

REGISTRAR COPY

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018



BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

COMPANY INFORMATION

Directors	M P Stanton K Farrimond L Hall P Burton
Company secretary	J C Simson
Registered number	04371530
Registered office	Bembridge House Bembridge Drive Kingsthorpe Northamptonshire NN2 6LZ
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Barclays Bank Plc Midlands Corporate Banking PO Box 3333 1 Snowhill Snow Hill Queensway Birmingham B3 2WN

**BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED
ENERGY SOLUTIONS LIMITED)**

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BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

Introduction

The Directors present their Strategic Report and the financial statements for the year ended 31 October 2018.

Business review

The principal activities of the Company include planned (PPM) maintenance, reactive, facilities and emergency breakdown maintenance services for mechanical, electrical, public health and specialist systems across the UK property services industry.

On 1st November 2018, the BEMS division was separated from Briggs & Forrester Building Services Maintenance Limited into a new business that commenced trading independently as Critical Control Solutions Limited (CCS). Despite this restructure, turnover was maintained at £11.9m (2017 - £12.1m) and profit before tax improved for the financial year to £378k (2017 - £190k).

This improvement in operating profit has been achieved through improved productivity resulting from an increased spread of the UK workforce and improvement in processes. This despite, turnover remaining static after the BEMS restructure detailed above.

Company net assets have increased by 34.6% to £1.31m (2017 - £970k), the result of the company profitability being retained on the balance sheet less a dividend of £10,000.

The Company cash position was improved to £848k (2017 - £636k) at the year end. The position is expected to be maintained during 2019 supported by projected volumes.

The Company has been rebranded to Briggs & Forrester Building Services Maintenance Limited, better reflecting its part within the wider Group of Companies and improving marketing activities. The Companies forward PPM order book, fully supports our forward business plans of growth for the Company.

In respect of Health, Safety, Environmental and Quality, the Company continues to pursue the highest levels of risk management across our sites, and compliance to latest standards in all appropriate respects. The company had no major RIDDOR accidents during the year and maintained the level of recorded accidents to 3 recorded incidents (2017 - 3) and a business objective for 2019 is to reduce accidents further.

The Company continues its commitment to training, with a focus on future talent requirements with 5 (2017 - 5) staff employed in both technical and craft trainee positions.

The Company continues to be committed to employee training and development fully recognising the importance of staff retention and is proud of its enviable record in this respect.

Principal risks and uncertainties

The Directors have developed strategies to achieve planned profitable growth and have funding arrangements in place to cover all foreseeable needs. The Company continually introduces new products to meet the exacting and changing needs of its market place.

The Directors continually review the risks facing the business. Where it is considered cost effective, risks to the Company and its business are covered by insurance. External factors, over which the Company has little control, include the effect of government legislation and the level of economic activity in the United Kingdom; internal factors include the skills and competencies of staff.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Financial risk management objectives and policies

Cash Flow Risk

Cash flow for the Company is managed centrally. The Company is cash generative and has a strong bank balance. Detailed cash flow forecasts are prepared by all trading companies within the Group, with the objective of alerting the Directors of any future potential risks.

Credit Risk

To mitigate the effect of the Company being unable to recover sums due from its customers, it carries out full status checks on prospective clients prior to the commencement of any contract it undertakes with them and regularly reviews the credit status of existing clients. In the event of any perceived financial risk, assurances or third party guarantees are sought by the Company.

Supply Chain

The Company carries out regular reviews of the credit status of key suppliers and sub-contractors to mitigate any risk to the successful completion of any of the works in progress.

Competition

The Company continues to operate in an extremely competitive market. The Company seeks to build strong relationships with its customers and potential customers, and sees repeat business as being a measurement of its success in this strategy.

Health & Safety

Health and Safety is taken very seriously throughout the Company which continues to win prestigious awards for its performance in this area. The in-house qualified H&S team is resourced to meet expected demands.

Employees

The Company's success continues to rely heavily on the performance of its staff, and operates in a very competitive environment in the recruitment and retention of such employees. To mitigate these issues the Company offers a very competitive and attractive remuneration package. The Company also has an employee incentive scheme for staff introducing new employees to the organisation.

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 free flow of information and ideas.

It is the Company's policy to treat its employees without discrimination, and to operate equal opportunities and employment practices to achieve this end. The Company operates a progressive employee training and development scheme.

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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Financial key performance indicators

The Directors consider the following Key Performance Indicators when assessing the performance of the Company:

Turnover

Turnover for the year reduced by 1.7% to £11.9m (2017 - £12.1m).

Profit before interest and tax

Profit before interest and tax for the year was £378.5k (2017 - £190.5k).

Net assets

Net assets at the balance sheet date were £1.31m (2017 - £0.97m).

Explanations of movements in the Key Performance Indicators can be found in the above Business Review.

This report was approved by the board and signed on its behalf.



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J C Simson
Secretary

Date: 8 February 2019

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors present their report and the financial statements for the year ended 31 October 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £345,972 (2017 - £152,979).

Dividends of £10,000 (2017 - £nil) have been paid in the year.

Directors

The directors who served during the year were:

M P Stanton
K Farrimond
L Hall
P Burton

Future developments

The Directors intend for the Company to continue its strategy of organic growth.

Matters covered in the strategic report

The Directors have omitted certain items from the Directors Report as they are disclosed within the Strategic Report instead, in accordance with S414C (11) of the Companies Act 2006.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


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J C Simson
Secretary

Date: 8 February 2019

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

Opinion

We have audited the financial statements of Briggs & Forrester Building Services Maintenance Limited (formerly Combined Energy Solutions Limited) (the 'Company') for the year ended 31 October 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2018 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)
(CONTINUED)**

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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 on page 4, 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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)
(CONTINUED)**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Richard Powell BA FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

11 February 2019

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Turnover	4	11,908,988	12,063,508
Cost of sales		(8,978,695)	(9,378,637)
Gross profit		2,930,293	2,684,871
Administrative expenses		(2,551,763)	(2,494,546)
Operating profit		378,530	190,325
Interest receivable and similar income	9	-	136
Profit before tax		378,530	190,461
Tax on profit	10	(32,558)	(37,482)
Profit after tax		345,972	152,979
Retained earnings at the beginning of the year		469,931	316,952
Profit for the year		345,972	152,979
Dividends declared and paid	11	(10,000)	-
Retained earnings at the end of the year		805,903	469,931

The notes on pages 11 to 23 form part of these financial statements.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)
REGISTERED NUMBER: 04371530

BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	8,482	550
Tangible assets	13	107,216	97,801
		<u>115,698</u>	<u>98,351</u>
Current assets			
Stocks	14	283,042	269,043
Debtors: amounts falling due within one year	15	2,834,699	2,944,515
Cash at bank and in hand	16	848,240	636,260
		<u>3,965,981</u>	<u>3,849,818</u>
Creditors: amounts falling due within one year	17	(2,775,776)	(2,978,238)
Net current assets		<u>1,190,205</u>	<u>871,580</u>
Total assets less current liabilities		<u>1,305,903</u>	<u>969,931</u>
Net assets		<u>1,305,903</u>	<u>969,931</u>
Capital and reserves			
Called up share capital	19	500,000	500,000
Profit and loss account	20	805,903	469,931
		<u>1,305,903</u>	<u>969,931</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P Burton
Director

Date: 8 February 2019

The notes on pages 11 to 23 form part of these financial statements.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

1. General information

Briggs & Forrester Building Services Maintenance Limited (formerly Combined Energy Solutions Limited) is a private company limited by shares, domiciled in England and Wales, registered number 04371530. The registered office and principal place of business is Bembridge House, Bembridge Drive, Kingsthorpe, Northampton, Northamptonshire, NN2 6LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Briggs & Forrester (UK) Limited as at 31 October 2018 and these financial statements may be obtained from Registrar of Companies.

2.3 Turnover

Turnover represents amounts invoiced during the year, excluding Value Added Tax, except in respect of contracting activities. For contracting activities, turnover represents the value of work carried out during the year, including amounts not yet invoiced. The amount by which turnover exceeds progress payments received and receivable is classified as "Amounts recoverable on contracts" and is separately disclosed in debtors. Progress payments received in excess of amounts matched with turnover are classified as "Payments received on account" and are disclosed in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.4 Profit recognition on contracts

Profit is recognised on long term contracts when such a contract is substantially complete. The amount of profit recognised is a proportion of the total forecast profit on the contract by reference to the stage of completion at the balance sheet date, taking account of agreed claims.

The recognition of profit on long term contracts is in accordance with the FRS 102, which unlike the Companies Act 2006 allows unrealised profit to be included in the profit and loss account for the period. This departure from the provisions of the Act is required in order to give a true and fair view.

2.5 Work in progress

1) Small works

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

2) Short term contracts

"Cost" for short term contracts consist of direct materials, labour and attributable production overheads, less foreseeable losses and applicable payments on account. Contract provisions in excess of amounts recoverable are included in creditors.

3) Long term contracts

"Cost" for long term contracts is determined on the same basis as for short term contracts, except that anticipated profits are recognised where appropriate, in accordance with the principles set out above.

4) Maintenance contracts

Maintenance costs are recognised in the profit & loss account, invoiced and profit recognised on a straight line basis over the term of the maintenance contract.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	25 % on a straight line basis
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2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20% - 25%
Motor vehicles	-	25%
Fixtures and fittings	-	10%
Telephone system	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management have been required to make judgments, estimates and assumptions. These estimates which relate to the carrying values of assets and liabilities, where not readily available from other sources, are based on underlying assumptions and experience. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an on-going basis.

The principal judgments are with regard to the assessment of completion of work on long term contracts, and the recognition of associated costs and revenues. Management closely monitors the progress on these projects with reference to agreed schedules of work, agreed contract amendments and certified applications for payment and use this in making their informed assessment of completion and profit recognition.

4. Turnover

All turnover arose within the United Kingdom and is attributable to the principal activity of the company.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	46,082	48,826
Amortisation of intangible assets, including goodwill	1,347	83
Other operating lease rentals	266,674	298,503

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,900</u>	<u>8,900</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	3,997,796	3,828,545
Social security costs	444,200	425,394
Cost of defined contribution scheme	169,940	167,730
	<u>4,611,936</u>	<u>4,421,669</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Staff	<u>99</u>	<u>98</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	169,906	146,374
Company contributions to defined contribution pension schemes	11,496	10,987
	<u>181,402</u>	<u>157,361</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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9. Interest receivable

	2018 £	2017 £
Other interest receivable	-	136
	<u>-</u>	<u>136</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	31,667	36,401
Adjustments in respect of previous periods	6	-
Total current tax	<u>31,673</u>	<u>36,401</u>
Deferred tax		
Origination and reversal of timing differences - Capital allowances	957	1,297
Origination and reversal of timing differences - Other	(72)	(216)
Total deferred tax	<u>885</u>	<u>1,081</u>
Taxation on profit on ordinary activities	<u>32,558</u>	<u>37,482</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>378,530</u>	<u>190,461</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	71,921	36,664
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	256	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,031	765
Adjustments to tax charge in respect of prior periods	6	-
Other timing differences leading to an increase (decrease) in taxation	1,171	53
Group relief	(41,827)	-
Total tax charge for the year	<u>32,558</u>	<u>37,482</u>

11. Dividends

	2018 £	2017 £
Dividends	<u>10,000</u>	<u>-</u>

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

	Computer software £
Cost	
At 1 November 2017	633
Additions	9,279
At 31 October 2018	<u>9,912</u>
Amortisation	
At 1 November 2017	83
Charge for the year	1,347
At 31 October 2018	<u>1,430</u>
Net book value	
At 31 October 2018	<u><u>8,482</u></u>
At 31 October 2017	<u><u>550</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Telephone system £	Total £
Cost or valuation					
At 1 November 2017	286,786	76,298	5,676	9,847	378,607
Additions	50,298	-	4,780	419	55,497
Disposals	(125,772)	(66,308)	(300)	-	(192,380)
At 31 October 2018	211,312	9,990	10,156	10,266	241,724
Depreciation					
At 1 November 2017	204,854	68,181	3,026	4,745	280,806
Charge for the year on owned assets	40,475	2,498	772	2,337	46,082
Disposals	(125,772)	(66,308)	(300)	-	(192,380)
At 31 October 2018	119,557	4,371	3,498	7,082	134,508
Net book value					
At 31 October 2018	91,755	5,619	6,658	3,184	107,216
At 31 October 2017	81,932	8,117	2,650	5,102	97,801

14. Stocks

	2018 £	2017 £
Work in progress	283,042	269,043

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2018 £	2017 £
Trade debtors	1,978,836	1,945,318
Amounts owed by group undertakings	776,048	819,091
Other debtors	51,528	104,895
Prepayments and accrued income	10,689	33,066
Amounts recoverable on long term contracts	-	23,662
Deferred taxation	17,598	18,483
	<u>2,834,699</u>	<u>2,944,515</u>

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>848,240</u>	<u>636,260</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	823	-
Trade creditors	958,001	1,366,081
Amounts owed to group undertakings	745,334	680,442
Corporation tax	31,682	36,401
Other taxation and social security	443,217	464,532
Other creditors	390,679	282,700
Accruals and deferred income	206,040	148,082
	<u>2,775,776</u>	<u>2,978,238</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Deferred taxation

	2018 £	2017 £
At beginning of year	18,483	19,564
Charged to profit or loss	(885)	(1,081)
At end of year	17,598	18,483

The deferred tax asset is made up as follows:

	2018 £	2017 £
Excess of depreciation over taxation allowances	15,036	15,994
Other timing differences	2,562	2,489
	17,598	18,483

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
Ordinary shares of £1.00 each	500,000	500,000

20. Reserves

Profit and loss account

The profit and loss account reserve includes all current and prior period retained profits and losses.

21. Contingent liabilities

As at 31 October 2018, the Company is a guarantor to loan agreements which are formally held within fellow subsidiary companies. The amount outstanding as at the year end was £2,850,000 (2017 - £2,519,000).

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (FORMERLY COMBINED ENERGY SOLUTIONS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments

The Company participates in the defined contribution pension scheme of its parent company. The assets of the scheme are held separately from those in the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £169,940 (2017 - £167,730). Pension contributions outstanding at the year end amounted to £22,624 (2017 - £22,502).

23. Commitments under operating leases

At 31 October 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	248,773	263,641
Later than 1 year and not later than 5 years	227,666	424,565
	<u>476,439</u>	<u>688,206</u>

24. Related party transactions

The Company has taken advantage of the provisions of FRS102 s33.1A not to report transactions with fellow group members wholly owned by the ultimate parent undertaking.

25. Controlling party

The immediate parent company is Briggs & Forrester Group Limited, a company registered in England and Wales.

The ultimate parent company is Briggs & Forrester (UK) Limited, a company registered in England and Wales.

The consolidated accounts of the immediate and ultimate group are available to the public from the Registrar of Companies.

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