows:

	2024	2023
	£'000	£'000
Deferred tax assets	**15,438**	11,948
Deferred tax liabilities	**(112,060)**	(89,415)
	(96,622)	(77,467)

The movements in deferred tax assets and liabilities prior to taking into consideration the offsetting of balances within the same jurisdictions are shown below:

	DEPRECIATION IN EXCESS OF CAPITAL ALLOWANCES	DEFINED BENEFIT PENSION SCHEMES	TAX LOSSES	ACQUISITION RELATED INTANGIBLES	OTHER TIMING DIFFERENCES	TOTAL
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2023	20,216	652	212	(60,403)	7,748	(31,575)
Transfers	(710)	5,846	9	-	(5,145)	-
New subsidiaries acquired	(1,198)	63	9,737	(58,964)	3,067	(47,295)
(Charge)/credit to profit or loss	2,440	(1,433)	(2,593)	7,086	(5,350)	150
Credit to other comprehensive income	-	1	-	-	-	1
Currency adjustments	-	(107)	(17)	1,584	(208)	1,252
At 31 December 2023	**20,748**	**5,022**	**7,348**	**(110,697)**	**112**	**(77,467)**
Transfers	(41)	-	-	(6,079)	6,120	-
New subsidiaries acquired (note 14)	(118)	(1,457)	-	(19,204)	-	(20,779)
(Charge)/credit to profit or loss	(5,426)	251	1,579	8,031	(3,607)	828
Credit to other comprehensive income	-	386	-	-	-	386
Currency adjustments	(21)	26	-	732	(327)	410
At 31 December 2024	**15,142**	**4,228**	**8,927**	**(127,217)**	**2,298**	**(96,622)**
Deferred tax assets	26,462	5,712	8,927	-	6,771	47,872
Deferred tax liabilities	(11,320)	(1,484)	-	(127,217)	(4,473)	(144,494)
At 31 December 2024 prior to offsetting	**15,142**	**4,228**	**8,927**	**(127,217)**	**2,298**	**(96,622)**
Deferred tax assets - offset	(8)	(91)	(4,179)	(28,153)	(5)	(32,436)
Deferred tax liabilities - offset	96	-	-	28,153	4,187	32,436
	88	**(91)**	**(4,179)**	**-**	**4,182**	**-**
Deferred tax assets	26,455	5,621	4,748	(28,152)	6,766	15,438
Deferred tax liabilities	(11,225)	(1,484)	-	(99,065)	(286)	(112,060)
At 31 December 2024 as per balance sheet	**15,230**	**4,137**	**4,748**	**(127,217)**	**6,480**	**(96,622)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. DEFERRED TAX (continued)

Deferred tax assets of £30,220,000 (2023 - £6,847,000) have not been recognised in respect of tax losses as the assessment of recoverability at 31 December 2024 is uncertain and therefore does not meet the criteria for recognition under IAS 12.

Of the unused tax losses where no deferred tax has been recognised, £109,170,000 (2023 - £20,820,000) can be carried forward indefinitely, £2,590,0000 (2023 - £5,780,000) expires within 5 years and £11,250,000 (2023 - £1,880,000) expires after 5 years. The geographical split of these unused tax losses is UK & Ireland £103,010,000 (2023 - £17,170,000), Europe £2,890,000 (2023 - £1,740,000) and APAC £17,110,000 (2023 -:£9,570,000).

Other gross deductible temporary differences for which no deferred tax asset is recognised total £70,870,000 (2023 - £76,240,000), relating to corporate interest limitations in the year ended 31 December 2024. Deferred tax assets have not been recognised in respect of these other temporary differences as there is uncertainty whether suitable profits will arise in future periods against which the deferred tax asset would reverse.

27. RETIREMENT BENEFIT SCHEMES

The Group operates both defined contribution and defined benefit pension arrangements in the UK and overseas.

Defined contribution schemes
The Group operates UK and overseas defined contribution retirement benefit schemes for all qualifying employees. The expense recognised in profit or loss for defined contribution schemes is disclosed in note 11.

Defined benefit schemes
The Group has a defined benefit pension deficit of £17,115,000 (2023 - £12,674,000) and a defined benefit pension surplus of £9,143,000 (2023 - £3,640,000) comprising a number of schemes in the UK, Thailand, Philippines and Indonesia. Disclosures relating to the Group's material schemes are as follows:

UK Defined Benefit Schemes
The Group sponsors several UK defined benefit schemes providing employees with a pension benefit based on final pensionable pay and length of service:

- The OCS Group Staff Pension and Assurance Scheme (the Staff Scheme) is closed to new members and closed to future benefit accrual for existing members.
- The OCS Group Transfer of Undertakings Pension Scheme (the TUPE scheme) is a scheme for employees transferred under TUPE arrangements from public sector employers.
- The Servest Group Limited Final Salary Retirement Benefits Scheme (the Atalian Servest Scheme) is a benefits plan acquired following the Group's acquisition of Atalian in February 2023.
- Local Government Pension Funds (the LGPS Funds) based in Scotland comprising The Falkirk Council Pension Fund, Lothian Pension Fund, Fife Council Pension Fund, Strathclyde Pension Fund, Highland Pension Fund and North East Scotland Pension Fund. The funds are defined benefit pension schemes in nature and were acquired following the Group's acquisition of FES in November 2024.

The defined benefit schemes operate as trustee-administered funds that are legally separated from the Group. The trustees of the schemes are required by law to act in the interest of the schemes and of all relevant stakeholders in the schemes and are responsible for the investment policy with regard to the assets of the funds.

Risk exposure is mainly investment risk (investment returns lower than anticipated when compared to the value of scheme liabilities), interest rate risk (a decrease in the high quality corporate bond discount rate used to value the scheme liabilities), inflation (the rate of increase in pensions payable) and longevity risk (increased life expectancy of the scheme participants).

The most recent full actuarial valuations of the Group's Staff and TUPE schemes were carried at on 1 April 2024 and the schemes were in surplus. The last actuarial valuation of the Servest defined benefit scheme was completed on 30 September 2023 which revealed a small surplus and the Group has agreed to pay annual contributions of 29.2% of members' pensionable salaries each year to meet the cost of future service. The 2023 triennial valuations for the LGPS Funds were completed in March 2024 with all schemes showing a surplus position.

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited stating that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation notice (S37 certification). The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

UK Defined Benefit Schemes (continued)
There remains uncertainty as to whether the judgments will result in additional liabilities, and it is possible that the Department of Work and Pensions will introduce legislation allowing changes to be certified retrospectively. The Group and the relevant UK defined benefit schemes Trustees have sought legal advice to ascertain the extent to which any historic amendments were certified (where appropriate and assuming retrospective certification does not become an option) and detailed investigations continue to be ongoing. The LGPS Funds acquired through the Group's acquisition of FES in November 2024 are also in the process of being assessed as part of the Group's integration plans.

At the date of approval of these financial statements, there is no reason to believe that the ruling will have a material financial impact for the Group.

UK - Staff Scheme
The main pension scheme is The OCS Group Staff Pension and Assurance Scheme. In the prior year, lump sum contributions of £6,227,000 were paid by the Group to the scheme under a recovery plan agreed with the scheme trustee in August 2022 to fully eliminate the funding deficit in the scheme. The Group continues to monitor funding levels annually and the funding schedule will be reviewed between the Group and trustee every three years, based on actuarial valuations. The next triennial valuation is due to be completed as at 1 April 2027. At 31 December 2024, this scheme had an accounting surplus of £25,341,000 (2023 - £24,778,000) but the surplus cannot be recognised due to recoverability uncertainty because the Group does not currently have an unconditional right to a refund.

UK - TUPE Scheme
No lump sum contributions were paid to The OCS Group Transfer of Undertakings Pension Scheme during the year (2023 - £nil). At 31 December 2024, this scheme had a surplus of £3,208,000 (2023 - £3,640,000) and no lump sum contributions are payable as agreed with the scheme trustee in January 2022.

The weighted average duration of the benefit obligation at 31 December 2024 was 11 years (2023 -13 years).

Sensitivity analysis
A 0.5% decrease in the discount rate increases the gross defined benefit liability by £8,829,000, a 0.5% increase in RPI and CPI inflation increases the gross defined benefit liability by £6,030,000 and a one year increase in life expectancy increases the gross defined benefit liability by £6,162,000.

The sensitivity analysis is based on reasonably possible changes to the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant, although it is unlikely that changes in assumptions would occur in isolation due to their interdependencies.

Combined disclosures relating to both the Staff and TUPE schemes are set out below.

Assumptions	**2024**	2023
Discount rate	**5.35% p.a.**	4.50% p.a.
Rate of increase in salaries	**2.55% p.a.**	2.40% p.a.
Inflation - RPI	**3.15% p.a.**	3.00% p.a.
Inflation - CPI	**2.55% p.a.**	2.40% p.a.
Rate of increase in pensions:		
- accrued before 1 April 1992	**2.70% p.a.**	2.60% p.a.
- accrued after 31 March 1992	**2.95% p.a.**	2.85% p.a.
Life expectancy (Staff scheme):	**Years**	Years
Male (current age 43)	**86.8**	87.2
Male (current age 63)	**85.5**	85.9
Female (current age 43)	**89.6**	90.0
Female (current age 63)	**88.1**	88.6

The mortality assumptions at 31 December 2024 are based on 105% of S4PMA/S4PFA for the staff scheme and 113% of S4PMA/105% of S4PFA for the TUPE scheme with future improvements based on CMI 2023 1.25% LTR (31 December 2023 both the staff and TUPE schemes based on 100% of S3PMA/S3PFA with future improvements based on CMI 2022 1.25% LTR).

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

The Schemes' Liability Driven Investment (LDI) investment strategies aim to keep the size of the Schemes' assets relative to the Schemes' liabilities stable, regardless of changes in interest rates or inflation. Government bonds, swaps and other derivatives are typically used for this purpose.

	2024	2023
Fair values of assets and present values of liabilities	**£'000**	£'000
Equities	**44,010**	9,078
Bonds	**146,723**	203,337
Derivative instruments	**(4,529)**	(6,427)
Cash	**3,999**	6,059
Fair value of pension scheme assets	**190,203**	212,047
Present value of pension scheme liabilities	**(161,654)**	(183,629)
Net surplus on pension schemes	**28,549**	28,418
Asset ceiling adjustment	**(25,341)**	(24,778)
Net surplus recognised	**3,208**	3,640
Related deferred tax liability	**(802)**	(907)
Net retirement benefit assets	**2,406**	2,733

The current service cost is included within cost of sales and the interest income is included within finance income.

Movements in assets and liabilities were as follows:

	FAIR VALUE OF PLAN ASSETS		DEFINED BENEFIT OBLIGATION		NET DEFINED BENEFIT ASSET	
	2024	2023	**2024**	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
At beginning of the year	**187,269**	182,594	**(183,629)**	(178,196)	**3,640**	4,398
Current service cost	**-**	-	**(20)**	(27)	**(20)**	(27)
Interest income/(expense)	**8,199**	8,190	**(8,034)**	(8,188)	**165**	2
Recognised in the profit and loss account	**8,199**	8,190	**(8,054)**	(8,215)	**145**	(25)
Remeasurement gain/(loss):						
Financial assumptions gain/(loss)	**-**	6,284	**14,522**	(6,524)	**14,522**	(240)
Demographic assumptions gain	**-**	-	**3,761**	2,550	**3,761**	2,550
Experience gain/(loss)	**-**	-	**1,212**	(4,847)	**1,212**	(4,847)
Return on plan assets excluding finance income	**(20,663)**	(1,122)	**-**	-	**(20,663)**	(1,122)
Changes in asset ceiling adjustment	**552**	2,926	**-**	-	**552**	2,926
Recognised in other comprehensive	**(20,111)**	8,088	**19,495**	(8,821)	**(616)**	(733)
Employer contributions	**39**	-	**-**	-	**39**	-
Member contributions	**3**	5	**(3)**	(5)	**-**	-
Benefits paid	**(10,537)**	(11,608)	**10,537**	11,608	**-**	-
Other movements	**(10,495)**	(11,603)	**10,534**	11,603	**39**	-
At end of the year	**164,862**	187,269	**(161,654)**	(183,629)	**3,208**	3,640

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

UK - Atalian Servest Scheme

At 31 December 2024, the Servest Group Limited Final Salary Retirement Benefits Scheme had an accounting surplus of £2,070,00 (2023 - £2,170,000). The Group has determined that, in accordance with the terms and conditions of the defined benefit plan, and with statutory requirements (including minimum funding requirements) for the plan, the present value of refunds or reductions in future contributions is higher than the balance of the total fair value of the plan assets less the total present value of the obligations. As such no defined benefit asset has been recognised at 31 December 2024 (2023 - £nil).

The weighted average duration of the benefit obligation at 31 December 2024 was 13 years (2023 - 15 years).

Sensitivity analysis

A 0.5% decrease in the discount rate increases the gross defined benefit liability by £97,000, a 0.5% increase in RPI and CPI inflation increases the gross defined benefit liability by £97,000 and a one year increase in life expectancy increases the gross defined benefit liability by £32,000.

The sensitivity analysis is based on reasonably possible changes to the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant, although it is unlikely that changes in assumptions would occur in isolation due to their interdependencies.

Disclosures relating to the scheme are as follows:

Assumptions	**2024**	2023
Discount rate	**5.40% p.a.**	4.50% p.a.
Rate of increase in salaries	**3.20% p.a.**	3.00% p.a.
Inflation - RPI	**3.20% p.a.**	3.00% p.a.
Inflation - CPI	**3.20% p.a.**	3.00% p.a.
Rate of increase in pensions	**3.20% p.a.**	3.00% p.a.
Life expectancy:	**Years**	Years
Male (current age 40)	**86.8**	87.0
Male (current age 60)	**85.6**	85.8
Female (current age 40)	**89.6**	89.7
Female (current age 60)	**88.4**	88.6

The mortality assumptions at 31 December 2024 are based on 100% of S4PXA M/F with future improvements based on CMI_2023 1.00% LTR (31 December 2023 100% of S3PXA M/F with future improvements based on CMI_2022 1.00% LTR).

	2024	2023
Fair values of assets and present values of liabilities	**£'000**	£'000
Equities	**-**	198
Property and other assets	**2,070**	1,972
Fair value of pension scheme assets	**2,070**	2,170
Present value of pension scheme liabilities	**(1,613)**	(1,769)
Net surplus on pension scheme	**457**	401
Asset ceiling adjustment	**(457)**	(401)
Net surplus recognised	**-**	-
Related deferred tax liability	**-**	-
Net retirement benefit asset	**-**	-

The current service cost is included within cost of sales and the interest income is included within finance income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

Movements in assets and liabilities were as follows:

	FAIR VALUE OF PLAN ASSETS		DEFINED BENEFIT OBLIGATION		NET DEFINED BENEFIT ASSET	
	2024	2023	**2024**	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
At beginning of the year	**1,769**	-	**(1,769)**	-	**-**	-
Acquisition of subsidiaries	**-**	1,654	**-**	(1,654)	**-**	-
Current service cost	**(67)**	(48)	**(17)**	(54)	**(84)**	(102)
Interest income/(expense)	**79**	76	**(79)**	(76)	**-**	-
Recognised in the profit and loss account	**12**	28	**(96)**	(130)	**(84)**	(102)
Remeasurement gain/(loss):						
Financial assumptions gain/(loss)	**-**	-	**128**	(20)	**128**	(20)
Demographic assumptions gain	**-**	-	**6**	19	**6**	19
Experience gain/(loss)	**-**	-	**54**	(59)	**54**	(59)
Return on plan assets excluding finance income	**(152)**	(43)	**-**	-	**(152)**	(43)
Changes in asset ceiling adjustment	**(38)**	17	**-**	-	**(38)**	17
Recognised in other comprehensive	**(190)**	(26)	**188**	(60)	**(2)**	(86)
Employer contributions	**86**	188	**-**	-	**86**	188
Member contributions	**3**	4	**(3)**	(4)	**-**	-
Benefits paid	**(67)**	(79)	**67**	79	**-**	-
Other movements	**22**	113	**64**	75	**86**	188
At end of the year	**1,613**	1,769	**(1,613)**	(1,769)	**-**	-

UK - LGPS Funds

At 31 December 2024, the LGPS Funds had an accounting surplus of £5,935,000. Under new regulations laid with effect from 2 April 2025, Scottish LGPS Fund administering authorities have now been given discretion over the level of exit credit paid to employers (although the Scottish LGPS Funds must still consider guidance set out by funding strategy statements, Scottish Ministers, or the Scottish Scheme Advisory Board). The Group has determined that the surplus of £5,935,000 recognised at 31 December 2024 is recoverable.

The weighted average duration of the benefit obligation at 31 December 2024 was 14 years.

Sensitivity analysis

A 0.1% decrease in the discount rate increases the gross defined benefit liability by £147,000, a 0.1% increase in RPI and CPI inflation increases the gross defined benefit liability by £151,000 and a one year increase in life expectancy increases the gross defined benefit liability by £338,000.

The sensitivity analysis is based on reasonably possible changes to the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant, although it is unlikely that changes in assumptions would occur in isolation due to their interdependencies.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

Disclosures relating to the schemes are as follows:

Assumptions	**2024**
Discount rate	**5.40% p.a.**
Rate of increase in salaries	**2.90% p.a.**
Inflation - RPI	**3.20% p.a.**
Inflation - CPI	**2.90% p.a.**
Rate of increase in pensions	**2.90% p.a.**

The mortality assumptions at 31 December 2024 are based on Club Vita Mortality Tables (North East Scotland Pension Fund – SAPS S3 tables) with future improvements based on CMI 2023 1.25% LTR a smoothing factor of 7, an initial parameter of 0 and a w parameter of w2020 = w2021 = 0%, w2022 = w2023 = 100%.

Life expectancy (Falkirk scheme):	**Years**
Male (current age 45)	**85.5**
Male (current age 65)	**82.3**
Female (current age 45)	**89.2**
Female (current age 65)	**86.7**

	2024
Fair values of assets and present values of liabilities	**£'000**
Equities	**8,687**
Debt instruments	**3,295**
Property	**2,426**
Other	**1,998**
Fair value of pension scheme assets	**16,406**
Present value of pension scheme liabilities	**(10,471)**
Net surplus recognised	**5,935**
Related deferred tax liability	**(1,484)**
Net retirement benefit asset	**4,451**

The current service cost is included within cost of sales and the interest income is included within finance income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

Movements in assets and liabilities were as follows:

	FAIR VALUE OF PLAN ASSETS	DEFINED BENEFIT OBLIGATION	NET DEFINED BENEFIT ASSET
	2024	2024	2024
	£'000	£'000	£'000
Acquisition of subsidiaries (note 14)	16,679	(10,675)	6,004
Current service cost	-	(50)	(50)
Interest income/(expense)	70	(45)	25
Recognised in the profit and loss account	16,749	(10,770)	5,979
Remeasurement gain/(loss):			
Financial assumptions gain	-	295	295
Experience loss	-	(5)	(5)
Return on plan assets excluding finance income	(354)	-	(354)
Recognised in other comprehensive income	(354)	290	(64)
Employer contributions	20	-	20
Member contributions	11	(11)	-
Benefits paid	(20)	20	-
Other movements	11	9	20
At end of the year	16,406	(10,471)	5,935

Overseas Defined Benefit Schemes

The Group has a number of overseas defined benefit pension arrangements in Thailand, Indonesia and the Philippines.

Thailand

The Group has an unfunded defined benefit plan in relation to employee benefits obligations for past employment benefits due upon retirement in accordance with the Labor Protection Act. At 31 December 2024, the scheme had net pension liabilities of £15,735,000 (2023 - £12,143,000).

The weighted average duration of the benefit obligation at 31 December 2024 was around 10 to 11 years (2023 - around 7 years) and around 6 to 7 years (2023 - around 4 years) for staff and workers respectively.

Sensitivity analysis

A 1% decrease in the discount rate increases the gross defined benefit liability by £946,000, a 1% increase in the rate of increase in salaries increases the gross defined benefit liability by £862,000 and 1% decrease in staff turnover increases the gross defined benefit liability by £2,175,000.

The sensitivity analysis is based on reasonably possible changes to the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant, although it is unlikely that changes in assumptions would occur in isolation due to their interdependencies.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. RETIREMENT BENEFIT SCHEMES (continued)

Disclosures relating to the schemes are as follows:

		Staff		Workers	
Assumptions		**2024**	2023	**2024**	2023
Discount rate - p.a.		**2.32%, 2.33%**	2.98%	**2.15%, 2.20%**	2.69%
Rate of increase in salaries - p.a.		**4.00%**	3.00% - 5.00%	**3.00%**	0% - 5.00%
Turnover rate:	Below 25 years	**22.92%**	29.00%	**57.30%**	56.00%
	25 - 29 years	**22.92%**	29.00%	**42.98%**	56.00%
	30 - 34 years	**17.19%**	21.00%	**42.98%**	48.80%
	35 - 39 years	**11.46%**	19.00%	**28.65%**	47.00%
	40 - 44 years	**11.46%**	14.20%	**28.65%**	38.20%
	45 - 49 years	**8.60%**	13.00%	**19.10%**	36.00%
	50 - 60 years	**5.73%**	6.60%	**11.94%**	18.10%
Long-term inflation rate - p.a.		**3.00%**	3.00%	**3.00%**	3.00%

The mortality assumptions at 31 December 2024 and 31 December 2023 are based on 105% of TMO17 (Thailand Mortality Ordinary Table of 2017).

	2024	2023
Movements in the defined benefit obligation are as follows:	**£'000**	£'000
At beginning of the year	**(12,143)**	(12,613)
Current service cost	**(3,252)**	(2,037)
Net interest cost	**(330)**	(281)
Recognised in the profit and loss account	**(3,582)**	(2,318)
Remeasurement gain/(loss):		
Financial assumptions gain/(loss)	**536**	(929)
Demographic assumptions (loss)/gain	**(1,095)**	280
Experience (loss)/gain	**(1,311)**	1,024
Recognised in other comprehensive income	**(1,870)**	375
Employer contributions	**2,140**	1,877
Currency adjustments	**(280)**	536
Other movements	**1,860**	2,413
At end of the year	**(15,735)**	(12,143)

Indonesia and Philippines
The Group has a number of smaller defined benefit retirement pension plans in Indonesia and the Philippines. At 31 December 2024, the schemes had combined net pension liabilities of £1,380,000 (2023 - £531,000), costs of £31,000 (2023 - £193,000) were recognised in the statement of profit or loss, actuarial gains of £42,000 (2023 - actuarial losses of £122,000) were recognised in other comprehensive income and employer contributions of £67,000 (2023 - £36,000) were made.

Company
The Company had no defined benefit schemes at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. FINANCIAL INSTRUMENTS

(A) FINANCIAL ASSETS

The carrying values of the Group's financial instruments at amortised cost are as follows:

	Note	2024	2023
		£'000	£'000
Derivatives not designated as hedging instruments			
Interest rate swaps		**782**	2,079
Foreign currency forward contracts		**89**	-
Total financial assets at fair value		**871**	2,079
Financial assets at amortised cost			
Trade receivables	19	**156,337**	152,363
Amounts owed by joint ventures	19	**679**	672
Other receivables	19	**30,369**	69,237
Cash and cash equivalents	30	**232,225**	107,736
Total financial assets		**420,481**	332,087
Total current		**418,953**	329,254
Total non-current		**1,528**	2,833

Derivatives not designated as hedging instruments reflect the positive change in fair value of interest rate swaps and foreign currency forward contracts that are not designated in hedge relationships, but are nevertheless, intended to reduce the level of interest rate exposure on the Group's borrowings and the level of foreign currency rate exposure on the Group's euro-denominated payments interest payments and vendor loan notes.

(B) FINANCIAL LIABILITIES

	2024	2023
	£'000	£'000
Derivatives not designated as hedging instruments		
Interest rate swaps	**1,319**	-
Foreign currency forward contracts	**160**	-
Total financial liabilities at fair value	**1,479**	-
Total current financial liabilities at fair value	**160**	-
Total non-current financial liabilities at fair value	**1,319**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL LIABILITIES (continued)

	Note	2024	2023
		£'000	£'000
Current borrowings at amortised cost			
Revolving credit facility	21	**-**	10,033
Bank loans - interest accrued on term loans	21	**6,951**	11,058
Other bank loans	21	**811**	95
Bank overdraft	21	**115,184**	77,135
Lease liabilities	24	**24,490**	17,222
Deferred purchase consideration	24	**125,489**	-
		272,925	115,543
Other current financial liabilities at amortised cost			
Trade payables	20	**93,268**	81,479
Amounts owed to joint ventures	20	**174**	141
Other payables	20	**31,768**	46,101
Accruals	20	**187,175**	134,043
		312,385	261,764
Total current financial liabilities at amortised cost		**585,310**	377,307
Non-current borrowings at amortised cost			
Bank loans - term loans	21	**830,123**	489,704
Bank loans - delayed draw term loan	21	**-**	16,350
Other bank loans	21	**3,855**	886
Lease liabilities	24	**49,929**	38,706
Preference shares	23	**627,964**	572,059
Deferred purchase consideration	22	**-**	119,428
Total non-current financial liabilities at amortised cost		**1,511,871**	1,237,133

Fair value approximates to book value for all of the above financial assets and financial liabilities.

Financial risk management

The Group's financial risks are primarily market risk, credit risk and liquidity risk. Within market risk, the Group has interest rate hedging in place for 80% of its principal term debt which is based on variable rates pegged to SONIA and EURIBOR. Operational currency risk is limited as the business operates a model that has local costs for local revenues with limited cross-currency trade. At this point in the investment cycle the majority of local cash generated is reinvested into growth

Management of the Group's financial risks is further discussed in the Strategic Report on pages 11.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. FINANCIAL INSTRUMENTS (continued)

Currency risk

The Group trades in many countries and is exposed to foreign exchange risk related to dividend income from overseas subsidiaries and the translation into sterling of the reported results and net carrying value of overseas investments. A policy of regular cash repatriation is in place to ensure that excess funds do not accumulate overseas. Within each country treasury is reasonably self-contained and there is minimal operating activity denominated in non-domestic currencies and very limited intercompany trading.

At 31 December 2024, net assets of £234,682,000 and a loss after tax of £9,770,000 are included in the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss respectively relating to overseas subsidiary undertakings and joint ventures. Accordingly, a 1% change in exchange rates verses pounds sterling would impact net assets by £2,324,000 and loss after tax by £97,000.

At 31 December 2024, the Group had foreign currency forward contracts in place for €18.8m and €14.8m of interest payments due in May 2025 and November 2025 on the senior secured term loan B2 facility and €63m for repayment of vendor loan notes due in February 2025. The fair values of the foreign currency forward contracts amounted to financial assets of £89,000 and financial liabilities of £160,000 at 31 December 2024 and a gain of £349,000 was recognised in the profit and loss account during the year.

Interest rate risk

The Group was not exposed to any significant interest rate risk in the year. The Group has GBP and EUR interest rate swaps in place based on principal amounts of £340m and €417.6m respectively to mitigate exposure to interest rate movements. Interest is received at floating rates based on SONIA and EURIBOR and paid at fixed rates of 4.066% and 4.181% for the GBP interest rate swaps and 2.1595%, 2.164% and 2.5535% for the EUR interest rate swaps. The interest rate swaps all have a maturity date of 30 November 2027. The fair values of the interest rate swaps amounted to financial assets of £782,000 and financial liabilities of £1,319,000 at 31 December 2024 and a loss of £2,616,000 was recognised in the profit and loss account during the year.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables which are stated net of provisions for doubtful debts. The Group credit risk exposure is spread over many clients, sectors and countries. Potential new clients are assessed for creditworthiness and credit limits are regularly reviewed. The credit risk on liquid funds is minimal as the Group uses a mixture of established banks with good credit ratings in the territories in which it operates. At 31 December 2024, the Group held net funds of £58,999,000 with HSBC Bank plc.

The Group's maximum exposure to credit risk is as follows:

	Note	**2024**	2023
Financial assets		**£'000**	£'000
Trade receivables	19	**156,337**	152,363
Amounts owed by joint ventures	19	**679**	672
Other receivables	19	**30,369**	69,237
Cash and cash equivalents	30	**232,225**	107,736
		419,610	330,008

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. FINANCIAL INSTRUMENTS (continued)

Liquidity risk
During the year the Group held sufficient cash to enable it to meet its liabilities as they fall due.

Contractual maturity analysis for financial liabilities is as follows:

	2024				
	WITHIN THREE MONTHS	THREE MONTHS TO ONE YEAR	ONE TO FIVE YEARS	AFTER FIVE YEARS	TOTAL
	£'000	£'000	£'000	£'000	£'000
Trade payables	93,268	-	-	-	93,268
Other payables	27,960	3,808	-	-	31,768
Borrowings	115,597	7,349	3,373	830,605	956,924
Lease liabilities	6,628	17,862	40,312	9,617	74,419
Preference shares	-	-	627,964	-	627,964
Deferred purchase consideration	51,661	73,828	-	-	125,489
	295,114	**102,847**	**671,649**	**840,222**	**1,909,832**

	2023				
	WITHIN THREE MONTHS	THREE MONTHS TO ONE YEAR	ONE TO FIVE YEARS	AFTER FIVE YEARS	TOTAL
	£'000	£'000	£'000	£'000	£'000
Trade payables	81,479	-	-	-	81,479
Other payables	39,787	6,314	-	-	46,101
Borrowings	88,193	10,128	-	506,940	605,261
Lease liabilities	4,987	12,235	32,664	6,042	55,928
Preference shares	11,347	-	560,712	-	572,059
Deferred purchase consideration	-	-	119,428	-	119,428
	225,793	**28,677**	**712,804**	**512,982**	**1,480,256**

Capital risk management
During the year the Group's capital structure consisted of cash and cash equivalents (note 30), borrowings (note 21), preference shares (note 23) and equity (note 29).

The Group manages its capital to ensure that liabilities can be paid as they fall due while maximising the return to shareholders. These objectives are achieved via daily cash flow reporting, short-term cash forecasts, annual budgets and reforecasts and longer-term business plans.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. EQUITY

	2024	**2024**	2023	2023
(A) Called up share capital	**No.**	**£'000**	No.	£'000
Allotted and fully paid:				
A ordinary shares of £0.8823 each	**22,106,285**	**19,504**	22,106,285	19,504
B ordinary shares of £0.8823 each	**347,513**	**307**	347,513	307
C ordinary shares of £0.8823 each	**3,040,153**	**2,682**	3,040,153	2,682
D shares of £0.8823 each	**292,782**	**258**	292,782	258
Sub-total ordinary shares	**25,786,733**	**22,751**	25,786,733	22,751
B preference shares of £0.8823 each	**1,141,573**	**1,008**	2,060,075	1,818
Sub-total preference shares	**1,141,573**	**1,008**	2,060,075	1,818
	26,928,306	**23,759**	27,846,808	24,569

The holders of the A and B ordinary shares have full voting rights and are entitled to receive dividends as declared by the Company from time to time. The holders of the C and D ordinary shares do not have any voting or dividend rights but could receive a distribution in certain circumstances in accordance with terms set out in the Company's Articles of Association.

Movements in share capital were as follows:

	2024	**2024**	2023	2023
	No.	**£'000**	No.	£'000
Ordinary shares held at beginning of year	**25,786,733**	**22,751**	1,857,172	1,601
Redenomination of ordinary shares from € to £	**-**	**-**	-	37
Redesignation of redeemable preference shares to A ordinary shares (note 23)	**-**	**-**	7,101,337	6,266
Issue of A ordinary shares	**-**	**-**	3,679,236	3,246
Redesignation of ordinary share to senior preference share (note 23)	**-**	**-**	(1)	-
Redesignation of A preference shares to A ordinary shares (note 23)	**-**	**-**	9,468,541	8,354
Redesignation of A preference shares to B ordinary shares (note 23)	**-**	**-**	143,221	126
Issue of B ordinary shares	**-**	**-**	204,292	180
Issue of C ordinary shares	**-**	**-**	3,040,153	2,682
Issue of D shares	**-**	**-**	292,782	259
Ordinary shares held at end of year	**25,786,733**	**22,751**	25,786,733	22,751
B preference shares held by EBT at beginning of year	**2,060,075**	**1,818**	-	-
B preference shares held by EBT reclassified to equity (note 23)	**-**	**-**	849,021	749
Issue of further B preference shares to EBT (note 23)	**-**	**-**	1,211,054	1,069
B preference shares acquired by EBT (note 23, 29(C))	**78,190**	**69**	-	-
B preference shares sold by EBT (note 23, 29(C))	**(996,692)**	**(879)**	-	-
B preference shares held by EBT at end of year	**1,141,573**	**1,008**	2,060,075	1,818
Total equity share capital at end of year	**26,928,306**	**23,759**	27,846,808	24,569

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. EQUITY (continued)

(A) Called up share capital (continued)

Share transactions during 2024 related to the sale and purchase of shares to and from employees under the Group's management incentive plan, further details of which can be found in note 29(C).

In the prior year, a number of share transactions took place to assist with the funding and completion of the Group's February 2023 acquisition of the Atalian businesses and included:

- the issuance of 3,611,193 A preference shares of €1.00 on 15 February 2023 for £3,182,905.91 (note 23)
- the redenomination of each issued share class of the Company from EUR to GBP on 24 February 2023 as follows:

  - €0.01 per ordinary share to £0.008823 per ordinary share;
  - €1.00 per A ordinary share to £0.8823 per A ordinary share;
  - €1.00 per redeemable preference share to £0.8823 per redeemable preference share (note 23); and
  - €1.00 per A preference share to £0.8823 per A preference share (note 23).
- the redesignation of the entire issued amount of 355,066,843 redeemable preference shares of £0.8823 each on 24 February 2023 as follows:

  - 347,965,506 redeemable preference shares into 347,965,506 A preference shares of £0.8823 each (note 23); and
  - 7,101,337 redeemable preference shares into 7,101,337 A ordinary shares of £0.8823 each (note 23).
- the issuance of 3,679,236 A ordinary shares of £0.8823 each for £3,679,236 and 180,282,564 A preference shares of £0.8823 each for £180,282,564 (note 23) on 28 February 2023, satisfied by the assignment by the Company's immediate parent CD&R Madison S.à r.l. of an interest-free loan receivable from OCS Parco Limited of €209,000,000. This loan was then assigned by the Company to OCS Holdco 1 Limited on the same day in exchange for the acquisition of 1 ordinary share of £0.008823 in OCS Holdco 1 Limited.

Additionally, on 19 December 2023, the Company undertook several share redesignations, subdivisions and new issuances in preparation for the implementation of a management incentive plan (MIP) for the Group as follows:

- the redesignation of:
  - 1 ordinary share of £0.008823 to 1 senior preference share of £0.008823 (note 23);
  - 3,947,512 A preference shares to 3,947,512 B preference shares of £0.8823 (note 23);
  - 9,468,541 A preference shares to 9,468,541 A ordinary shares (note 23); and
  - 143,221 A Preference Shares to 143,221 B Ordinary Shares of £0.8823 (note 23).
- the subdivision of the one existing senior preference share of £0.008823 into 8,575,000 senior preference shares of £0.0000000010289 each (note 23).
- the issue of:
  - 5,630,779 B preference shares of £0.8823 each (note 23);
  - 204,292 B ordinary shares of £0.8823 each;
  - 3,040,153 C ordinary shares of £0.8823 each; and
  - 292,782 D shares.

Further disclosures relating to the preference shares can be found in note 23.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. EQUITY (continued)

(B) Reserves

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

Share premium
Share premium includes any premiums received on the issue of share capital and is a non-distributable reserve. It represents the difference between the par value of shares issued and the subscription or issue price.

Movements in share premium were as follows:

	2024	**2024**	2023	2023
	No.	**£'000**	No.	£'000
At beginning of year	**8,673,733**	**877**	-	-
Issue of A ordinary shares of £0.8823 each for £1.00 each	**-**	**-**	3,679,236	433
Issue of B ordinary shares of £0.8823 each for £0.89837 each	**-**	**-**	204,292	3
Issue of C ordinary shares of £0.8823 each for £1.00 each	**-**	**-**	3,040,153	358
Issue of D shares of £0.8823 each for £1.00 each	**-**	**-**	292,782	34
B preference shares of £0.8823 for £1.00 each held by EBT reclassified to equity	**-**	**-**	246,216	30
Issue of further B preference shares of £0.8823 each to EBT for £0.89837 each	**-**	**-**	1,211,054	19
B preference shares acquired by EBT (note 23, 29(C))	**(78,190)**	**1**	-	-
B preference shares sold by EBT (note 23, 29(C))	**996,692**	**(16)**	-	-
At end of year	**9,592,235**	**862**	8,673,733	877

Treasury shares
This reserve relates to shares held by the EBT as treasury shares. The shares are held by the EBT in order to satisfy potential awards under the Company's management incentive plan. Details of shares held by the EBT are shown in note 29(C).

Foreign exchange translation reserve
The foreign exchange translation reserve represents exchange differences on translating the net assets of foreign operations.

Retained losses
This reserve represents the Group's cumulative profits or losses and actuarial gains and losses on retirement benefit schemes, net of distributions. The reserve also includes equity-settled share-based payment awards and amounts recognised for future financial obligations on the senior preference shares.

(C) EBT

The Group has an Employee Benefit Trust (EBT), The OCS Group Employee Benefit Trust, which was set up on 19 December 2023 for the purpose of facilitating the holding of shares in the Company for the benefit of employees of the Group. These shares are available for allocation to participants under the Group's Management Incentive Plan (MIP) at a future date. MIP participants are invited to invest in B, C and D ordinary shares and B preference shares in the Company. Under the plan, the shares legally vest upon change of control of the Group, such as through a listing or sale, with management's estimate of the vesting period being four years from the inception of the plan. The B, C and D ordinary shares are assessed as equity-settled share-based payments and the B preference shares are assessed as cash-settled employee benefit liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. EQUITY (continued)

(C) EBT (continued)

The EBT is consolidated on the basis that the Company has control and the assets and liabilities of the EBT are included on the Group Balance Sheet and shares held by the EBT in the Company are presented as a deduction from equity. The cash received by the EBT is defined as restricted cash as the Company has no access, recourse or direction of that cash. At 31 December 2024, the EBT held a minimal cash balance of £10.00 (2023 - £10.00).

An amount of £1,793,000 was recognised in the year (2023 - £60,000) in relation to the equity-settled share-based payment awards (note 11), based on the fair value of the shares which is spread on a straight-line basis over the expected vesting period of the awards. The fair value of the shares was measured using the Black Scholes valuation methodology.

The cost of the B preference shares has been assessed as a reasonable proxy for fair value. The fair value is measured initially and at each reporting date up to and including the expected settlement date with changes in fair value recognised as an employee benefits expense. An amount of £456,000 was recognised in the year (2023 - £14,000) (notes 11 and 23).

The Company has recognised an additional liability of £2,762,000 (2023 - £2,450,000) in respect of leaver provisions based on the amount payable should a participant leave the Group before the shares vest. There is no recognition of this provision in the Group as it is offset by loans due by participants to a subsidiary entity.

Treasury shares held by the EBT were as follows:

	2024	**2024**	2023	2023
	No.	**£'000**	No.	£'000
B ordinary shares of £0.8823 each	**41,422**	**37**	74,744	67
C ordinary shares of £0.8823 each	**362,337**	**362**	653,869	654
D shares of £0.8823 each	**34,894**	**35**	62,971	63
B Preference Shares of £0.8823	**1,141,573**	**1,026**	2,060,075	1,851
	1,580,226	**1,460**	2,851,659	2,635

Movements in Treasury shares held by the EBT were as follows:

	2024	**2024**	2023	2023
	No.	**£'000**	No.	£'000
At beginning of year	**2,851,659**	**2,635**	-	-
Treasury shares purchased by EBT:				
B ordinary shares of £0.8823 each	**2,836**	**3**	74,744	67
C ordinary shares of £0.8823 each	**24,818**	**25**	653,869	654
D shares of £0.8823 each	**2,390**	**2**	62,971	63
B Preference Shares of £0.8823	**78,190**	**70**	2,060,075	1,851
Treasury shares sold by EBT:				
B ordinary shares of £0.8823 each	**(36,158)**	**(33)**	-	-
C ordinary shares of £0.8823 each	**(316,350)**	**(317)**	-	-
D shares of £0.8823 each	**(30,467)**	**(30)**	-	-
B Preference Shares of £0.8823	**(996,692)**	**(895)**	-	-
At end of year	**1,580,226**	**1,460**	2,851,659	2,635

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents

	Note	2024	2023
Group		**£'000**	£'000
Cash at bank and in hand		**229,687**	104,738
Short-term bank deposits		**2,538**	2,998
Cash and cash equivalents per balance sheet		**232,225**	107,736
Bank overdraft	20	**(115,184)**	(77,135)
Cash and cash equivalents per cash flow statement		**117,041**	30,601

Cash and cash equivalents included within current assets on the balance sheet comprise cash and bank balances including short-term bank deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents are shown net of bank overdrafts.

The cash received by the EBT is defined as restricted cash as the Company has no access, recourse or direction of that cash. At 31 December 2024, the EBT held a minimal cash balance of £10.00 (2023 - £10.00).

Non-cash transactions
Additions to right of use assets acquired under leases are disclosed in note 16. Loan notes issued as deferred purchase consideration on the 2022 and 2023 acquisitions of the OCS and Atalian businesses are disclosed in note 22. Other short-term deferred consideration on the 2024 acquisitions of Abate, Exclusive Services and Maxim and the 2023 acquisition of Profile are disclosed in note 20.

Changes in liabilities arising from financing activities
Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Group **At 31 December 2024**	AT BEGINNING OF YEAR	ACQUISITION OF SUBSIDIARIES	CASH FLOW	OTHER NON-CASH CHANGES	CURRENCY TRANSLATION	AT END OF YEAR
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Revolving credit facility	10,033	-	(10,000)	(33)	-	-
Other bank loans	981	275	3,527	-	(117)	4,666
Bank loans - term loans	500,648	-	323,105	21,353	(8,032)	837,074
Bank loans - delayed draw term loan	16,464	-	(16,350)	(114)	-	-
Vendor loan notes	119,428	-	-	8,296	(2,235)	125,489
Preference shares	572,059	-	-	55,905	-	627,964
Lease liabilities	55,928	4,054	(27,829)	43,560	(1,294)	74,419
Ordinary shares	25,446	-	-	(825)	-	24,621
Treasury shares	(2,635)	-	1,175	-	-	(1,460)
	1,298,352	**4,329**	**273,628**	**128,142**	**(11,678)**	**1,692,773**

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. NOTES TO THE CASH FLOW STATEMENT (continued)

Group At 31 December 2023	AT BEGINNING OF YEAR	ACQUISITION OF SUBSIDIARIES	CASH FLOW	OTHER NON-CASH CHANGES	CURRENCY TRANSLATION	AT END OF YEAR
	£'000	£'000	£'000	£'000	£'000	£'000
Revolving credit facility	-	-	10,000	33	-	10,033
Other bank loans	7,956	-	(6,972)	-	(3)	981
Bank loans - term loans	-	-	475,426	25,222	-	500,648
Bank loans - intragroup settlement*	-	221,483	(221,483)	-	-	-
Bank loans - delayed draw term loan	-	-	16,350	114	-	16,464
Vendor loan notes	64,484	47,660	-	7,284	-	119,428
Preference shares	384,600	-	172,306	15,153	-	572,059
Lease liabilities	21,408	25,347	(22,657)	32,532	(702)	55,928
Ordinary shares	1,601	-	23,845	-	-	25,446
Treasury shares	-	-	(791)	(1,844)	-	(2,635)
	480,049	**294,490**	**446,024**	**78,494**	**(705)**	**1,298,352**

* settled upon completion of Atalian acquisition

31. CAPITAL COMMITMENTS

	2024	2023
Future capital expenditure	**£'000**	£'000
Property, plant and equipment	**1,250**	2,899
Software	**93**	-
Contracted for but not provided	**1,343**	2,899

32. CONTINGENT LIABILITIES

As at 31 December 2024, a number of subsidiaries of the Group have provided cross guarantees in respect of the facilities under the Group's Senior Facilities Agreement. Details of the Group's borrowings under this agreement can be found in note 21.

Guarantees have been provided by the Group in respect of bank facilities of certain subsidiary undertakings and joint ventures to a maximum of £39,324,000 as at 31 December 2024 (2023 - £26,458,000).

Unlimited guarantees, performance bonds and guarantees in connection with work performed by certain of the Group's subsidiary undertakings amounting to £9,713,000 as at 31 December 2024 (2023 - £11,594,000) have also been provided.

The Directors consider it to be highly unlikely that any amounts will be payable under these guarantees.

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group's other related parties include its joint ventures which are not individually material. Balances between the Group and its joint ventures are disclosed in notes 19 and 20.

The key management of the Group comprises OCS Group Topco Limited Board and members of the Executive Committee. Details of their compensation are disclosed in note 11. Loans have also been advanced to key management for the purchase of shares in the Company under its management incentive plan. Amounts owed by key management at 31 December 2024 amounted to £5,635,000 (2023 - £5,306,000). The loans are interest-free and repayable when an employee leaves the Group or when there is a change in control of the Group.

The ultimate controlling party of the Group is Clayton, Dubilier & Rice Fund XI, L.P., a company incorporated in the Cayman Islands managed by CD&R Investment Associates XI Ltd. A number of the Group's undertakings traded with entities included within this CD&R ownership structure as follows:

	2024	2023
	£'000	£'000
Sales to related parties	**50,004**	47,313
Purchases from related parties	**2,170**	2,210
Amounts owed by related parties	**2,494**	3,281
Amounts owed to related parties	**70**	1

34. PARENT COMPANIES AND CONTROLLING PARTY

The immediate controlling party and parent undertaking is CD&R Madison S.à r.l., a company incorporated in Luxembourg.

The ultimate controlling party is Clayton, Dubilier & Rice Fund XI, L.P., a company incorporated in the Cayman Islands managed by CD&R Investment Associates XI Ltd.

OCS Group Topco Limited is the parent undertaking of the largest UK group for which consolidated financial statements are prepared. Copies of these financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

35. POST-BALANCE SHEET EVENTS

On 28 February 2023, redeemable loan notes to the value of €55,000,000 were issued in connection with the Group's acquisition of Atalian. Interest is charged at a fixed rate of 7% per annum, compounded on an annual basis. Accrued interest of £6,056,000 was outstanding at 31 December 2024 (2023 - £2,797,000). The loan notes were repaid on the due redemption date of 28 February 2025 at an amount of £52,142,000, equivalent to €55,000,000 plus accrued interest of €7,981,000 up to that date.

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

The Group's subsidiary undertakings and joint ventures held at 31 December 2024 are listed below. Only OCS Holdco 1 Limited was directly owned by the Company.

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
1st Maintenance Limited (1265298)	New Zealand	Facilities Services	100	24
1st Mechanical Limited (1128854)	New Zealand	Facilities Services	100	24
Abate Limited* (03753133)	England & Wales	Facilities Services	100	8
Able Services, Inc. (CS094000611 CE008549)	Philippines	Facilities Services	60	25

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
Accuro FM Limited* (03070774)	England & Wales	Facilities Services	100	8
Accuro Group Holdings Limited* (12877541)	England & Wales	Facilities Services	100	8
Accuro Support Services Group Limited** (07905107)	England & Wales	Dormant	100	8
Active Air Conditioning Limited* (SC198646)	Scotland	Facilities Services	100	32
AGS Facilities Services Phils Inc (formerly named Atalian Global Services Philippines, Inc) (31495)	Philippines	Facilities Services	100	26
AHT Co. Ltd (formerly named Atalian Holding (Thailand) Co., Ltd) (105557007741)	Thailand	Facilities Services	49	38
Aktrion Aftermarket UK Limited (formerly named Aktrion Gasser UK Limited)* (08595889)	England & Wales	Quality control	100	7
Aktrion Automotive Services BV (1009425055)	Belgium	Quality control	100	3
Aktrion BeNeLux BV (formerly named Aktrion Belgium BV) (0763 313 091)	Belgium	Quality control	100	3
Aktrion CZ S.R.O. (27 52 53 25)	Czech Republic	Quality control	100	6
Aktrion France SAS (499 599 256)	France	Quality control	100	11
Aktrion GMBH (HRB 133987)	Germany	Quality control	100	13
Aktrion Group Limited* (03936590)	England & Wales	Quality control	100	7
Aktrion Holdings Limited* (05246035)	England & Wales	Quality control	100	7
Aktrion Hungary KFT (11-09-024961)	Hungary	Quality control	100	15
Aktrion Iberia SL (B97134846)	Spain	Quality control	100	37
Aktrion Logistics & Compound Services BV (1009425253)	Belgium	Quality control	100	3
Aktrion Manufacturing Support Services Limited* (03458202)	England & Wales	Quality control	100	7
Aktrion Poland SP.ZO.O (301002)	Poland	Quality control	100	27
Aktrion Portugal, Unipessoal LDA (513361286)	Portugal	Quality control	100	28

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
Aktrion Production & Inspection Services BV (1009428223)	Belgium	Quality control	100	3
Aktrion Romania S.R.L. (27438160)	Romania	Quality control	100	29
Aktrion s.r.o. (36566616)	Slovakia	Quality control	100	36
Alpha Facilities Management Limited (05472405)	England & Wales	In liquidation	100	9
Atlas (UK) Security Services Limited* (05383752)	England & Wales	Facilities Services	100	8
Brayborne Facilities Services Limited* (01862534)	England & Wales	Facilities Services	100	8
Cannon Hygiene (Ireland) Limited ((IRE)164056)	Ireland	Facilities Services	100	20
Distribution and Wholesalers Limited (1500596)	New Zealand	Facilities Services	100	24
Exclusive Contract Services Limited* (02189512)	England & Wales	Facilities Services	100	8
Facilities Resource Management Limited* (08340624)	England & Wales	Facilities Services	100	8
FES FM Limited* (SC220049)	Scotland	Facilities Services	100	32
FES Property Services Limited (SC387785)	Scotland	In liquidation	100	32
FES Support Services Limited* (SC387816)	Scotland	Facilities Services	100	32
Fire and Air Services Limited* (06473866)	England & Wales	Facilities Services	100	8
Forth and Oban Limited* (SC169861)	Scotland	Facilities Services	100	32
Forth Holdings (Support Services) Limited* (SC401258)	Scotland	Facilities Services	100	32
Forth Renewables Limited (SC387786)	Scotland	In liquidation	100	32
FWG Limited (1009380 (NZBN 9429037395391))	New Zealand	Facilities Services	100	24
Health & Safety Services NZ Limited (819088)	New Zealand	Facilities Services	100	24
Incentive Facilities Management Limited* (04324546)	England & Wales	Facilities Services	100	8
Incentive FM Group Limited* (06757544)	England & Wales	Facilities Services	100	8
INDAGS Facilities Private Limited (CIN: U74999DL2019PTC350048)	India	Dormant	100	16

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
Integrated Premises Services Pty Limited (118 711 078)	Australia	Dormant	100	1
IPS Cleaning Australia Pty Limited (055 015 748)	Australia	Dormant	100	1
Management Security Guard Co., Ltd. (105552072927)	Thailand	Facilities Services	100	39
Maxim Facilities Management Ltd* (07392983)	England & Wales	Facilities Services	100	8
Monitor Pest Control Limited* (03636793)	England & Wales	Facilities Services	100	8
Next Gen FM Limited (15929145)	England & Wales	Dormant	100	10
Next Generation Facilities Management Limited (15929012)	England & Wales	Dormant	100	10
Oakwood Technology Group Limited* (02400512)	England & Wales	Facilities Services	100	8
OCS APAC Holdings Pte. Ltd. (202039627Z)	Singapore	Facilities Services	100	33
OCS Building Maintenance Pty Ltd (120 524 905)	Australia	Facilities Services	100	1
OCS Facilities Services Philippines Inc. (2023120128470-28)	Philippines	Dormant	100	26
OCS Food Co Limited* (02569158)	England & Wales	Facilities Services	100	8
OCS Global Services Sdn. Bhd. (v20150100544 (1126876-K))	Malaysia	Facilities Services	100	23
OCS Group (India) Private Limited (CIN: U74999MH2011FTC262738)	India	Facilities Services	100	17
OCS Group (Ireland) Limited ((Eire) 22966)	Ireland	Facilities Services	100	20
OCS Group (S) Facility Services Pte. Ltd. (199704294C)	Singapore	Facilities Services	100	34
OCS Group (S) Landscaping Services Pte. Ltd. (1999900188Z)	Singapore	Facilities Services	100	34
OCS Group (S) Parco Pte. Ltd. (201707510H)	Singapore	Facilities Services	100	33
OCS Group (S) Pest Solutions Pte. Ltd. (200508164C)	Singapore	Facilities Services	100	34
OCS Group Australia Pty Limited (100 515 106)	Australia	Facilities Services	100	1
OCS Group Holdings Limited* (14112592)	England & Wales	Facilities Services	100	10
OCS Group International Limited* (02946849)	England & Wales	Facilities Services	100	10

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
OCS Group Investments Limited* (14112680)	England & Wales	Facilities Services	100	10
OCS Group NZ Limited (1276974 (NZBN 942903612260))	New Zealand	Facilities Services	100	24
OCS Group Pension Trustees Limited (06316303)	England & Wales	Dormant	100	10
OCS Group Singapore Pte Limited (201118111N)	Singapore	Facilities Services	100	35
OCS Group UK Limited* (03056469)	England & Wales	Facilities Services	100	8
OCS Group UK&I Limited* (09022198)	England & Wales	Facilities Services	100	8
OCS Holdco 1 Limited* (14111992)	England & Wales	Facilities Services	100	10
OCS Holdco 2 Limited* (14112166)	England & Wales	Facilities Services	100	10
OCS Holdco 3 Limited* (14112262)	England & Wales	Facilities Services	100	10
OCS Holdco 4 Limited* (14112368)	England & Wales	Facilities Services	100	10
OCS Holding (HK) Limited (1965420)	Hong Kong	Facilities Services	100	14
OCS Integrated Solutions Limited* (SC142990)	Scotland	Facilities Services	100	31
OCS Limited (75525 (NZBN 9429040615226))	New Zealand	Facilities Services	100	24
OCS M&E Services Limited* (SC033489)	Scotland	Facilities Services	100	31
OCS Managed Services Limited (05261471)	England & Wales	In liquidation	100	8
OCS Management Services Limited (251225)	Ireland	Facilities Services	100	21
OCS Management Services Malaysia Sdn Bhd (200401018656 (657159-K))	Malaysia	Facilities Services	100	23
OCS One Complete Solution Limited (IRE) ((IRE) 31351)	Ireland	Facilities Services	100	20
OCS Parco Limited (14112511)	England & Wales	Facilities Services	100	10
OCS Parco Malaysia Sdn Bhd (201401031612 (1107696-U))	Malaysia	Facilities Services	100	23
OCS Pest Control Limited* (04010488)	England & Wales	Facilities Services	100	8
OCS ROH Limited (105554042235)	Thailand	Facilities Services	100	39

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
OCS Security Limited* (04376463)	England & Wales	Facilities Services	100	8
OCS Services Pty Ltd (100520296)	Australia	Facilities Services	100	1
OCS UK&I Group Holdings Limited* (formerly named Atalian Servest Group Holdings Limited) (03786009)	England & Wales	Facilities Services	100	8
OCS UK&I Holdings Limited* (formerly named Atalian Servest Holdings Limited) (11278510)	England & Wales	Facilities Services	100	8
OCS UK&I Limited* (06355228)	England & Wales	Facilities Services	100	8
OFM (Cambodia) Co.,Ltd (formerly named Atalian Facilities Management (Cambodia) Co. Ltd.) (34706)	Cambodia	Facilities Services	100	4
One Complete Solution (Cambodia) Co. Ltd (formerly named Atalian Global Services (Cambodia) Co., Ltd.) (1277)	Cambodia	Facilities Services	100	4
One Complete Solution (M) Sdn Bhd (198501011543 - 143995-A)	Malaysia	Facilities Services	100	23
One Complete Solution Holding Philippines, Inc. (formerly named Atalian Holding Philippines, Inc.) (CS201622491)	Philippines	Facilities Services	100	26
P.S.S. Cleaning and Service Co., Ltd. (125558005369)	Thailand	Facilities Services	100	39
PCS Engineering Solutions Co., Ltd. (105554067556)	Thailand	Facilities Services	100	39
PCS Security and Facility Services Limited (105537104520)	Thailand	Facilities Services	99	39
PPP Facility Management Co., Ltd. (formerly named Atalian Facility Management Co., Ltd.) (115547001898)	Thailand	Facilities Services	100	39
PPP Global Services (Thailand) Co., Ltd. (formerly named Atalian Global Services (Thailand) Co., Ltd.) (105536086528)	Thailand	Facilities Services	100	39
PPP Security and Facility Service (Thailand) Co., Ltd. (formerly named Atalian Security Guard (Thailand) Co., Ltd.) (105549048557)	Thailand	Facilities Services	100	39
PPP Security Guard (Thailand) Co. Ltd. (835556001050)	Thailand	Facilities Services	100	39

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

SUBSIDIARY UNDERTAKING & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
Profile Consultants Limited* (04379108)	England & Wales	Facilities Services	100	8
Profile Security Group Limited* (03974254)	England & Wales	Facilities Services	100	8
Profile Security Services Limited* (02371997)	England & Wales	Facilities Services	100	8
Property Care Services (Malaysia) Sdn.Bhd. (199301025233 (279971-T))	Malaysia	Dormant	100	23
PT OCS Central Java (NIB: 8120201872484)	Indonesia	Facilities Services	100	18
PT OCS Facility Management (NIB: 8120112010946)	Indonesia	Facilities Services	100	19
PT OCS Parco Indonesia (NIB: 8120005872431)	Indonesia	Facilities Services	100	19
PT OCS Pest Management (NIB: 9120307790335)	Indonesia	Facilities Services	100	19
PT. OCS Global Services (NIB: 8120010000354)	Indonesia	Facilities Services	100	19
PT. Rafindo Anugrah Sukses (NIB: 8120114050313)	Indonesia	Facilities Services	100	19
PWB (M) Sdn Bhd (178378-T)	Malaysia	Facilities Services	100	23
Sanitaire NZ Limited (1671156)	New Zealand	Dormant	100	24
Security Guard Arm Protection Co., Ltd. (105554082261)	Thailand	Facilities Services	100	39
Servest Aktrion Limited* (11168582)	England & Wales	Quality control	100	8
Specialist Window Cleaning Limited* (07710927)	England & Wales	Facilities Services	100	8
Supanarin Company Limited (105537104520)	Thailand	Facilities Services	49	39
The Exclusive Services Group Limited* (9924495)	England & Wales	Facilities Services	100	8
Thermotech Fire Protection Limited* (02787244)	England & Wales	Facilities Services	100	8
Thermotech Mechanical Services Limited* (07702566)	England & Wales	Facilities Services	100	8
Thermotech Solutions Limited* (08596374)	England & Wales	Facilities Services	100	8
Wes (Holdings) Limited (10203608)	England & Wales	In liquidation	100	8

* The Company has guaranteed the liabilities of these subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2024.

** Dissolved in 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

JOINT VENTURES & COMPANY NUMBER	COUNTRY OF INCORPORATION	ACTIVITY	ORDINARY SHARES HELD %	REGISTERED OFFICE ADDRESS (KEY)
AAS Aviation and Airport Services GmbH (HRB157004)	Germany	Facilities Services	40	12
Antah OCS Services Sdn. Bhd. (202401032771 (1578619-v))	Malaysia	Facilities Services	50	23
Bottega InvestCo S.A.R.L. (B215744)	Luxembourg	Dormant	27	22
Cannon Pest Management (Bangladesh) Private Limited (113915/14)	Bangladesh	Facilities Services	25	2
Foodhouse Catering Services Company Limited (1015551025534)	Thailand	Facilities Services	50	39
OCS Arabia LLC (4030219408)	Saudi Arabia	Facilities Services	49	30
OCS United Service Emirates LLC (1028867)	United Arab Emirates	Facilities Services	49	40
Property Care Services (Cambodia) Co., Limited (5906)	Cambodia	Facilities Services	50	5
Property Care Services Bangladesh (Private) Limited (44551-1089)/2001)	Bangladesh	Facilities Services	50	2

REGISTERED OFFICE ADDRESS KEY

1	183 Great Eastern Highway, Belmont, WA 6104, Australia
2	134 New Easkaton Road, Dhaka, PO 1000, Bangladesh
3	Koloniënstraat 11, 1000 Brussel, Belgium
4	1159, National Road 2, Phum Preaek Ta Nu Chak Angrae Leu, Mean Chey, Phnom Penh, 12354, Cambodia
5	No. 8B, Down Town Road 7, Sangkat Choam Choa, Khan Pursenchey, Phnom Penh, Cambodia
6	Smetanova 1912/5, 73707 Cesky Tesin, Czech Republic
7	1 Hawksworth Road, Central Park, Telford, TF2 9TU, England
8	New Century House, The Havens, Ipswich, Suffolk, IP3 9SJ, England
9	Pemberton House, Stafford Court, Stafford Park 1, Telford, Shropshire, TF3 3BD, England
10	Second Floor, 81 Gracechurch Street, London, EC3V 0AU, England
11	4 Pl. Louis Armand, 75012 Paris, France
12	Paul-Robeson-Strasse 37, 10439 Berlin, Germany
13	Am Gewerbepark Nord 1A, 15749 Mittenwalde-Ragow, Germany
14	Suites 5801, 5804-06, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
15	2900 Komárom, Laktanya köz 30/A, Hungary
16	23, Bhai Vir Singh Marg, Gole Market, New Delhi, Delhi 110001, India
17	A-502, Thane One, DIL Complex, Opposite Tatvagyan Vidyapeeth, Ghodbunder Road, Thane West, Thane, Maharashtra 400610, India
18	HQ Yogyakarta, Hartono Mall 3th Floor, Jl. Ring Road Utara, Kaliwaru, Condongcatur, Depok, Sleman, Daerah Istimewa Yogyakarta, 55281, Indonesia
19	CIBIS PARK LOT 411, Jl. TB. Simatupang No.2 RT., 13/RW.5 Cilandak Timur, Pasar Minggu, Jaksel DKI Jakarta, 12560, Indonesia
20	Unit 38 Airways Industrial Estate, Dublin 17, Ireland

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

REGISTERED OFFICE ADDRESS KEY (continued)

21	Unit 12 Northlink Business Park, Mallow Road, Blackpool, Cork, Ireland
22	2C, Rue Nicolas Bové, L-1253, Luxembourg
23	Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
24	Level 4, 26 Virginia Avenue, Eden Terrace, Auckland 1021, New Zealand
25	2nd Floor, Royal Square Bldg, Lopez Jaena Street, Subangdaku, Mandanue City, Cebu, Philippines
26	Unit 1001-1003 10th Floor, The Mega Tower, EDSA corner Julia Vargas Avenue, Wack-Wack Greenhills, City of Mandaluyong, Second District, National Capital Region (NCR), 1550, Philippines
27	Gazownicza 5, 43-300 Beilsko Biala, Poland
28	Rua Frei Joaquim de Santa Rosa de Viterbo, Lote 95, Loja A, r/c, Dtº Jugueiros, Viseu, Portugal
29	Dumitru Zosima no 38, Bucharest, Romania
30	Jeddah, K5 Old Makkah Road, PO Box 1588, Postal 21441, Saudi Arabia
31	42 Dryden Road, Bilston Ind Estate, Loanhead, Midlothian, EH20 9LZ, Scotland
32	Forth House, Pirnhall Business Park, Sterling, Sterlingshire, FK7 8HW, Scotland
33	133 Cecil Street, #15-02 Keck Seng Tower, Singapore 069535, Singapore
34	750 Chai Chee Road, #03-01, Esr Bizpark @ Chai Chee, Singapore 469000, Singapore
35	65 Chulia Street, #38-02/03, OCBC Centre, Singapore 049513, Singapore
36	Piaristicka 2, 949 01 Nitra, Slovakia
37	C/Canal de Crespo 9, P.I Juan Carlos 1, Almussafes, Valencia, 46440, Spain
38	170/42, Ocean Tower 1 Building 14th Floor, New Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand
39	234 Soi Sukhumvit 101 (Punnavithi) Sukhumvit Road, Bangchak, Prakhanong District, Bangkok 10260, Thailand
40	Office 308, Al Fahim HQ Building, Musaffah M-4, Abu Dhabi, United Arab Emirates