



KAEFER Limited

Report and Financial Statements

31 December 2025

Directors

C Foulkes
W R Bell

Secretary

M-L Bozonet

Auditor

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

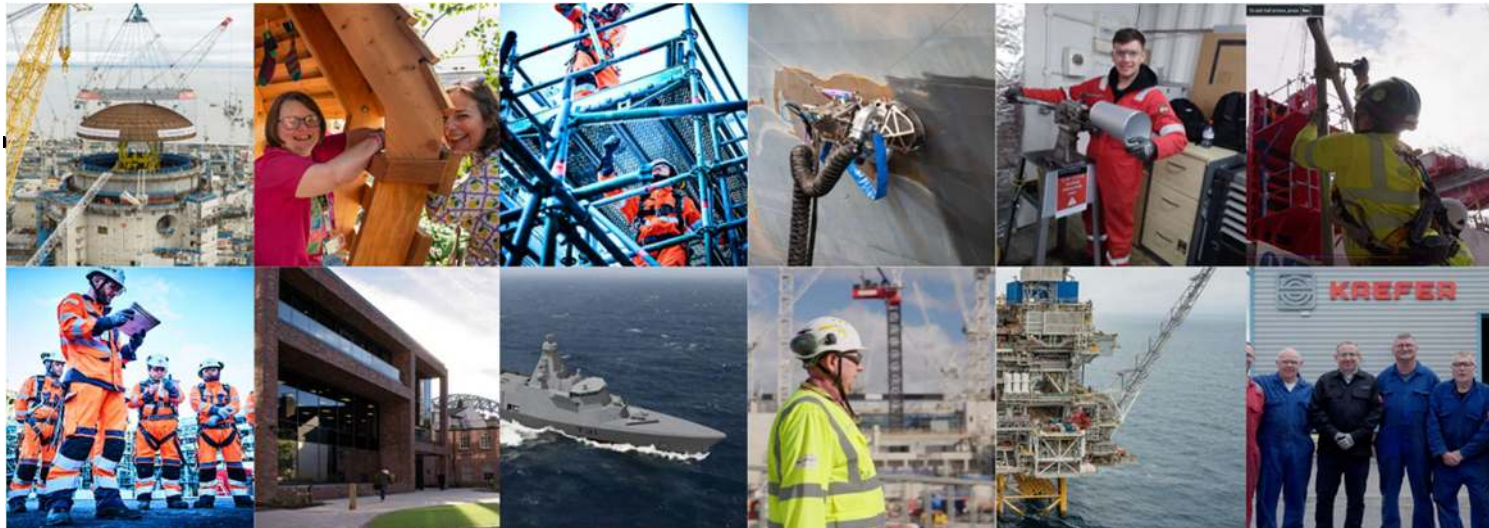
Deutsche Bank AG
10 Bishops Square
London
E1 6EG

HSBC UK Bank PLC
London Commercial Banking Centre
6th Floor, 71 Queen Victoria Street
London
EC4V 4AY

HSBC Continental Europe, Ireland
1 Grand Canal Square
Grand Canal Harbour
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D02 P820
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Registered Office

Live Works Building
55-57 Quayside
Newcastle upon Tyne
NE1 3DE



FOREWORD



We are pleased to present our financial statements for 2025. Our revenue for the year was £351.5m, an increase of £14.6m on the prior year. EBITDA for 2025 was £28.0m, up £2.9m from £25.1m in 2024, and cash in hand at 31 December 2025 was £33.6m (31 December 2024: £21.4m).

We operate primarily across the Nuclear, Defence, Energy and Industrial sectors. To deliver our strategic initiatives, we continue to focus on our key enablers: People, Process, Customer and Brand.

AT A GLANCE

£351.5m

REVENUE 2025

£28.0m

EBITDA

£16.1m

PROFIT AFTER TAX

£33.6m

CASH IN HAND

£96.7m

NET ASSETS

3,088

AVERAGE NO. OF EMPLOYEES

At the end of 2025, we relocated our head office to the Quayside in Newcastle city centre, providing an excellent working environment for our teams. We continue to invest significantly in our apprenticeship programmes and in the development and training of our people.

We remain committed to achieving our ESG objectives and are proud to continue our long-term charity partnerships with the Down's Syndrome Association, Down's Syndrome Scotland and Down Syndrome Ireland.

In 2025, we changed our reporting framework from Financial Reporting Standard 102 to Financial Reporting Standard 101. As a result, we have restated certain 2024 comparatives in accordance with the new framework. This change aligns KAEFER Limited with the KAEFER Group, which adopted International Financial Reporting Standards with a transition date of 1 January 2024.

We look forward to creating the future together and remain committed to our mission of being the most reliable and efficient provider of technical industrial services.



Chris Foulkes

CEO, KAEFER UK & Ireland

Strategic report

The Directors present their Strategic Report for the year ended 31 December 2025.

The Company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in this report the following which the Directors believe to be of strategic importance:

- Result for the year
- Principal activities and review of the business
- Future developments
- Principal risks and uncertainties

As set out in more detail in the Accounting Policies (note 1 on pages 22 to 34), these financial statements represent the Company's first set of financial statements prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework'. Under this framework, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) ('IFRS') but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. The transition date was 1 January 2024, and as such, the 2024 comparatives within these financial statements have been restated in accordance with the new framework.

Result for the year

KAEFER Limited reported a profit after taxation for the financial year of £16,063k (2024: £14,656k).

Principal activities and review of the business

The principal activities of the Company are those of providing insulation, heating, ventilation, air conditioning, fireproofing, asbestos removal, painting, scaffolding and other access contract services. The Company operates from its head office in Jarrow, Tyne & Wear where it also has a fabrication facility, and various other facilities in the North East, the North West and the South of England, plus Scotland, Wales, Northern Ireland, and the Republic of Ireland.

At the end of 2025 the Company relocated its headquarters to the Live Works building on Newcastle's iconic Quayside. This landmark location, with its inspiring design, provides an excellent work environment for our staff and reinforces the Company's standing as an employer of choice.

Turnover has increased by 4% year-on-year to £351,524k (2024: £336,901k), through a combination of increased activity with the Company's existing customer base and the commencement of new work, including a number of significant new contracts during 2025.

Improved operating performance has also driven increased gross profit margins, with 14.0% reported for the year, up from 13.7% for 2024.

These results translated into EBITDA (note 24) of £28,017k for the year (2024: £25,130k).

Net assets increased to £96,656k, up from £85,591k for 2024, driven by the result for the year, and reflect a dividend of £5m paid in the year. The cash and cash equivalents balance reported at 31 December 2025 was £33,632k (2024: £21,442k).

The average number of employees during the year increased slightly to 3,088 (2024: 3,051).

Health & Safety continues to play a crucial role within the strategy of KAEFER Limited.

Strategic report (continued)

Future developments

The Company will continue to seek organic growth to increase the volume and scope of its higher margin activities through new and existing client relationships, as well as to expand through acquisition where opportunities are available.

Given the nature of the UK&I business and the relatively small number/size of properties, the increases in gas and electricity costs have not had a significant impact. The Directors have taken into account salary and wage inflation in preparing the Company's forecasts and consider that sufficient provision has been made. The vast majority of the Company's contracts are reimbursable or unit rate which have mechanisms in place for increases. The recent/anticipated increases are therefore not felt to be of a material concern to the business.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

Competitive risks

The Company manages competitive trading risk by providing added value and maintaining strong relationships with customers. It is assisted in this through its association with KAEFER SE & Co. KG.

Economic uncertainty risk

Given the nature of the UK&I business and the relatively small number/size of properties, the increases in gas and electricity costs have not had a significant impact. The Directors have taken into account salary and wage inflation in preparing the Company's forecasts and consider that sufficient provision has been made. The vast majority of the Company's contracts are reimbursable or unit rate which have mechanisms in place for increases. The recent/anticipated increases are therefore not felt to be of a material concern to the business.

Geopolitical risk

The Directors note the conflict between Russia and Ukraine, and the conflict in the Middle East that remain ongoing at the date of approval of these financial statements. The Company does not operate in these regions either directly or indirectly, and the Directors do not at this time consider that these conflicts pose any material risk to the Company. However, the Directors continue to monitor what remain evolving situations, particularly regarding any new sanctions that may be implemented.

Climate and related risks

In preparing the financial statements, management has considered the impact of climate change, and the possible impact of climate-related business risks. No material issues were identified that would impact the carrying values of the Company's assets or liabilities or have any other material impact on the financial statements.

Financial risk management policy

The Company's principal financial instruments comprise its cash balances. Other financial assets and liabilities, such as trade debtors, amounts recoverable on long term contracts, trade creditors and other related parties balances, arise directly from the Company's operating activities.

The Company does not undertake any hedging activity.

The main risks associated with the Company's financial assets and liabilities are set out below:

Strategic report (continued)

Financial risk management policy (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter in meeting obligations associated with its financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation from its operations and ensuring contract terms are agreed and adhered to as much as is practicable. Flexibility is maintained by access to bank overdraft facilities.

Credit risk

The Company policy is to carry minimal external debt. All cash is held in current or short-term deposit accounts. Where uncertainty exists over the recoverability of uninvoiced sales, the Directors have reviewed the position and made adequate provision against any potential shortfall.

Stakeholder engagement and s.172(1) statement

The Directors have a duty to promote the success of the Company for the benefit of its members as a whole. The success of the Company is influenced by, as well as sometimes dependent upon, interactions with a broad range of stakeholders, both internal and external.

The following statement which is required by the Companies Act 2006 describes how the Directors have had regard to the matters set out in section 172(1a to 1f) and how the views of the Company's stakeholders have informed their decision making.

Long term thinking

The Directors are conscious that their strategic decisions determine the future direction of the Company, not only in the immediate term, but also in the months and years to come.

Customers

Why we engage

The need to think long-term is in part due to the nature of the market in which the Company operates. The efficient provision of the multi-disciplinary sub-contract services of KAEFER Limited is of fundamental importance to our customers, who themselves operate in long term industries such as infrastructure, construction, nuclear, marine, process, energy and offshore, and in turn to their customers, who are ultimately the wider population.

As such the Directors consider it vital to align their strategic thinking with that of their customers: failure to do so would inevitably have a detrimental impact on the business.

How we engage

KAEFER Limited engages with customers in a variety of ways including site visits, regular meetings to discuss progress and other matters of mutual interest and customer feedback surveys.

What matters to them

Safety is the number one priority for KAEFER Limited and its customers and is always the prime focus of discussions. In addition, individual project progress, costs and efficiencies are key items of interest.

Workforce

Why we engage

The Company's performance is fundamentally driven by its workforce; a significant proportion of its total cost base is made up of its employees, agency workers and subcontractors. It is therefore crucial that the Board consider the interests of the workforce in key decisions affecting the Company.

The health and safety of the workforce, together with that of others at the locations at which we operate, is the Directors' number one priority. As a result, any potential health and safety consequences are considered at the forefront of their decision-making processes.

Strategic report (continued)

Stakeholder engagement & s.172(1) statement (continued)

How we engage

We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and best supports their wellbeing. We invest significantly in our workforce as we believe that maintaining low turnover rates across the entire workforce leads to greater efficiency and productivity.

We hold regular meetings with employee representatives at all levels in the organisation. We provide opportunities at these meetings for senior management to be questioned about matters which concern employees and to update employees on Company performance. The Directors promote compliance with all employment legislation including requirements concerning health and safety at work, equal opportunities in employment and employment of disabled people.

We consider the importance of workforce wellbeing through a range of different methods, this includes:

- Regular business updates presented by the Chief Executive Officer
- Financial updates presented by the Chief Financial Officer
- Opportunity to provide feedback through reporting lines
- Established HR processes and code of conduct
- 'Tool Box Talks' on a range of health and safety as well as compliance issues
- Employee Assistance Programme including a confidential support hotline
- Business ethics hotline
- Company website/SharePoint
- Inhouse e-magazine and regular communications

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Further information on this is included on page 11.

What matters to them

We believe that our employees are looking for a safe workplace that gives job security with appropriate reward, opportunities for progression, challenging roles, and good communications.

Suppliers

Why we engage

Given the long-term nature of our customer relationships it is essential that these are supported by positive, and frequently also long term, supplier relationships. The Directors are particularly aware of the need to ensure quality and consistency in our supply chain to maintain the standard of our service delivery to customers. This can only be achieved through the development and fostering of collaborative supplier relationships.

How we engage

Engagement with suppliers is coordinated by the Supply Chain Function who maintain a close day-to-day relationship with key suppliers in particular and the wider supplier base as a whole.

Strategic report (continued)

Stakeholder engagement & s.172(1) statement (continued)

What matters to them

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between them and the Company, provided that all trading terms and conditions have been complied with. Company policy is to pay suppliers within agreed terms.

Health and Safety Executive ('HSE') & Regulatory

Why we engage

To ensure that everyone that works for KAEFER Limited, and all interested parties, return home every day safe. Through engagement with the HSE we ensure that our systems are robust to prevent work related deaths, injury, and ill health.

How we engage

We engage through attending HSE conferences, formal and informal discussions and via the www.hse.gov.uk web site.

What matters to them

The HSE is the independent regulator of health and safety matters in the UK and has helped protect millions of people from devastating injury and suffering. The HSE holds companies to account for their failures and leads the way to ensure the occupational health and safety of all workers is protected.

Communities and the environment

Why we engage

Our service provision spans the entire life cycle of customers' facilities. It is in the shared interest of the company, its customers, and the environment in which they operate to minimise waste and environmental impact throughout this life cycle. Such considerations are inextricably linked to the Directors' underlying priorities of maintaining safe and efficient operations.

The Directors are also conscious of the relationship between the company and the communities in which it operates and wherever possible, the use of a local workforce is prioritised in the interest of both parties. Close links are also forged between the company and local stakeholders.

How we engage

KAEFER Limited looks to engage as closely as it can with the local community and this includes the sponsorship of local events and sports teams, links to local schools and colleges for career development, support for local food banks, support for local job creation schemes and mental health training and support, amongst other initiatives.

What matters to them

Local communities are keen to see the positive engagement of businesses operating within the community, especially those that support a sustainable approach to operations, which KAEFER Limited seeks to do through its core values of Reliability, Ambition, Team Spirit and Respect.

Shareholders and reputation

The company is wholly owned as part of the KAEFER Group. The Group's stated mission is 'To be the most reliable and efficient provider of technical industrial services'.

The achievement of this mission is reliant on the Directors' consideration of the company's broader stakeholders as set out above, in order to provide a consistently safe and high-quality service, efficiently delivered for the mutual benefit of all parties.

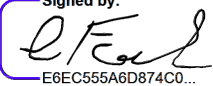
Strategic report (continued)

Stakeholder engagement & s.172(1) statement (continued)

Impact on decision making

During 2025, a key focus of the Directors' decision making was around preparation for the KAEFER Group's LIFT 2028 strategy, with a key driver being to continue to sustainably grow the business. The key strategic enablers: 'People', 'Process', 'Customer' and 'Brand' are the drivers behind a range of specific corporate initiatives, in order to help the Company deliver on that ambition.

The Strategic Report was approved by the Board of Directors on 21 April 2026 and is signed on their behalf by:

Signed by:

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C Foulkes
Director

Directors' report

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

Dividends

Aggregate dividends paid in respect of 2025 amounted to £5,000k (2024: £nil).

Going concern

The Directors review forecasts of the Company's liquidity requirements to ensure that it has access to sufficient cash to meet operational needs. This assessment takes into consideration any applicable debt and interest arrangements. The Company had no debt financing at 31 December 2025 (2024: £nil).

The Company reported a profit before income tax of £21,814k (2024: £19,689k) which included depreciation and amortisation of £5,881k (2024: £4,963k), finance charges relating to intercompany guarantees of £115k (2024: intercompany loans and guarantees of £327k), finance charges relating to right-of-use assets of £179k (2024: £153k), third party interest charges of £28k (2024: £nil) and licence fees payable to the parent company of £7,908k (2024: £7,580k).

The financial statements have been prepared on the going concern basis after assessing the principal risks to the Company, including the current inflationary pressures on the business. Cashflow forecasts have taken into account the post year end position up to the date of signing of these financial statements, plus a range of stress testing scenarios have been considered. The Company also has available bank overdraft facilities of £9,000k remaining unutilised at the time of approval of these financial statements.

The Directors have in making their assessment considered the impact of the current environment and forward-looking projections for the period to 30 April 2027.

The Directors do not consider that the ongoing inflationary pressures will have a material impact on the ability of the Company's customers to pay, nor or the Company's ability collect those receivables; this is due to the nature of the Company's customer base and the long-term agreements in place with them.

The Directors have assessed that the Company can continue to operate within the current resources and facilities available to it for the period to 30 April 2027.

However, in the unlikely event that additional funding is required, the Directors have received confirmation from the Company's ultimate parent, KAEFER SE & Co. KG, that it will continue to make available such funds to the extent that they are not otherwise available to the Company to meet its liabilities as they fall due for the period to 30 April 2027.

After making appropriate enquiries and having considered the business activities and the Company's principal risks and uncertainties and sources of funding, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 30 April 2027. Based on the undertaking set out above from KAEFER SE & Co. KG, the Directors consider that the going concern basis of preparation for these financial statements is appropriate. Accordingly, these financial statements have been prepared on a going concern basis.

Directors

The Directors who served the Company during the year and up to the date of approval of these financial statements were as follows:

C Foulkes

T Goerigk (resigned 1 January 2026)

I Tattersall (resigned 24 March 2025)

W R Bell (appointed 24 March 2025)

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' report.

Directors' report (continued)

Statement of corporate governance arrangements

In line with The Companies (Miscellaneous Reporting) Regulations 2018, the following section sets out the corporate governance arrangements that the Company has had in place during the year. Further information which demonstrates how the Board makes decisions for the long-term success of the Company and its stakeholders, including how the Directors ensure that Company complies with section 172 of the Companies Act 2006 can be found in the Strategic Report on pages 3 to 8.

Mission and values

KAEFER Limited is a wholly owned subsidiary within the worldwide KAEFER Group, which is driven by its mission 'To be the most reliable and efficient provider of technical industrial services' and by the values of 'Reliability, Ambition, Team Spirit and Respect' which serve as a foundation for how KAEFER teams work together, support each other and deliver excellence to KAEFER's clients.

Underpinning all of this is KAEFER's commitment to the health, safety and wellbeing of its employees and stakeholders as a fundamental priority.

Organisational and leadership structure

The KAEFER Group is headquartered in Bremen, Germany, led by its Executive Board, to whom the Board of Directors of KAEFER Limited report and who are responsible for their appointment and remuneration.

KAEFER Limited's Board of Directors comprises: Chris Foulkes, Chief Executive Officer and William Robert Bell, Chief Financial Officer. The Board of Directors is supported in the delivery of its objectives by Marie-Louise Bozonet, Company Secretary, and a wider Executive Leadership Team.

Governance principles

The Company's ultimate parent, KAEFER SE & Co. KG, has an established corporate governance policy to fulfil its governance reporting requirements. Having taken this into account, the Directors have chosen not to apply a separate code, however, this report explains how the Company has embedded the corporate governance arrangements established by the Group into its operations.

As a worldwide group, KAEFER has an established organisational and leadership structure, together with detailed and comprehensive governance arrangements through its 'KAEFER Rules' system of policies, procedures and guidance, led from its headquarters in Germany and cascaded via its local territorial leaders, including the Directors of KAEFER Limited, to all of its employees worldwide. The KAEFER Rules system, together with KAEFER's Code of Business Conduct, set out clear principles and expectations for all employees, including the group's Executive Board and the Directors of KAEFER Limited.

Within this framework, KAEFER Limited's directors are responsible for all aspects of the local organisation and in this regard, additional governance arrangements are in place locally which supplement and complement those implemented at group level.

The Board of Directors ensure that between themselves and the Executive Leadership team, there is sufficient detailed knowledge of the Company, its stakeholders and the environment in which they operate, in order to ensure appropriate governance.

The Directors and the Executive Leadership Team meet regularly to review the performance and position of the company in financial and non-financial terms with key non-financial considerations including health and safety, commercial, operational, quality, people, business strategy and development, legal and environmental, social and other governance matters. Risks and opportunities are also assessed, prioritised, and tracked with mitigations, actions and owners determined in order to ensure that they are addressed appropriately.

The Company's remuneration practices have been developed to provide a reward mechanism for future success and align to delivery of financial performance, business priorities and delivery of its continued growth strategy. Details of staff costs including Directors' remuneration and information regarding the Company's pension commitments are provided in notes 4 and 5 to these accounts on page 36 and in note 19 to these accounts on page 44.

Directors' report (continued)

Statement of corporate governance arrangements (continued)

The Directors ensure that suitable organisational structures and delegations of authority are in place to consider and manage risk at appropriate levels throughout the company.

The Directors regularly review the arrangements detailed above and they are confident that they remain effective and sufficient in ensuring the appropriate governance of the Company.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Branches outside the United Kingdom

In addition to its operations in the United Kingdom, the Company also has a branch in the Republic of Ireland.

Streamlined Energy and Carbon Reporting (SECR) Framework

Usage and emissions

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the Company reports its greenhouse gas ('GHG') emissions as part of this Directors' Report.

The current reporting year (1 January 2025 - 31 December 2025) is the fifth year for which KAEFER Limited has compiled its 'Scope 1' and 'Scope 2' energy usage, greenhouse gas emissions and related information under the SECR Framework:

	Unit	2025	2024	2023
Total energy use including gas, electricity and company vehicle fuel	MWh	8,220	9,131	10,709
Emissions generated through combustion of gas	tCO ₂ e	-	48	87
Emissions generated through use of purchased electricity	tCO ₂ e	-	38	129
Emissions generated through use of company vehicles	tCO ₂ e	1,794	1,999	2,281
Total gross emissions from the above	tCO ₂ e	1,794	2,085	2,497
Intensity ratio (total gross emissions)	kgCO ₂ e	607	683	865

The methodology used to calculate the emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard in line with the guidance on SECR. All reported figures relate to emissions in the United Kingdom and its offshore areas.

Directors’ report (continued)

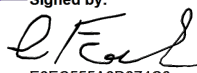
Streamlined Energy and Carbon Reporting (SECR) Framework (continued)

Carbon reduction initiatives

The Company undertook the following environmental management measures and projects during 2025:

	Description	Topic/Category
Energy Saving Opportunities Scheme (ESOS)	ESOS energy action plan submitted for Jarrow fabrication facilities and within the transport department	Emissions
Power	Reinstate wind turbines at Jarrow facility – ongoing project due to issues with maintenance	Emissions
Waste	Waste broker introduced for KAEFER owned and controlled facilities	Emissions
Competence	All members of the Executive Leadership Team received Environmental, Social and Governance training	People
Supply Chain	Key suppliers to have completed the “Supplier Self-Assessment” through IntegrityNext platform	Supply Chain Sustainability
Ecovadis	Bronze award gained, improving from 2024	Economic Performance
Tendering	Inclusion of Environmental, Social and Governance metrics in Invitations To Tender	Economic Performance

On behalf of the Board

Signed by:

E6EC555A6D874C0...
C Foulkes
Director
21 April 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAEFER LIMITED

Opinion

We have audited the financial statements of KAEFER Limited for the year ended 31 December 2025 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, and the related notes 1 to 24, including material accounting policy information. The financial reporting framework that has been applied in their preparation 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 company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the company's financial close process, we obtained an understanding of management's going concern assessment process and we engaged with management early to ensure key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecast, for the going concern assessment period through to 30 April 2027 and assessed these for arithmetical accuracy. This included comparing actual performance to 28 February 2026, to management's base case forecast.

- We obtained an understanding of and considered the plausibility of each of management's modelled scenarios, including the base case and downside/stress test cases, which incorporated changes to the trading performance and the resultant impact on the forecasted liquidity of the company.
- We further reviewed the company's borrowing facilities to both verify their availability to the company.
- We assessed the appropriateness of the duration of the going concern assessment period to 30 April 2027 and considered the existence of any significant events or conditions beyond this period based on our procedures on the company's business plan, forecasts and from knowledge arising from other areas of the audit.
- We performed further sensitivity analysis and our own stress testing in order to identify what scenario could lead to the company utilising all liquidity during the going concern period, and whether this scenarios was plausible.
- We considered the mitigating actions that management could undertake in an extreme downside scenario and whether these are achievable and in control of management.
- We considered whether the going concern disclosures included in the financial statements were appropriate and in conformity with the reporting standards.

Our key observations

The results from both management's evaluation and independent sensitivity analysis indicates that in order to exhaust its available funding throughout the going concern period, the company's revenue and margin would need to reduce by 50% from the base case from February 2026 combined with a change in the cash collection profile of which only 25% of the invoiced receivables which is collected in the following month. This is a position that is significantly worse than any of the plausible downside scenarios. Management has concluded that the likelihood of this combination of events to be remote.

As at 31 December 2025, the company has net cash balance of £33.6m and available overdraft facilities of £9m. The directors' assessment forecasts that the company will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario.

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 company's ability to continue as a going concern for a period to 30 April 2027.

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 company'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.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, 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 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 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.

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations. In addition, the company is required to comply with laws and regulations relating to its operations, health and safety, environmental and data protection.
- We understood how the company is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through the review of board minutes, internal policies and code of conduct as well as consideration of the results of our audit procedures over the company's financial statements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management, including the UK and Ireland Chief Financial Officer, to understand where it considered there was a susceptibility to fraud. We also considered the company's performance targets and their propensity to influence efforts made by management to manage earnings. Where the risk is considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journals selected based on risk criteria and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Specifically, we identified fraud risks relating to improper revenue recognition and inappropriate revenue and profit recognition on long term contracts. We performed a risk assessment of contract population and selected a sample of higher risk contracts (based on value and/or complexity) and obtained an understanding of the contract terms, key operational and commercial issues, judgements impacting the contract position. Factors we considered when determining higher risk contracts to test, included size of contract, contracts with significant contract assets positions, low margin contracts, contracts with significant contract/cost provisions. We assessed the appropriateness of managements assumptions relating to certain contract asset and liability positions by sampling key elements to supporting documentation. Further we assessed the recoverability of significant contract assets to supporting evidence including third party certification and/or cash collection subsequent to the year end.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved incorporating data analytics into our journal entry testing with a focus on journals indicating unusual transactions based on our understanding of the business. We further performed inquiries of those responsible for legal and compliance of the company and management and performed focused testing on revenue recognition and higher risk contract positions. In addition, we completed procedures to conclude on the compliance of disclosures in the annual report and financial statements with all the applicable requirements.

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.

DocuSigned by:

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Stephanie Beaumont (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Newcastle upon Tyne

21 April 2026

Income Statement

for the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Revenue	2	351,524	336,901
Cost of sales		(302,270)	(290,590)
Gross profit		49,254	46,311
Administrative expenses		(27,322)	(25,961)
Other operating income		338	123
Other operating expenses		(134)	(306)
Operating profit	4	22,136	20,167
Finance income	7	-	2
Finance costs	7	(322)	(480)
Profit before income tax		21,814	19,689
Income tax expense	8	(5,751)	(5,033)
Profit for the financial year		16,063	14,656

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 December 2025

	2025 £'000	2024 £'000
Profit for the financial year	16,063	14,656
Currency translation differences relating to overseas branch	2	(77)
Total comprehensive profit for the year	16,065	14,579

Statement of Changes in Equity

for the year ended 31 December 2025

	<i>Share capital £'000</i>	<i>Share premium account £'000</i>	<i>Capital redemption reserve £'000</i>	<i>Currency translation reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2024	2,969	64,921	875	(195)	2,442	71,012
Profit for the financial year	-	-	-	-	14,656	14,656
Currency translation differences relating to overseas branch	-	-	-	(77)	-	(77)
At 31 December 2024	2,969	64,921	875	(272)	17,098	85,591
Profit for the financial year	-	-	-	-	16,063	16,063
Currency translation differences relating to overseas branch	-	-	-	2	-	2
Dividends paid	-	-	-	-	(5,000)	(5,000)
At 31 December 2025	2,969	64,921	875	(270)	28,161	96,656

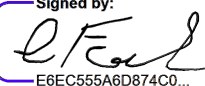
Statement of Financial Position

at 31 December 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	9	30,247	30,248
Property, plant and equipment	10	24,945	24,888
Right-of-use assets	11	5,692	2,957
Investments in subsidiaries	12	-	-
		<u>60,884</u>	<u>58,093</u>
Current assets			
Inventories	13	946	344
Trade and other receivables < 1 year	14	54,716	52,656
Trade and other receivables > 1 year	14	4,815	2,859
Cash and cash equivalents		<u>33,632</u>	<u>21,442</u>
		94,109	77,301
Creditors: amounts falling due within one year	15	<u>(46,484)</u>	<u>(40,521)</u>
Net current assets		<u>47,625</u>	<u>36,780</u>
Total assets less current liabilities		108,509	94,873
Creditors: amounts falling due after more than one year	16	<u>(4,974)</u>	<u>(2,306)</u>
Provisions for other liabilities	17	<u>(6,879)</u>	<u>(6,976)</u>
Net assets		<u><u>96,656</u></u>	<u><u>85,591</u></u>
Equity			
Ordinary shares	18	2,969	2,969
Share premium		64,921	64,921
Capital redemption reserve		875	875
Currency translation reserve		(270)	(272)
Retained earnings		<u>28,161</u>	<u>17,098</u>
Total shareholders' funds		<u><u>96,656</u></u>	<u><u>85,591</u></u>

The notes on pages 22 to 45 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 21 April 2026 and were signed its behalf by:

Signed by:

E6EC555A6D874C0...
C Foulkes
Director

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies

Material accounting policies

KAEFER Limited is a private limited liability company, limited by shares, incorporated in England. The Registered Office is Live Works Building, 55-57 Quayside, Newcastle upon Tyne, NE1 3DE. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) ('IFRS') but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are set out later within this note.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirement of IFRS 1, 'First-time adoption of International Financial Reporting Standards', to present a statement of financial position at the date of transition.
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of: Paragraph 79(a)(iv) of IAS 1; Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements': 10(d) (statement of cash flows), 16 (statement of compliance with all IFRS), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 111 (statement of cash flows information), and 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- The requirements of paragraphs 88C and 88D of IAS 12 Income Taxes.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives, and management's approach to determining these amounts).

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 January 2024. The previous financial statements were prepared in accordance with previously applicable UK accounting standards comprising FRS 102.

Accordingly, the Company has prepared financial statements in accordance with FRS 101 as at 31 December 2025, together with the comparative period data for the year ended 31 December 2024. This note explains the principal adjustments made by the Company in restating its financial statements, including the financial statements as of, and for, the year ended 31 December 2024.

FRS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

- IFRS 3 Business Combinations has not been applied to acquisitions that occurred before 1 January 2024. Use of this exemption means that the previous UK GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Company did not recognise any assets or liabilities that were not recognised under previous UK GAAP or exclude any previously recognised amounts as a result of IFRS recognition requirements.
- IFRS 1 also requires that the previous UK GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Company has tested goodwill for impairment at the date of transition to FRS 101. There was no impairment recognised on goodwill at 1 January 2024.
- The Company has not applied IAS 21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to FRS 101. Such fair value adjustments and goodwill are treated as assets and liabilities of the acquirer rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the acquirer or are non-monetary foreign currency items and no further translation differences occur.
- The Company assessed all contracts existing at 1 January 2024 to determine whether they contained a lease based upon the conditions in place as at that date. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2024. Right-of-use assets were measured at the amount equal to the lease liabilities. The lease payments associated with leases for which the lease term ended within 12 months of the date of transition to FRS 101 and leases for which the underlying asset is of low value have been recognised as an expense on a straight-line basis over the lease term.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

Reconciliation of equity as at 31 December 2024:

	Notes	FRS 102 £'000	Adjustments £'000	FRS 101 £'000
Fixed assets				
Intangible assets	a	27,675	2,573	30,248
Property, plant and equipment		24,888	-	24,888
Right-of-use assets	b	-	2,957	2,957
Investments in subsidiaries		-	-	-
		52,563	5,530	58,093
Current assets				
Inventories		344	-	344
Trade and other receivables < 1 year	c	52,687	(31)	52,656
Trade and other receivables > 1 year		2,859	-	2,859
Cash and cash equivalents		21,442	-	21,442
		77,332	(31)	77,301
Creditors: amounts falling within one year	b, d	(39,800)	(721)	(40,521)
Net current assets		37,532	(752)	36,780
Total assets less current liabilities		90,095	4,778	94,873
Creditors: amounts falling due after more than one year	b, d	-	(2,306)	(2,306)
Provisions for other liabilities	e	(7,492)	516	(6,976)
Net assets		82,603	2,988	85,591
Equity				
Ordinary shares		2,969	-	2,969
Share premium		64,921	-	64,921
Capital redemption reserve		875	-	875
Currency translation reserve		(271)	(1)	(272)
Retained earnings		14,109	2,989	17,098
Total shareholders' funds		82,603	2,988	85,591

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2024:

		FRS 102	Adjustments	FRS 101
Continuing operations	Notes	£'000	£'000	£'000
Revenue		336,901	-	336,901
Cost of sales	b, c, f	(291,051)	461	(290,590)
Gross profit		45,850	461	46,311
Administrative expenses	a, b, f	(30,026)	4,065	(25,961)
Other operating income	f	-	123	123
Other operating expenses	f	-	(306)	(306)
Operating profit		15,824	4,343	20,167
Finance income		2	-	2
Finance costs	b, f	(207)	(273)	(480)
Profit before income tax		15,619	4,070	19,689
Income tax expense	e	(5,148)	115	(5,033)
Profit for the financial year		10,471	4,185	14,656

		FRS 102	Adjustments	FRS 101
Other comprehensive income		£'000	£'000	£'000
Profit for the financial year		10,471	4,185	14,656
Currency translation differences relating to overseas branch		(76)	(1)	(77)
Total comprehensive profit for the year		10,395	4,184	14,579

Notes to the reconciliations of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024:

a. Goodwill and intangible assets

Under previous UK GAAP, the Company amortised goodwill arising on business combinations over 10 years. Under FRS 101 it is not amortised but is subject to an annual impairment review. No impairment was recognised at the date of transition to FRS 101. For the year ended 31 December 2024 no impairment was recognised, resulting in a decrease in administrative expenses and a corresponding increase in retained earnings of £4,532k.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

Under previous UK GAAP, the Company capitalised certain computer software costs relating to the purchase and development of a new HR system. Under FRS 101 these costs do not meet the criteria for capitalisation and as such the related asset value of £1,588k at the date of transition to FRS 101 has been reduced to £nil, with a corresponding reduction in retained earnings. At 31 December 2024 the impact was a reduction of the related asset value of £1,959k to £nil. The impact on the income statement for the year ended 31 December 2024 was a reduction in depreciation of £448k and an increase in IT expenditure of £818k (both included within administrative expenses).

b. Leases

Under previous UK GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under FRS 101, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to FRS 101, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to FRS 101. Right-of-use assets were measured at the amount equal to the lease liabilities. As a result, the Company recognised an increase in right-of-use assets of £2,497k and an increase in lease liabilities of £2,497k at the transition date of 1 January 2024. Depreciation for the year ended 31 December 2024 increased by £1,357k (£1,002k was included in cost of sales and £355k was included in administrative expenses) and finance costs increased by £153k. Rental and hire costs reduced by £1,437k (£1,033k relating to cost of sales and £404k to administrative expenses). As at 31 December 2024 the balance relating to right-of-use assets was £2,957k and the balance relating to lease liabilities was £3,027k (£1,302k was included in financial liabilities < 1 year and £1,725k was included in financial liabilities > 1 year).

c. Trade and other receivables

The adoption of FRS 101 has changed the Company's accounting for impairment losses for financial assets by replacing incurred loss approach under previous UK GAAP with a forward-looking expected credit loss (ECL) approach. At the date of transition to FRS 101, the Company recognised additional impairment on its trade receivables of £12k, which resulted in a decrease in retained earnings by the same amount. The impact during the year ended 31 December 2024 was additional income statement charges of £19k (included in cost of sales). As at 31 December 2024, the additional impairment recognised under FRS 101 compared with that under previous UK GAAP was £31k.

d. Reclassification of liabilities

The adoption of FRS 101 resulted in the reclassification at 31 December 2024 of certain other financial liabilities amounting to £581k from creditors falling due within one year to creditors falling due after more than one year. There were no such reclassifications at the date of transition.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

e. Deferred tax

The transitional adjustments resulted in various temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction and as such all have been recognised in retained earnings. At the transition date the net impact was a reduction in deferred tax liabilities of £401k. At 31 December 2024 the net impact was a reduction in deferred tax liabilities of £516k. The impact on the results for the year ended 31 December 2024 was a reduction in £115k in the tax charge.

f. Other reallocations within the Income Statement

Profits and losses on disposal of property, plant and equipment were reallocated from cost of sales (net profit £62k) and administrative expenses (net profit £25k) to other operating income (profit of £123k) and other operating expenses (loss of £36k). Restructuring costs of £270k were reallocated from administrative expenses to other operating expenses. Releases of bad debt provisions amounting to £391k were reallocated from administrative expenses to cost of sales. Intercompany guarantee charges of £120k were reallocated from cost of sales to finance costs.

Going concern

The Directors review forecasts of the Company's liquidity requirements to ensure that it has access to sufficient cash to meet operational needs. This assessment takes into consideration any applicable debt and interest arrangements. The Company had no debt financing at 31 December 2025 (2024: £nil).

The Company reported a profit before income tax of £21,814k (2024: £19,689k) which included depreciation and amortisation of £5,881k (2024: £4,963k), finance charges relating to intercompany guarantees of £115k (2024: intercompany loans and guarantees of £327k), finance charges relating to right-of-use assets of £179k (2024: £153k), third party interest charges of £28k (2024: £nil) and licence fees payable to the parent company of £7,908k (2024: £7,580k).

The financial statements have been prepared on the going concern basis after assessing the principal risks to the Company, including the current inflationary pressures on the business. Cashflow forecasts have taken into account the post year end position up to the date of signing of these financial statements, plus a range of stress testing scenarios have been considered. The Company also has available bank overdraft facilities of £9,000k remaining unutilised at the time of approval of these financial statements.

The Directors have in making their assessment considered the impact of the current environment and forward-looking projections for the period to 30 April 2027.

The Directors do not consider that the ongoing inflationary pressures will have a material impact on the ability of the Company's customers to pay, nor on the Company's ability to collect those receivables; this is due to the nature of the Company's customer base and the long-term agreements in place with them.

The Directors have assessed that the Company can continue to operate within the current resources and facilities available to it for the period to 30 April 2027.

However, in the unlikely event that additional funding is required, the Directors have received confirmation from the Company's ultimate parent, KAEFER SE & Co. KG, that it will continue to make available such funds to the extent that they are not otherwise available to the Company to meet its liabilities as they fall due for the period to 30 April 2027.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Basis of preparation (continued)

After making appropriate enquiries and having considered the business activities and the Company's principal risks and uncertainties and sources of funding, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 30 April 2027. Based on the undertaking set out above from KAEFER SE & Co. KG, the Directors consider that the going concern basis of preparation for these financial statements is appropriate. Accordingly, these financial statements have been prepared on a going concern basis.

Consolidation

The company is a wholly owned subsidiary of KAEFER International GmbH and of its ultimate parent, KAEFER SE & Co. KG. It is included in the consolidated financial statements of KAEFER SE & Co. KG, which are available on request. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Corporate Headquarters, Markstr.2, Bremen, Germany.

Foreign currency translation

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except in relation to the translation at year-end of the transactions and balances of the Company's overseas branch. The results of the overseas branch are translated at the average rates of exchange during the period and the statement of financial position at the rate ruling at the statement of financial position date. Exchange differences arising on this, and translation of the opening net assets and reserves of the overseas branch are reported as currency translation differences recognised in other comprehensive income and the currency translation reserve.

Goodwill and intangible assets

Goodwill

Positive goodwill acquired on each business combination is capitalised and classified as an asset on the statement of financial position. Positive goodwill is not subject to amortisation but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Goodwill and intangible assets (continued)

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives of between 2 to 5 years.

Where factors such as technological advancement indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. Computer software is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on all property, plant, and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and equipment	– 1 to 15 years
Motor vehicles	– 4 years
Office equipment	– 1 to 12 years
Leasehold property improvements	– Over the term of the lease

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

Leases

The company leases properties, equipment and vehicles. Contracts are made for fixed or variable periods and may have extension or termination options.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- Amounts expected to be payable by the company under residual value guarantees,
- The exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases held by the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company.

The company is in some cases exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Leases (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small tools, items of IT and office equipment and furniture.

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss, unless the asset is carried at a revalued amount, where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for intangible assets, with the exception of goodwill, is reversed in a subsequent period when the reasons for which the impairment was made have ceased to apply. Impairment relating to goodwill is never reversed.

Financial assets

All financial assets are held at amortised cost. The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Investments

Investments in are held at cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

Share capital

Ordinary shares are classified as equity.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied, which for the Company is when services have been rendered.

For fixed-price contracts, revenue is recognised based on the service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Employee benefits

The Company operates various post-employment obligation schemes in the form of defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Company. Contributions payable are charged to the income statement.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Current and deferred tax (continued)

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant impact on the carrying amounts of assets and liabilities are addressed below:

Contract accounting

The Company's activities include a number of long-term contracts. These contracts require estimates to be made in relation to revenue recognition and contract cost considerations, and the expected outcome of contractual obligations can span more than one period. Management bases its judgements on the latest available information which where applicable includes contract valuations. Full provision is made for all known or expected losses on individual contracts should any such losses be foreseen.

Useful economic lives of fixed assets

The annual depreciation and amortisation charges for fixed assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The company considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

In most cases, extension options have not been included in lease liabilities because the company could replace the assets without significant cost or business disruption.

Notes to the financial statements

For the year ended 31 December 2025

1. Accounting policies (continued)

Critical accounting estimates and judgements (continued)

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Financial instruments

The Company's financial assets and liabilities comprise trade and other receivables, cash and cash equivalents, and trade and other payables. The accounting policies for these items are set out above.

At year end the company had neither financial instruments measured at fair value through profit or loss nor those measured at fair value through other comprehensive income.

Notes to the financial statements

For the year ended 31 December 2025

2. Revenue

	2025 £'000	2024 £'000
<i>Analysis of revenue by geography:</i>		
United Kingdom	337,710	323,289
Ireland	5,443	7,049
Rest of the world	8,371	6,563
	<u>351,524</u>	<u>336,901</u>
<i>Analysis of revenue by category:</i>		
Provision of services	<u>351,524</u>	<u>336,901</u>
<i>Assets and liabilities related to contracts with customers:</i>		
Contract assets	<u>20,989</u>	<u>16,190</u>
Contract liabilities	<u>3,095</u>	<u>2,891</u>

Significant changes in contract assets and liabilities

The increase in contract assets is primarily due to a combination of increased activity, increased retention receivable after more than one year on a long term project that has progressed during the year, and timing differences in relation to invoicing of completed work (the latter being broadly offset by a reduced trade receivables balance). The increase in contract liabilities is primarily due to increased activity year on year.

Revenue recognised in relation to contract liabilities

	2025 £'000	2024 £'000
Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period	<u>2,891</u>	<u>2,293</u>

3. Impairment losses

	2025 £'000	2024 £'000
Net impairment losses / (reversals) on financial and contract assets	<u>216</u>	<u>(373)</u>

Of the above impairment losses / (reversals), £216k (2024: (£373k)) relate to receivables arising from contracts with customers.

Notes to the financial statements

For the year ended 31 December 2025

4. Operating profit

This is stated after charging/(crediting):

	2025 £'000	2024 £'000
<i>Staff costs</i>		
Wages and salaries	179,331	171,093
Social security costs	21,834	18,481
Other pension costs	12,465	10,797
	<u>213,630</u>	<u>200,371</u>
 Restructuring and reorganisation expense	 64	 270
Loss /(profit) on disposal of property, plant and equipment	56	(87)
Depreciation charge on property, plant and equipment	4,028	3,602
Depreciation charge on right-of-use assets	1,833	1,357
Amortisation charge on intangible assets	20	4
Impairment / (reversal of impairment) of trade receivables	216	(373)
Inventory recognised as an expense	20,934	21,715
Lease expenses for low value assets and short-term leases	13,612	12,959
Audit fees payable to the company's auditor	224	214

5. Directors' remuneration

	2025 £'000	2024 £'000
Remuneration receivable (excluding pension contributions)	956	830
Value of company pension contributions to defined contribution schemes	<u>59</u>	<u>54</u>
 Remuneration of highest paid director:		
Total remuneration (excluding pension contributions)	555	470
Value of company pension contributions to defined contribution schemes	<u>35</u>	<u>33</u>

The number of directors who accrued benefits under company pension schemes during the year was as follows:

	2025 No.	2024 No.
Defined contribution schemes	<u>3</u>	<u>2</u>

Notes to the financial statements

For the year ended 31 December 2025

6. Employees

The average monthly number of employees during the year was made up as follows:

	2025 No.	2024 No.
Administration	404	380
Production	2,684	2,671
	<u>3,088</u>	<u>3,051</u>

7. Finance income and costs

	2025 £'000	2024 £'000
<i>Finance income</i>		
Bank interest	-	2
	<u>-</u>	<u>2</u>

	2025 £'000	2024 £'000
<i>Finance costs</i>		
Intercompany loans	-	207
Intercompany guarantees	115	120
Right-of-use asset lease liabilities	179	153
Other interest costs	28	-
	<u>322</u>	<u>480</u>

8. Income Tax

(a) Tax expense

	2025 £'000	2024 £'000
Current tax:		
UK corporation tax on the result for the year	5,399	3,859
Adjustments in respect of previous periods	369	309
Total current tax	<u>5,768</u>	<u>4,168</u>
Deferred tax:		
Origination and reversal of timing differences	311	1,076
Adjustments in respect of previous periods	(328)	(211)
Total deferred tax	<u>(17)</u>	<u>865</u>
Tax on profit	<u>5,751</u>	<u>5,033</u>

Notes to the financial statements

For the year ended 31 December 2025

8. Income tax (continued)

(b) Factors affecting tax expense

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £'000	2024 £'000
Profit before income tax	21,814	19,689
Profit multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	5,454	4,922
<i>Effects of</i>		
Expenses not deductible for tax purposes	256	13
Adjustments in respect of previous periods	41	98
Total tax charge (note 8(a))	5,751	5,033

(c) Deferred tax

The movement in the deferred taxation liability during the year was:

	2025 £'000	2024 £'000
At 1 January	(3,546)	(2,681)
Adjustments in respect of previous periods	328	211
Deferred tax expense for the period	(311)	(1,076)
At 31 December	(3,529)	(3,546)

The Company's liability for deferred taxation consists of the tax effect of timing differences in respect of:

	2025 £'000	2024 £'000
Fixed asset timing differences	(5,535)	(4,513)
Short term timing differences	2,006	967
At 31 December	(3,529)	(3,546)
Deferred Tax liability	(5,535)	(3,748)
Deferred Tax asset	2,006	202
At 31 December	(3,529)	(3,546)

Notes to the financial statements

For the year ended 31 December 2025

8. Income Tax (continued)

(d) OECD Pillar Two model rules

The Company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in both the United Kingdom and Ireland, the territories in which the Company operates, during 2023 and came into effect from 1 January 2024. As a result of its effective tax rates in these territories, the Company does not consider that it has a material additional current tax exposure. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes, as provided in the amendments to FRS 101 issued in July 2023.

The Company's UK effective tax rate is expected to remain in excess of 15% and although a domestic top-up tax has applied from 1 January 2024 in Ireland, where the standard rate of corporation tax is currently 12.5%, it is not considered that this has had or will have a significant impact on the Company's results or cashflows.

9. Intangible fixed assets

	<i>Software</i>	<i>Goodwill</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost:			
At 1 January 2025	37	30,215	30,252
Additions	19	-	19
At 31 December 2025	56	30,215	30,271
Amortisation:			
At 1 January 2025	4	-	4
Charge for the year	20	-	20
At 31 December 2025	24	-	24
Net book value:			
At 31 December 2025	32	30,215	30,247
At 1 January 2025	33	30,215	30,248

Goodwill represents amounts relating to the acquisition of the trade and certain assets and liabilities of KAEFER Industrial Services Limited (then known as Wood Group Industrial Services Limited) on 31 August 2020.

Notes to the financial statements

For the year ended 31 December 2025

10. Property, plant and equipment

	<i>Leasehold property improvements</i>	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 January 2025	577	40,460	282	1,000	42,319
Additions	397	3,422	133	356	4,308
Disposals	(2)	(816)	(150)	(517)	(1,485)
At 31 December 2025	972	43,066	265	839	45,142
Depreciation:					
At 1 January 2025	329	16,212	116	774	17,431
Charge for the year	105	3,626	95	202	4,028
Disposals	(2)	(668)	(107)	(485)	(1,262)
At 31 December 2025	432	19,170	104	491	20,197
Net book value:					
At 31 December 2025	540	23,896	161	348	24,945
At 1 January 2025	248	24,248	166	226	24,888

11. Leases

The company has lease contracts for various offices, warehouses, equipment and tools used in its operations. The amounts recognised in the financial statements in relation to these leases are as follows:

Amounts recognised in the statement of financial position:

	2025	2024
	£'000	£'000
Right-of-use assets:		
Land & buildings	4,019	1,791
Motor vehicles	1,585	1,053
Office equipment	88	113
	5,692	2,957

Notes to the financial statements

For the year ended 31 December 2025

11. Leases (continued)

	2025	2024
	£'000	£'000
Lease liabilities:		
Current	1,648	1,302
Non-current	4,149	1,725
	<u>5,797</u>	<u>3,027</u>

Additions to right-of-use assets during the financial year were £4,607k (2024: £1,846k).

Amounts recognised in the income statement:

	2025	2024
	£'000	£'000
<i>Depreciation charge of right-of-use assets</i>		
Land & buildings	744	535
Plant & equipment	-	7
Motor vehicles	1,063	799
Office equipment	26	16
	<u>1,833</u>	<u>1,357</u>

	2025	2024
	£'000	£'000
<i>Other lease-related charges</i>		

Interest expense (included in Finance Costs)	<u>179</u>	<u>153</u>
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Expense related to short term leases (included in Cost of Sales)	<u>13,389</u>	<u>12,773</u>
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Expense related to short term leases (included in Administrative Expenses)	<u>223</u>	<u>186</u>
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The total cash outflow for leases was £15,529k (2024: £14,397k).

Notes to the financial statements

For the year ended 31 December 2025

12. Investments

<i>Shares in subsidiary undertakings:</i>	<i>£'000</i>
Cost:	
At 1 January 2025 and 31 December 2025	<u>89,785</u>
Impairment:	
At 1 January 2025 and 31 December 2025	<u>89,785</u>
Net book value:	
At 1 January 2025 and 31 December 2025	<u>-</u>

During the year and at the year end, the Company held a 100% direct interest in the ordinary share capital in the following subsidiary undertakings, none of which are publicly traded:

	<i>Country of registration</i>	<i>Principal activity</i>
Marine & Offshore (Scotland) Limited	England and Wales	Dormant
KAEFER Industrial Services Limited	England and Wales	Dormant
Pyeroy Limited	England and Wales	Dormant

The address of the registered office of all three companies is Live Works Building, 55-57 Quayside, Newcastle upon Tyne, NE1 3DE.

13. Inventories

	<i>2025</i>	<i>2024</i>
	<i>£'000</i>	<i>£'000</i>
Raw materials and consumables	<u>946</u>	<u>344</u>

There is no significant difference between the replacement cost of inventories and their carrying amounts.

Notes to the financial statements

For the year ended 31 December 2025

14. Trade and other receivables

	2025	2024
	£'000	£'000
<i>Due within one year:</i>		
Trade receivables	35,495	36,850
Contract assets	16,174	13,331
Amounts owed by group undertakings - trade	4	3
Corporation tax	7	82
Other financial assets	533	972
Prepayments and other non-financial assets	2,503	1,418
	<u>54,716</u>	<u>52,656</u>
	2025	2024
	£'000	£'000
<i>Due after one year:</i>		
Contract assets	4,815	2,859
	<u>4,815</u>	<u>2,859</u>

Trade receivables are stated after provisions for impairment of £427k (2024: £212k).

15. Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Trade creditors	13,155	11,955
Amounts owed to group undertakings - trade	3,295	2,588
Contract liabilities	3,095	2,891
Lease liabilities	1,648	1,302
Other taxation and social security	9,471	8,440
Other financial liabilities	2,655	2,349
Accruals	13,165	10,996
	<u>46,484</u>	<u>40,521</u>

16. Creditors: amounts falling due after more than one year

	2025	2024
	£'000	£'000
Lease liabilities	4,149	1,725
Other financial liabilities	825	581
	<u>4,974</u>	<u>2,306</u>

Notes to the financial statements

For the year ended 31 December 2025

17. Provisions for other liabilities

	2025 Other Provisions £'000	2025 Deferred tax liability £'000	2025 Total £'000	2024 Total £'000
At start of year	3,430	3,546	6,976	4,781
Additions	795	-	795	2,695
Amounts utilised	(138)	-	(138)	(428)
Unused amounts reversed	(737)	(17)	(754)	(72)
At end of year	3,350	3,529	6,879	6,976

Other provisions relate to identified future liabilities arising from certain projects and other trading costs.

Timings of movements in the net deferred tax liability are largely dependent on future events and as such remain uncertain. Movements during the year related primarily to fixed asset timing differences.

18. Share capital

	2025 £'000	2024 £'000
At 1 January and 31 December (29,688,963 ordinary shares of 10 pence each)	2,969	2,969

All shares rank pari passu in all respects.

19. Post-employment benefits

The Company operates a number of defined contribution schemes for its employees. Contributions into pension schemes during the year were £12,465k (2024: £10,797k). There was £1,249k outstanding at the year-end (2024: £1,093k).

20. Commitments

At 31 December 2025, the total amount contracted for but not provided in the financial statements was £156k (2024: £565k). This related to plant and equipment that at that date had been ordered but had not been received.

21. Contingent liabilities

The Company operates under and contributes to a group self-insurance scheme where it is liable for claims beyond certain specified limits.

Notes to the financial statements

For the year ended 31 December 2025

22. Related party transactions

The Company has taken advantage of the exemptions contained within FRS 101 from disclosing transactions with fellow Group companies and key management personnel.

23. Controlling parties

The Company's immediate parent undertaking is KAEFER International GmbH, a company incorporated in Germany.

The Company's ultimate parent undertaking and controlling party and the smallest and largest group to consolidate these financial statements is KAEFER SE & Co. KG, a company incorporated in Germany. Copies of the KAEFER SE & Co. KG consolidated financial statements are available on request from Corporate Headquarters, Marktstr.2, Bremen, Germany.

24. 'EBITDA' (Earnings Before Interest Tax Depreciation and Amortisation)

	2025 £'000	2024 £'000
Profit for the financial year (Income Statement)	16,063	14,656
Finance income (note 7)	-	(2)
Finance costs (note 7)	322	480
Taxation charge (note 8)	5,751	5,033
Depreciation of property plant and equipment (note 10)	4,028	3,602
Depreciation of right-of-use assets (note 11)	1,833	1,357
Amortisation of intangible assets (note 9)	20	4
EBITDA	<u>28,017</u>	<u>25,130</u>