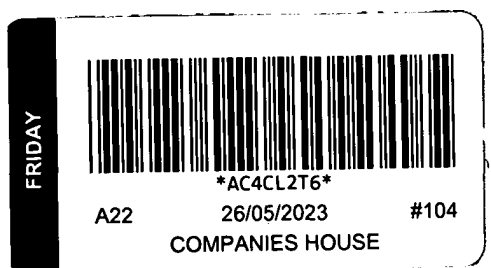


Registered number: 04371530

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022



BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

COMPANY INFORMATION

Directors	J G Askew A Bramley P Burton S Wells (appointed 1 January 2022)
Company secretary	J G Askew
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 1 Snowhill Snow Hill Queensway Birmingham B4 6GN

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

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BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2022

Introduction

The Directors present their Strategic Report and the financial statements for the year ended 31 October 2022.

Business review

The principal activities of the Company include: Planned Preventative Maintenance (PPM), Reactive, Facilities Management and emergency breakdown maintenance services for mechanical and electrical statutory requirements across the UK property services industry.

The Company increased turnover by 8% to £17.5m (2021 - £16.2m) delivering a net profit before tax of £0.7m (2021 - £0.3m). This performance was achieved due to a combination of good new business wins and a high level of business retention in the year plus an improvement in the mix of work enabling an improvement to our margins. The Company delivered a profit well ahead of plan and we are confident of further improvement and success in the future.

The Company continued to progress well through the final year of its three-year strategic plan. During this time, we have strengthened the volume of base PPM contracts with new work and retention of current contracts, whilst driving operational efficiencies, improving customer Key Performance Indicators (KPI's), Service Level Agreements (SLA's), and our people's communication and training. A new strategic three year plan has been developed to enable future profitable growth.

Company net current assets have increased to £1.5m (2021 - £0.9m) reflecting the Company's profitability being retained on the balance sheet. There were no dividends paid in the year.

The Company cash position improved to £2.3m (2021 - £1.7m) at the year end due to improved trading and a continued focus on cash management.

The Company's forward PPM order book fully supports our growth plans and forward objectives which has seen more investment into the company's structures and regional teams across the country, to support customer needs locally, whilst being supported nationally.

The Group has implemented a group wide sustainability strategy. Our vision is to secure the future of our planet, for the sake of our business and its people, by becoming the leader in sustainability within the M&E sector. By harnessing the creativity of our people, we have a vision to create a net zero future based on excellence at every level and creating strong, professional relationships. We have laid out our long-term ambitions in the areas of Our Business, Our People and Our Product, which together will deliver this vision. Our key climate pledge is to net zero in our own scope 1 and 2 emissions by 2030 and be net zero in our business and within our supply chain by 2040.

In respect of Health, Safety Environmental and Quality, the Company continues to pursue the highest levels of risk management across our sites and offices providing compliance with the latest regulations and standards in all appropriate respects. The Company also continues to invest in its annual subscriptions to the Sygol CMS (CoSHH Management System) enabling us access to all the very latest in CoSHH Assessments and to Croner-I which gives us access to the most up to date legal and regulatory documentation for Health & Safety and Environmental to ensure that our processes and procedure are up to date with the latest requirements.

The Company encourages the workforce to report all incidents including near misses and continues to encourage participation in our behavioural safety initiative 'Our Site, Our Safety, Our Lives' empowering our workforce to review the workplace before commencing daily activities.

We have a strategy to drive continuous improvement in our Health and Safety statistics. Our Total HSE Reportable Accident Frequency Rate (AFR) is zero (2021 – zero) per 100,000 hours worked. The total number of accidents reported in the year was 4 (2021 – 2) from a total workforce of approximately 128 people.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

Health and Safety training continues through our investment in an E-Learning portal, providing virtual mandatory and easily available training courses. Where appropriate these are provided virtually, otherwise face to face training courses are instigated to ensure our employees are fully aware and competent to deal with the inherent risk of working in construction, and the specific risks which may be associated with tasks they are undertaking.

Our Health & Wellbeing Group is well established, providing support and numerous communications to all our employees in respect of mental health ideas, financial support ideas and health/ wellbeing recommendations. In addition to Health & Safety-First Aiders we also have a number of fully trained Mental Health First Aiders available to all employees to provide a level of support to our workforce, but mainly to just listen.

The Company continued its commitment to training and development fully recognising the importance of our people retention and is proud of its enviable record in this respect. The business creates opportunities for all, including apprenticeship programmes.

Principal risks and uncertainties

The Directors have developed strategies to achieve our planned profitable growth and the Group has funding arrangements in place to cover all foreseeable needs. The Group continually introduces new products to meet the exacting and changing needs of its market place. With our well established procedures and controls that are in place, any risks on Cash Flow and Credit Risks are treated as high priority although manageable, given the current economic uncertainty.

The Directors continually review the risks facing the business. Where it is considered cost effective, risks to the Group and its business are covered by all required forms and levels of insurance. External factors, over which the Group 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 of which ongoing training requirements are at the forefront of our thoughts. The Company continually adapts to these types of changes that affect the industry.

Financial risk management objectives and policies

Cash Flow Risk

Cash flow for the Company is centrally managed with the Group being cash generative, having competent commercial teams in place within the operating business providing a common approach to maintaining 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 credit status checks on any prospective new clients, prior to the commencement of any contract it undertakes and regularly reviews the ongoing credit status of existing clients. In the event of any perceived financial risk, assurances or third-party guarantees are sought by the Company. Our teams continually keep informed through established relationships to gain market intelligence that can provide early warnings of potential issues, which we act upon where appropriate.

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. The Company has formal Supply Chain arrangements with many of our key supplier and sub-contractor partners with mature relationships gained over a period of more than 17 years.

Competition

The Company continues to operate in an extremely competitive and inflationary market. The Company seeks to maintain and build strong relationships with its customers and potential customers and sees repeat business as being a measurement of its success in this strategy. The Group's Excellence at Every Level strategy defines this approach that is instilled across our teams and delivery workforce.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

Health & Safety

Health and Safety is taken very seriously throughout the Company which continues to win prestigious awards for its performance in this area. Our in-house qualified Health, Safety, Environmental and Quality team is well directed and resourced to meet expected operational demands. The team have implemented, manage and continually update a fully integrated management system that is certified to the ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 standards.

COVID-19

The business activities were impacted by the various Covid restrictions, access to sites, and Covid related absenteeism at the start of the year. This then eased towards the middle of the year, and we saw little remaining impact thereafter.

Employee Ownership Trust

Briggs & Forrester Building Services Maintenance Limited along with other companies in the Briggs & Forrester Group is part of the Briggs & Forrester Employee Ownership Trust (EOT) which was established in March 2020 with the previous shareholders having completed the sale of the Group. The Group believes that the equal benefits of employee ownership provided by the EOT will enhance employee engagement and drive performance when compared to other privately owned businesses.

The EOT Advisory Panel (AP) was established in 2021 and has continued to hold regular meetings throughout the year to discuss many ideas and issues raised by employees to the two employee representatives that sit on the AP. Company updates and various initiatives have then been communicated to all employees by the AP.

As part of the EOT there is a Growth Share Plan to continually incentivise key staff across the Group. There was a growth share allocation in January 2021 and it is planned to make a further allocation during June 2023.

Employees

The Company's success continues to rely heavily on the performance of its staff and operates in a very competitive environment for recruitment and retention of such employees. To mitigate these issues the Company offers a very competitive and attractive remuneration package and provides ongoing training with updates and new courses being regularly attended. The Company also has an employee incentive scheme for any new staff introductions to the organisation.

In addition to the EOT AP, we continue to share information about the Group through internal media methods. Regular meetings are held between local management and employees to allow the free flow of information and ideas. We have continued with our Health Wellbeing initiative which encompasses Mental Health amongst other important subjects.

It is the Company's policy to treat its employees without discrimination and we operate an equal opportunities and employment practices policy to achieve this. The Company operates a progressive employee training and development scheme through Craft Apprenticeships, Technical and Graduate training.

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.

Streamlined energy and carbon reporting

The Company qualifies as a low energy user and is exempt from reporting. Please refer to the financial statements of the ultimate parent company for this information on a Group basis.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022**

Financial key performance indicators

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

Turnover

Turnover for the year increased by 8% at £17.5m (2021 - £16.2m).

Profit before tax

Profit before tax for the year was £0.7m (2021 - £0.3m).

Net current assets

Net current assets at the balance sheet date were £1.5m (2021 - £0.9m).

The reasons for the movements in the KPIs have been considered and included in the Business Review.

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



.....
J G Askew
Secretary

Date: 28/4/23

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2022

The Directors present their report and the financial statements for the year ended 31 October 2022.

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 £630,654 (2021 - £277,740).

Directors

The Directors who served during the year were:

J G Askew
A Bramley
P Burton
S Wells (appointed 1 January 2022)

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

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022**

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.

Going concern

The going concern position of the Company has been considered in detail in note 2.3.

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.



.....
J G Askew
Secretary

Date: 28/4/23

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

Opinion

We have audited the financial statements of Briggs & Forrester Building Services Maintenance Limited (the 'Company') for the year ended 31 October 2022, 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 2022 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (CONTINUED)

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 our 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 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 set out on page 5, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED (CONTINUED)

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

Northampton

Date: 2 May 2023

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2022**

	Note	2022 £	2021 £
Turnover	4	17,476,236	16,205,793
Cost of sales		(13,419,060)	(12,758,641)
Gross profit		4,057,176	3,447,152
Administrative expenses		(3,388,489)	(3,126,644)
Other operating income	5	-	22,136
Operating profit	6	668,687	342,644
Interest payable and similar expenses	10	-	(6,158)
Profit before tax		668,687	336,486
Tax on profit	11	(38,033)	(58,746)
Profit after tax		630,654	277,740
Retained earnings at the beginning of the year		399,716	121,976
		399,716	121,976
Profit for the year		630,654	277,740
Retained earnings at the end of the year		1,030,370	399,716

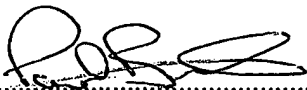
The notes on pages 13 to 26 form part of these financial statements.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED
REGISTERED NUMBER: 04371530

BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	37,346	30,569
Tangible assets	13	143,350	152,263
		<u>180,696</u>	<u>182,832</u>
Current assets			
Stocks	14	236,474	294,925
Debtors: amounts falling due within one year	15	3,920,226	3,465,511
Cash at bank and in hand	16	2,320,930	1,679,985
		<u>6,477,630</u>	<u>5,440,421</u>
Creditors: amounts falling due within one year	17	(5,119,479)	(4,718,479)
Net current assets		<u>1,358,151</u>	<u>721,942</u>
Total assets less current liabilities		<u>1,538,847</u>	<u>904,774</u>
Provisions for liabilities			
Deferred tax	18	(8,477)	(5,058)
		<u>(8,477)</u>	<u>(5,058)</u>
Net assets		<u><u>1,530,370</u></u>	<u><u>899,716</u></u>
Capital and reserves			
Called up share capital	19	500,000	500,000
Profit and loss account	20	1,030,370	399,716
		<u>1,530,370</u>	<u>899,716</u>

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


.....
P Burton
Director

Date: 28/4/23

The notes on pages 13 to 26 form part of these financial statements.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

1. General information

Briggs & Forrester Building Services Maintenance Limited is a private company limited by shares, registered 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 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 2022 and these financial statements may be obtained from Registrar of Companies.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

2. Accounting policies (continued)**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The business activities were impacted from Covid-19 disruption early in the year as customers closed or reduced occupancy in the premises we maintained but this then eased throughout the remainder of the year and is now back to pre-pandemic levels. High levels of inflation resulted in the business having to carefully consider the appropriate level of price rises for our customers to offset rising costs and to remain competitive.

In response to the challenges above, the Directors have performed a robust analysis of forecast future cash flows considering the potential impact on the business of possible future scenarios arising from the impact of further market inflation or disruption. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Bank funding facilities have been reviewed for the Group and a new £4.0m ongoing trade loan facility was agreed in January 2023 with Barclays Banking Group, which is sufficient for the needs of the Group demonstrated by its future cash flow forecasts.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 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.

2.5 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 revenue and total forecast cost 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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.6 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.

2.7 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 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 profit or loss 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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

2. Accounting policies (continued)**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.11 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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BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

2. Accounting policies (continued)

2.12 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.

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 profit or loss.

2.13 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.

2.14 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.

2.15 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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

2. Accounting policies (continued)**2.16 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 profit or loss 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.

2.17 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

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 the global margin adjustment and the recognition of associated costs. Management closely monitors the progress on these projects with reference to agreed schedules of work and the estimated overall profitability on these projects.

4. Turnover

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

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	22,136
	<u>-</u>	<u>22,136</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	50,133	51,585
Amortisation of intangible assets	12,217	8,805
Other operating lease rentals	226,308	199,840
	<u>226,308</u>	<u>199,840</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,750	9,800
	<u>10,750</u>	<u>9,800</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.

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

8. Employees

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

	2022 £	2021 £
Wages and salaries	5,307,443	4,673,285
Social security costs	578,670	494,445
Cost of defined contribution scheme	257,225	225,484
	<u>6,143,338</u>	<u>5,393,214</u>

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

	2022 No.	2021 No.
Staff	<u>128</u>	<u>114</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	166,964	103,580
Company contributions to defined contribution pension schemes	10,117	6,281
	<u>177,081</u>	<u>109,861</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 1) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	-	6,158
	<u>-</u>	<u>6,158</u>

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	35,625	61,035
Adjustments in respect of previous periods	(1,011)	-
Total current tax	34,614	61,035
Deferred tax		
Origination and reversal of timing differences - capital allowances	4,863	190
Origination and reversal of timing differences - other	(1,444)	(2,479)
Total deferred tax	3,419	(2,289)
Taxation on profit on ordinary activities	38,033	58,746

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	668,687	336,486
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	127,051	63,932
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,001	1,890
Adjustments to tax charge in respect of prior periods	(1,011)	-
Other timing differences leading to an increase (decrease) in taxation	(954)	(7,076)
Group relief	(90,054)	-
Total tax charge for the year	38,033	58,746

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

11. Taxation (continued)**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24 May 2021). This means that the 25% main rate of corporation tax and marginal relief will be relevant for any asset sales or timing differences expected to reverse on or after 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Intangible assets

	Computer software £
Cost	
At 1 November 2021	47,236
Additions	18,994
Disposals	(7,742)
	<hr/>
At 31 October 2022	58,488
	<hr/>
Amortisation	
At 1 November 2021	16,667
Charge for the year on owned assets	12,217
On disposals	(7,742)
	<hr/>
At 31 October 2022	21,142
	<hr/>
Net book value	
At 31 October 2022	37,346
	<hr/> <hr/>
At 31 October 2021	30,569
	<hr/> <hr/>

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

13. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Telephone system £	Total £
Cost or valuation				
At 1 November 2021	253,183	104,193	3,943	361,319
Additions	39,315	1,905	-	41,220
Disposals	(29,069)	-	(1,627)	(30,696)
At 31 October 2022	263,429	106,098	2,316	371,843
Depreciation				
At 1 November 2021	175,386	30,077	3,593	209,056
Charge for the year on owned assets	39,368	10,604	161	50,133
Disposals	(29,069)	-	(1,627)	(30,696)
At 31 October 2022	185,685	40,681	2,127	228,493
Net book value				
At 31 October 2022	77,744	65,417	189	143,350
At 31 October 2021	77,797	74,116	350	152,263

14. Stocks

	2022 £	2021 £
Long-term contract balances	236,474	294,925
	<u>236,474</u>	<u>294,925</u>

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

15. Debtors

	2022 £	2021 £
Trade debtors	2,950,894	2,395,143
Amounts owed by group undertakings	896,118	981,861
Other debtors	6,252	7,113
Prepayments and accrued income	66,962	81,394
	<u>3,920,226</u>	<u>3,465,511</u>

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	2,320,930	1,679,985
	<u>2,320,930</u>	<u>1,679,985</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Payments received on account	155,577	40,632
Trade creditors	2,231,978	1,780,530
Amounts owed to group undertakings	826,145	846,397
Corporation tax	-	61,035
Other taxation and social security	351,911	363,585
Other creditors	1,399,814	1,368,189
Accruals and deferred income	154,054	258,111
	<u>5,119,479</u>	<u>4,718,479</u>

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

18. Deferred taxation

	2022 £	2021 £
At beginning of year	5,058	7,347
Charged to profit or loss	3,419	(2,289)
At end of year	8,477	5,058

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Excess of depreciation over taxation allowances	18,947	14,085
Other timing differences	(10,470)	(9,027)
	8,477	5,058

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
500,000 (2021 - 500,000) 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. 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 Company in an independently administered fund. Pension contributions outstanding at the year end amounted to £41,885 (2021 - £36,320).

BRIGGS & FORRESTER BUILDING SERVICES MAINTENANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

22. Commitments under operating leases

At 31 October 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	204,771	193,337
Later than 1 year and not later than 5 years	237,161	294,417
	<u>441,932</u>	<u>487,754</u>

23. 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.

24. 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 the ultimate controlling party of the parent company is Briggs & Forrester Employee Ownership Trust.