

Mitie Facilities Management Limited

Annual report and financial statements

Registered number 472704

31 March 2025

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Company information

Directors

P J G Dickinson
L Sheridan
K L Woods
E E Xavier

Secretary

CCS Corporate Secretaries Limited

Registered office

108 Q House
76 Furze Road
Sandyford
Dublin 18
D18 AY29

Auditor

BDO
Statutory Auditor
Block 3
Miesian Plaza
50-58 Baggot Street Lower
Dublin 2
Ireland
D02 Y754

Directors' report

The directors of the Company (the "Directors") present the annual report and audited financial statements of Mitie Facilities Management Limited, (the "Company"), for the year ended 31 March 2025.

The Company is an indirect subsidiary of Mitie Group plc. Mitie Group plc, together with its subsidiaries, comprise the "Group".

Review of the business

The principal activity of the Company is the provision of a comprehensive suite of outsourced integrated or single service facilities management services to banking, industrial and commercial ventures. There have not been any significant changes in the Company's principal activities in the year under review.

As shown in the income statement on page 14, the Company's revenue was €71,400,000 (2024: €68,226,000) and the profit before tax for the year was €3,136,000 (2024: €3,294,000). The Company's operating profit margin provides a good indicator of the profitability of the business. The operating profit margin for this financial year was 4.4% (2024: 4.9%). Revenue grew by 4.7% due to a significant contract win and scope enhancements on existing contracts. An increasingly competitive new business market and the completion of higher margin contracts led to lower margins being achieved in the financial year. Net assets increased by 15.8% to €19,930,000 due to the profit for the year and working capital process improvements.

Key performance indicators

The Group manages its operations on a divisional basis. For this reason, the Directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the Company. The performance of the Group's divisions is discussed in the Mitie Group plc annual report and accounts 2025 on pages 28 to 31 and pages 42 to 44, which does not form part of this report.

Principal risks and uncertainties

The Company is part of the Group and manages its risks in line with the Group's enterprise risk management framework. Details of this framework and information on the principal risks and uncertainties are given in the Mitie Group plc annual report and accounts 2025 on pages 76 to 87. The Directors have reviewed the Company's financial objectives alongside the risk profile for the Company and the significant risks and uncertainties have been detailed below.

Strategic risks

Economic and political uncertainties

The Company's performance may be affected by general economic conditions and other financial and political factors outside the Company's control. A sudden change in market conditions, such as an economic slowdown or significant political uncertainty, either nationally or globally, may result in decreased project work and discretionary spend or descoping of services by customers, which can lead to an impact on the Company's financial performance.

During the financial year, there has been an increased net risk exposure due to an unstable external environment. The hazards stemming from economic and political uncertainties have intensified as a result of persistent inflationary issues, escalating geopolitical tensions and disputes, and government instability.

The Group, of which the Company is a part, derives most of its revenue from a client base in the United Kingdom, with limited exposure to the wider global economy in respect of demand for services. However, the costs of delivery are exposed to global inflationary impacts. The Group continues to monitor the impact of the current economic and political challenges on the cost of delivering its services to ensure mitigating actions, such as using contractual protections to pass on such cost increases, minimise the Group's exposure to this and associated risks.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- mix of long-term contract portfolio in both the public and private sectors;
- continual development of new and innovative solutions;
- focus on higher-margin growth opportunities;
- regular reviews of the sales pipeline;
- increasing spread of customer base, reducing reliance on individual customers;
- strategic account management programme;
- dedicated Finance, Risk and Intelligence Hub specialists scanning the environment;
- utilising contract mechanisms to recharge cost increases;
- Coupa, the Group's digital supplier platform ("DSP"), providing greater visibility of, and ability to manage, supply chain; and
- leveraging buying power to help mitigate the increase in cost of goods and services.

Directors' report (continued)

Competitive advantage

The Company's performance could be impacted by a failure to preserve its competitive edge or capitalise on opportunities. This might result in the loss of key customers, excessive dependence on a specific sector, or the inability to generate financially sound bids with a measured approach to risk, which could have a significant effect on the Company's financial performance and reputation.

The year has witnessed many achievements for the Company, including but not limited to, a number of large and highly visible contract wins, particularly in the Education Sector, as well as our continued success as being recognised with awards within the Facilities Management industry in the Republic of Ireland.

Despite such achievements, the Company recognises the importance of staying focussed and continually reviewing ongoing challenges, such as the threats posed from new entrants, market saturation across the sectors, growing competition as well as the ongoing effects of geopolitical affairs, all of which have the potential to impact profit margins and disrupt the Company's operations.

In the next financial year, the Company will continue to monitor the changing external environment as well as market coverage. Furthermore, it will continue to target emerging markets and engage with opportunities that have scope for innovative solutions.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- Bid Committee approval for complex bids;
- robust risk assessment of bids – Commercial, Legal and Operational;
- detailed contracting guidelines in place;
- clear delegated authorities register;
- strategic account management programme;
- KPI/service level agreement formal reviews with customers;
- sales and customer relationship management (“CRM”) teams focused on developing pipeline across all major sectors;
- improved CRM capabilities with active relationship management;
- focus on customer satisfaction (Net Promoter Score and soliciting feedback);
- sales development programme;
- procedural documentation in place;
- Centre of Excellence Bid Team established; and
- ongoing review of the new and innovative service offerings.

Business resilience

The Company's performance may be affected if it is unable to effectively respond to global events, such as a pandemic or supply chain disruption and/or a catastrophic event at a key business location, potentially resulting in significant business interruption. The effect on employees, customers and the supply chain could result in severe consequences for the financial health and reputation of the Company's business.

During the year, the Company's commitment to ensuring its organisational resilience and viability has continued. The threat of a cyber-attack has increased as the use of ransomware as a service is increasing, new variants of malware are also being seen and there is an increase in sophisticated phishing. During the year, the Company has taken additional steps to ensure its ability to respond to disruptive events is not hindered by a failure to plan.

The Company remains committed to enhancing its planning and response capability to minimise the impact from any significant business interruption and improve the speed of recoverability. The Company recognises that as the business grows, the risks associated with a sustained period of downtime increase.

Directors' report (continued)

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- key policies and associated operating procedures in place;
- dedicated specialist teams, including Risk, Information Systems, Finance, Occupational Health, Supply Chain and Intelligence Hub;
- maintained and updated crisis and business continuity plans for key activities across all Group operations, including key service providers;
- disaster recovery framework embedded and managed;
- stringent governance controls, including oversight from the Risk Committee, with regular reporting to the Group Audit Committee and the Group's board;
- close monitoring of supply chain to ensure continuity of critical supplies;
- internal and external compliance audits;
- certified to ISO 22301:2019 and operating in accordance with ISO 31000:2018, which is subject to annual external validation;
- regular Mitie Group Executive testing of crisis management and business continuity scenarios;
- continuous horizon scanning via the Intelligence Hub, with regular alerts to teams on potential threats and significant events;
- Critical Engineering and Technical Assurance Programme to help manage high-risk contracts;
- insurance cover in place to cover business interruption;
- agile working framework embedded;
- themes and root causes monitored from the results of audits to target specific actions; and
- DSP supports the efficiency of the Group's supply chain processes (supplier onboarding/supplier health, Contract Lifecycle Management, Sourcing and Purchase to Pay).

Climate change and social impact

The Company's transition to a lower-carbon business could be hindered by an inability to quickly identify and effectively respond to the challenges posed by climate change, resulting in significant business interruption and/or compromise new opportunities for growth. Furthermore, a failure to appropriately consider the environmental and social impact of the Company's business and its activities may create a negative perception with employees, customers, investors, government and the general public. This could lead to failures in securing and/or retaining contracts and sources of funding, as well as impacting negatively on the Company's reputation. The Group's Task Force on Climate-related Financial Disclosures ("TCFD") are discussed in the Mitie Group plc annual report and accounts 2025 on pages 53 to 67, which does not form part of this report. The Group has continued to transition from a disclosure prepared using the TCFD recommendations to a disclosure aligned with the International Sustainability Standards Board standards, IFRS S1 and S2, and where possible has included information in the Mitie Group plc annual report and accounts 2025 to align with any additional reporting requirements.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- Plan Zero targets to reach Net Zero for the Group operations by the end of 2025;
- Environment, Social & Governance ("ESG") Committee;
- Environmental Management System ISO 14001 and Energy Management System ISO 50001;
- climate change risk assessment maintained and approved by the ESG Committee;
- key policies and associated operating procedures in place;
- use of in-house subject-matter experts specialising in an array of topics, including energy, waste, biodiversity, procurement and fleet;
- ISO 22301 – regular testing of crisis management and business continuity plans;
- winter and summer preparedness planning at account level;
- ongoing reviews of Planned Preventative Maintenance lifecycles;
- continuous horizon scanning via the Group's Intelligence Hub, with regular alerts to teams on potential threats and significant events;
- insurance cover in place to cover property damage and business interruption;
- targets in place for the Group's social value framework pillars;
- The Mitie Foundation – Giving Back, the Group's employee volunteering programme; and
- active apprenticeship scheme across the Group, training the Group's colleagues to enhance operational delivery and address skills gaps.

Directors' report (continued)

Adoption of new and emerging technologies

The Company's long-term growth and profitability may be detrimentally impacted by a failure to capitalise on new and emerging technologies, along with an inability to implement vital infrastructure and systems.

With technological advancements rapidly transforming the business landscape, the Company must be proactive in adapting and benefiting from these changes. The associated risk lies in a failure to keep pace with evolving technologies, which may lead to a competitive disadvantage, poor customer experience, and operational inefficiencies. To address this risk, the Group, of which the Company is part, is ensuring a structured approach towards technology adoption with a focus on artificial intelligence ("AI") developments, monitoring trends, assessing the feasibility and benefit, and implementing these technologies effectively.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- Mitie Responsible and Ethical Use of Artificial Intelligence Policy;
- AI Executive Oversight Committee;
- AI Ethics Board;
- dedicated AI risk register;
- AI directory;
- AI Use Case Board;
- Suppliers Infosec mandate; and
- Learning and development programme.

Reputational damage

The Company's participation in politically sensitive activities, draws media scrutiny and amplifies the risks associated with misinformation and disinformation, particularly in instances of perceived operational shortcomings. The combination of the Company's involvement and inaccuracies in external reporting could considerably damage the Company's reputation, resulting in the loss of customers' trust, financial setbacks and long-term challenges to the Company's stability, delivery and growth.

This risk reflects the increasing importance of preserving the Company's and the Group's brand reputation in an increasingly interconnected world. The risk encompasses the potential adverse impacts of the Group's actions on its credibility, client relationships, and overall brand value. The management team recognises the significance of this risk and have measures in place to mitigate against this, such as robust public relations strategies, ethical practices, and effective crisis management.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- weekly Executive Committee meetings;
- proactive media outreach to ensure validity of reports, including correction methods via ongoing media campaigns;
- proactive monitoring of social media platforms;
- designated media liaisons;
- proactive engagement with key external stakeholders;
- daily media alerts;
- enhanced targeted monitoring on groups identified as posing an increased risk; and
- designated Corporate Affairs and Legal support.

Financial risks

Reliance on material counterparties

In accordance with Group policies, before accepting a new customer, the Company uses external credit scoring systems to assess the potential customer's credit quality and define an appropriate credit limit which is reviewed regularly.

Operational risks

Third-party management

The Company's performance could be impacted by an inability to successfully manage strategic third-party relationships, or a failure involving a third-party partner could impact the Company's ability to deliver, resulting in financial losses owing to fines and in some circumstances significant reputational damage.

Directors' report (continued)

During the financial year, there has been no change in the net risk exposure owing to the same challenges facing the Company also impacting the supply chain, potentially impacting access to goods and services. The Company will continue to proactively monitor developments with both the internal and external landscapes, paying particular attention to the ongoing issues still being experienced.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- key policies and associated operating procedures, including Supplier Management Programme;
- dedicated Procurement and Commercial teams;
- Centre of Excellence and dedicated Risk & Compliance team embedded within Procurement and Supply Chain;
- 'Mitie First' approach adopted;
- optimisation of preferred suppliers framework;
- rigorous onboarding framework integrated into the business utilising the DSP;
- defined service level agreements and KPIs;
- ongoing spending review;
- dedicated risk management and assurance procedures (including targeted Health, Safety and Environment ("HSE") assurance programme and internal audit) to ensure internal controls are operating effectively;
- ongoing review of third-party business continuity arrangements with regular reporting to Group Risk;
- DSP facilitating supplier health and risk checks (including insolvency risk) as well as invoice processing; and
- Procurement and supply chain insights.

Regulatory risks

Regulatory

The Company's performance could be impacted by a failure to comply with applicable laws and regulations, which may lead to fines, prosecution and damage to the Company's reputation.

During the financial year, there was no change in the net risk exposure owing to uncertainties concerning several known legislative changes. The Company does not envisage the pace of legislative change altering and will continue to proactively scan the external operating environment as well as assess the impact of changes, as they arise.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- specialist legal and HSE expertise aligned to business units;
- Code of Conduct for all employees;
- independent whistleblowing system available to all employees to report any concerns;
- Group-wide policies updated for changes to laws and regulations and maintained in the online information management system;
- regular and thorough internal and external regulatory audits;
- training and awareness materials communicated to employees via the Group's digital learning hub and monitoring of completion performed, especially for mandatory courses;
- regular monitoring of legal and regulatory changes by Group functions, including Company Secretariat, Legal, HSE and HR;
- financial governance and controls in place;
- commercial governance and controls in place;
- establishment of Internal Control Declaration framework ongoing to align with future corporate governance requirements; and
- AI governance and controls.

Health, safety and environment

The Company's performance could be impacted by a failure to maintain appropriately high standards in health, safety and environmental management. This may result in catastrophic events, harm to employees, client staff or members of the public, consequential fines, prosecution and reputational damage.

The Company's HSE key performance indicators have been broadly positive with performance stable.

The Company is keen to ensure interruptions are kept to a minimum and productivity in a safe environment is maximised. Focus remains on ensuring that appropriate steps are taken to safeguard the physical and mental wellbeing of colleagues, suppliers and other stakeholders involved in the Company's operations.

Directors' report (continued)

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- a comprehensive HSE strategy in place and under continual review for effectiveness;
- major cultural HSE programme, LiveSafe, continuing, with clear rules, engagement and training for staff;
- regular training and communication delivered throughout the Group, in accordance with the LiveSafe principles. LiveSafe eLearning training programme sets out HSE expectations, including 'stop the job' supported by key safety message from the Group's Chief Executive, Phil Bentley;
- H&S management system certified to ISO 45001 and environmental system to ISO 14001;
- fully integrated incident recording, monitoring and reporting system;
- regular HSE reviews conducted at Group and business unit level;
- clear and standardised KPIs to monitor progress and improvements;
- risk based audit programme embedded;
- themes and root causes monitored from the results of audits to target specific actions, including training;
- HSE function 'Plan Zero Champions' as part of the Plan Zero programme to promote strategy and good practice in environmental management;
- health and wellbeing framework integrated into the business;
- insurance cover in place to cover employers' liability, public liability and motor fleet insurance;
- focused zero harm weeks concentrating on pertinent subjects to further strengthen the Group's HSE culture; and
- ongoing review of HSE team, ensuring maintenance of competencies and correct provision of support and guidance across the Group.

People risks

Employees

The Company's performance could be impacted by significant challenges in attracting, recruiting and retaining suitably talented employees and could lead to a detrimental skills shortage. This shortage of skilled colleagues could adversely affect the delivery of core operational activities and compromise the successful implementation of long-term strategies. As a result, overall business performance, growth and market competitiveness may be negatively impacted, potentially leading to a decline in stakeholder confidence and financial performance.

During the financial year, there was no change in the net risk exposure. The Company will continue to proactively monitor developments in relation to the labour market.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These include but are not limited to:

- consistent HR resourcing process and system across the Group;
- process in place for online training and development, with access to online learning for all colleagues;
- consistent process to manage both temporary and permanent recruitment;
- training and development programmes for senior leadership;
- developed talent identification, management and development framework;
- performance management framework;
- HR business partners aligned with business units;
- induction programme, mandatory for new starters;
- regular communications from leadership team – including Mitie Group Executive country-wide roadshows;
- specific plans developed to address results of employee survey;
- competitive remuneration, terms and conditions;
- regular employee offers;
- succession plans in place for critical roles, especially for senior leadership;
- attraction strategy developed and deployed;
- enhanced benefits such as life assurance, virtual GP and a salary advance scheme;
- careers website;
- Employee Value Proposition; and
- career band framework.

Directors' report (continued)

Financial risk management

The Company does not enter into any hedging instruments or any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers, and manages any exposure on normal trade terms. The Company's requirement for additional funding is managed as part of the Group's financing arrangements.

Accounting records

The measures that the Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's principal place of business at 145 Lakeview Drive, Airside Business Park, Swords, Co. Dublin.

Going concern

The Company's business activities have been described above and the factors likely to affect its future development and position have been set out below. The financial statements have been prepared on a going concern basis. See Note 1c to the financial statements.

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as follows.

	Date of appointment
P J G Dickinson	
L Sheridan	
K L Woods	27 May 2025
E E Xavier	27 May 2025

L Sheridan had the following interests in the share capital of the Group companies:

Company	Class of share	2025 Number	2024 Number
Mitie Group plc	Ordinary shares of 2.5p	72,194	39,294

The other directors do not have a disclosable interest in Mitie Group plc.

Dividends

No dividends were paid during the financial year (2024: €3,500,000).

Charitable and political donations

The Company made charitable donations during the financial year of €12,000 (2024: €8,000) and made no political donations nor incurred any political expenditure during the financial year (2024: €nil).

Directors' report (continued)

Employees

The Company recognises the importance of good communications and employee relationships. The Group communicates with employees via multiple channels, including: regular employee engagement surveys, regular pulse surveys and feedback on actions taken; communications platforms including MiNet, Yammer, MitiePeople.com, and social media; Group-level board and management engagement including Townhall meetings and regular local site visits, and Voice of the People sessions led by a Group non-executive director; global company updates; promotion of improved share incentive plan through different communication channels, including Recap, Download and MiNet; annual individual performance reviews and training; confidential whistleblowing service; and direct access to the Group's Chief Executive Officer.

The Company remains committed to developing a culture that encourages the inclusion and diversity of all of the Company's employees through respecting and appreciating their differences and promoting the continuous development of employees through skills enhancement and training programmes.

The Company's employment policies are designed to attract, retain, train, develop and motivate the very best people, recognising that this can be achieved only through offering equal opportunities regardless of gender, race, religion, age, disability, sexual orientation or any other aspect of diversity. Applications from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. It is the policy of the Company that the training, career development and promotion of disabled persons (including those who become disabled whilst employees of the Company) should, as far as reasonably possible, be identical to that of other employees.

Subsequent events

There have been no material events since the statement of financial position date that require adjustment or disclosure.

Future developments

The Directors expect the general level of activity to remain consistent in the forthcoming year. This is as a result of ongoing margin enhancement initiatives and improved operational leverage alongside the contribution from project works. We expect these management actions to more than offset the continued impact of inflation and contract pricing dynamics in a highly competitive environment.

Disclosure of information to auditor

Each Director in office at the date of approval of these financial statements confirms 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 to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Subsidiary undertaking

The information concerning subsidiary undertakings required by the Companies Act 2014 is provided in Note 10 to the financial statements.

Directors' compliance statement

The directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the Companies Act 2014 (the "2014 Act") and, as required by Section 225 of the 2014 Act, the Directors confirm that:

- a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act was prepared by the Company;
- appropriate arrangements and structures have been put in place that they consider sufficient to serve compliance with Company's relevant obligations; and
- a review of the arrangements and structures was conducted during the financial year.

Directors' report (continued)

Audit committee

The Company has not established an audit committee on the basis that it is part of a group that has an audit committee. The Group's Audit Committee performs the relevant functions as required by the 2014 Act on a group wide basis, including periodic review of procedures and controls by the Group Internal Audit function and review of the Company's financial performance by the Group finance function.

Auditor


BDO will continue in office as auditors, in accordance with the provisions of Section 384 of the Companies Act 2014. A resolution to re-appoint BDO will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 20th March 2026 and signed on its behalf by:

DocuSigned by:

37A969FCCFEE428...

L Sheridan
Director

Signed by:

9153130E17564CC...

P J G Dickinson
Director

Statement of Directors' responsibilities in respect of the Annual report and financial statements

The Directors are responsible for preparing the Annual report and financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with Irish Accounting Standards and applicable law (Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Irish Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Mitie Facilities Management Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mitie Facilities Management Limited (the 'Company') for the year ended 31 March 2025, which comprise the Statement of financial position as at 31 March 2025 the income statement, the statement of comprehensive income, the statement of changes in equity for the year ended 31 March 2025 and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and Companies Act 2014. Our responsibilities under those standards are described below in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), 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 the date 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.

Other information

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon and includes the Directors' report. The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, 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.

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 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.



Independent auditor's report to the members of Mitie Facilities Management Limited (continued)

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors and those charged with governance for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual report and financial statements set on page 11, 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 they 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Gavin Smyth

for and on behalf of BDO

Statutory Audit Firm

Block 3, Miesian Plaza, 50-58 Baggot Street Lower, Dublin 2 D02 Y754

Date: 20th March 2026

Income statement for the year ended 31 March 2025

	Note	2025 €000	2024 €000
Revenue	2	71,400	68,226
Cost of sales		(64,622)	(61,696)
Gross profit		6,778	6,530
Administrative expenses		(3,647)	(3,159)
Operating profit	3	3,131	3,371
Finance income		135	18
Finance costs		(130)	(95)
Net finance income/(costs)		5	(77)
Profit before tax		3,136	3,294
Tax	7	(404)	(419)
Profit for the year		2,732	2,875

The notes on pages 18 to 35 form an integral part of the financial statements.

The results for the year are wholly attributable to the continuing operations of the Company.

Statement of comprehensive income for the year ended 31 March 2025

	2025	2024
	€000	€000
Profit for the year	2,732	2,875
Total comprehensive income for the year	2,732	2,875

The notes on pages 18 to 35 form an integral part of the financial statements.

Statement of financial position as at 31 March 2025

	Note	2025 €000	2024 €000
Non-current assets			
Intangible assets	8	9,194	9,220
Property, plant and equipment	9	2,009	1,467
Investment in subsidiaries	10	2,287	2,287
Other receivables	11	182	332
Deferred tax assets	13	63	59
Total non-current assets		13,735	13,365
Current assets			
Inventories		46	42
Trade and other receivables	11	18,494	14,790
Current tax receivable		64	50
Cash and cash equivalents		5,541	4,736
Total current assets		24,145	19,618
Current liabilities			
Trade and other payables	12	(14,683)	(12,951)
Deferred income		(1,026)	(1,010)
Lease liabilities	15	(476)	(375)
Provisions	14	(327)	(395)
Total current liabilities		(16,512)	(14,731)
Net current assets		7,633	4,887
Non-current liabilities			
Lease liabilities	15	(1,049)	(525)
Provisions	14	(389)	(513)
Total non-current liabilities		(1,438)	(1,038)
Net assets		19,930	17,214
Equity			
Called-up share capital	16	249	249
Share premium	16	13,788	13,788
Capital contribution	17	122	131
Retained earnings	16	5,771	3,046
Total equity		19,930	17,214

The notes on pages 18 to 35 form an integral part of the financial statements.

The financial statements of Mitie Facilities Management Limited, company number 472704, were approved by the Board of Directors and authorised for issue on 20th March 2026 and were signed on its behalf by:

DocuSigned by:

37A969FCCFEE428...
L Sheridan
Director

Signed by:

9153130E17564CC...
P J G Dickinson
Director

Statement of changes in equity for the year ended 31 March 2025

	Called-up share capital €000	Share premium €000	Capital contribution €000	Retained earnings €000	Total equity €000
At 1 April 2023	249	13,788	102	3,694	17,833
Profit for the year	-	-	-	2,875	2,875
Total comprehensive income	-	-	-	2,875	2,875
Dividends paid	-	-	-	(3,500)	(3,500)
Share-based payments (Note 17)	-	-	29	-	29
Tax on share-based payments	-	-	-	(23)	(23)
Total transactions with owners	-	-	29	(3,523)	(3,494)
At 31 March 2024	249	13,788	131	3,046	17,214
Profit for the year	-	-	-	2,732	2,732
Total comprehensive income	-	-	-	2,732	2,732
Share-based payments (Note 17)	-	-	(9)	(7)	(16)
Total transactions with owners	-	-	(9)	(7)	(16)
At 31 March 2025	249	13,788	122	5,771	19,930

The notes on pages 18 to 35 form an integral part of the financial statements.

Notes to the financial statements

1 Accounting policies, judgements and estimates

a) General information

Mitie Facilities Management Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in the Republic of Ireland. Details of the Company's activities are set out in the Directors' report. The Company's financial statements are presented in euros, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest thousand euros, unless otherwise indicated.

The Company is exempt, by virtue of Section 300 of the Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent undertaking, Mitie Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Mitie Group plc have been prepared in accordance with UK-adopted International Accounting Standards. They are available to the public and may be obtained from www.mitie.com.

b) Statement of compliance with FRS 101

These financial statements were prepared in accordance with FRS 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

c) Basis of preparation

Going concern

The financial statements for the year ended 31 March 2025 have been prepared on a going concern basis. The Company participates in the centralised treasury arrangements and shared banking arrangements of Mitie Group plc, its ultimate parent, and of its fellow subsidiaries (together the "Group"). The Directors have received a letter of support from the directors of Mitie Group plc to confirm the provision of adequate financial resources to the Company for a period of no less than 12 months from the date of approval of the Company's statutory financial statements for the year ended 31 March 2025 to ensure that the Company can meet its liabilities as they fall due.

The directors of Mitie Group plc have carried out an assessment of the Group's ability to continue as a going concern for the period of at least 12 months from the date of approval of these financial statements (the "Going Concern Assessment Period"). This assessment was based on the latest medium-term cash forecasts from the Group's cash flow model (the "Base Case Forecasts"), which is based on the Group's board-approved budget. These Base Case Forecasts indicate that the debt facilities currently in place are adequate to support the Group over the Going Concern Assessment Period.

The Group's principal debt financing arrangements as at 30 September 2025 were a GBP £250m Revolving Credit Facility maturing in October 2028, which was undrawn as at 30 September 2025, GBP £180m of US Private Placement notes and a GBP £240m bridge facility which was fully drawn as at 30 September 2025. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis.

Of the US Private Placement notes, GBP £120m were issued in December 2022 and are split equally between 8, 10 and 12-year maturities, and were issued with an average coupon of 2.94%. The remaining GBP £60m of US Private Placement notes were drawn from the shelf facility in December 2024 at a coupon rate of 5.71% and mature in December 2031. The remaining undrawn capacity of this uncommitted US Private Placement shelf facility was GBP c.£260m as at 30 September 2025, which can be drawn down until October 2027.

The bridge facility was put in place and drawn down to facilitate the acquisition of Marlowe plc. In October 2025, GBP £60m of the outstanding bridge loan amount was repaid from the Group's existing statement of financial position capacity, with the balance being refinanced by the issuance of GBP £180m of US Private Placement notes on 12 November 2025. The new US Private Placement notes have maturities of between 3-7 years, and a weighted average coupon of 5.44%.

The Group currently operates within the terms of its agreements with its lenders, with consolidated net debt (i.e. net debt adjusted for covenant purposes, primarily by the exclusion of lease liabilities) of GBP £254m as at 30 September 2025. The Base Case Forecasts indicate that the Group will continue to operate within these terms and that the headroom provided by the Group's debt facilities currently in place is adequate to support the Group over the Going Concern Assessment Period.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

The directors of Mitie Group plc have also completed a reverse stress test using the Group cash flow model to assess the point at which the financial covenants, or facility headroom, would be breached. The sensitivities considered have been chosen after considering the Group's principal risks and uncertainties.

The primary financial risks related to adverse changes in the economic environment and/or a deterioration in commercial or operational conditions are listed below. These risks have been considered in the context of any further UK fiscal or monetary policy changes, the current economic climate including high inflation, as well as wider geopolitical uncertainties such as the Russian invasion of Ukraine and conflict in the Middle East:

- a downturn in revenues: this reflects the risks of not being able to deliver services to existing customers, or contracts being terminated or not renewed;
- a deterioration of gross margin: this reflects the risks of contracts being renegotiated at lower margins, or planned cost savings not being delivered;
- an increase in costs: this reflects the risks of a shortfall in planned overhead cost savings, including margin enhancement initiatives not being delivered, or other cost increases such as sustained higher cost inflation; and
- a downturn in cash generation: this reflects the risks of customers delaying payments due to liquidity constraints, the removal of ancillary debt facilities or any substantial one-off settlements related to commercial issues.

As a result of completing this assessment, the directors of Mitie Group plc concluded that the likelihood of the reverse stress scenarios arising was remote. In reaching the conclusion of remote, the directors of Mitie Group plc considered the following:

- all stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 27% in the 12 months to 30 September 2026 compared to the Base Case Forecasts, which is considered to be very severe given the high proportion of the Group's revenue that is fixed in nature and the fact that even in the Covid-hit year ended 31 March 2021, Mitie's revenue excluding Interserve declined by only 1.6%; and
- in the event that results started to trend significantly below those included in the Base Case Forecasts, additional mitigation actions have been identified that would be implemented. These include the short-term scaling down of capital expenditure, overhead efficiency/reduction measures including cancellation of discretionary bonuses and reduced discretionary spend, asset disposals and reductions in cash distributions and share buybacks.

Based on these assessments, the directors of Mitie Group plc have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these financial statements. In addition, the directors of Mitie Group plc have concluded that the likelihood of the reverse stress scenarios arising is remote and therefore no material uncertainty exists.

Based on this assessment, and their enquiries of the directors of Mitie Group plc, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of the Company's financial statements for the year ended 31 March 2025. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

FRS 101 exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for intangible assets, property, plant and equipment, and share capital;
- the statement of compliance with Adopted IFRSs;
- certain disclosures required by IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15");
- disclosures in respect of capital management;
- the effects of new but not yet effective Adopted IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of Mitie Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share-based Payment* in respect of Group settled share-based payments; and
- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instruments: Disclosures*.

Accounting standards that are newly effective in the current year

There were no new and mandatorily effective standards or amendments in the year that could have a material impact on the financial statements.

Measurement convention

The financial statements have been prepared on the historical cost basis.

d) Material accounting policies

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

Revenue recognition

Revenue represents income recognised in respect of services provided during the year based on the delivery of performance obligations and an assessment of when control is transferred to the customer. IFRS 15 provides a single, principle-based five-step model to be applied to all sales contracts, key aspects of which have been described below.

Duration of contract

The Company frequently enters into contracts with customers which contain extension periods at the end of the initial term, automatic annual renewals, and/or termination for convenience and break clauses that could impact the duration of the contract. Judgement is applied to assess the impact that such clauses have in determining the relevant contract term. The term of the contract affects the period over which amortisation of contract assets and revenue from performance obligations is recognised. In forming this judgement, management considers certain influencing factors including the amount of discount provided, the presence of significant termination penalties in the contract, and the relationship, experience and performance of contract delivery with the customer and/or the wider industry, in understanding the likelihood of extension or termination of the contract.

Determine the transaction price

At contract inception, the total transaction price is determined, being the amount to which management expects the Company to be entitled and has rights under the contract. This includes the fixed price stated in the contract and an assessment of any variable consideration. Variability in revenue can arise from a number of factors, including discounts, rebates or service penalties, changes in scope, extensions of time and liquidated damages. Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Certain contracts incorporate indexation related adjustments to consideration, whereby pricing is adjusted based on an external metric (such as CPI or RPI). Variable consideration related to indexation adjustments is only recognised once these are confirmed.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Recognise revenue when or as the entity satisfies its performance obligations

For each performance obligation, management determines if revenue will be recognised over time or at a point in time. For each performance obligation to be recognised over time, the Company applies the relevant input revenue recognition method for measuring progress that best depicts the Company's performance in transferring control of the goods or services to the customer.

If performance obligations do not meet the criteria to recognise revenue over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. Sales of goods are recognised when goods are delivered and control has passed to the customer.

Long-term facilities management contracts

The Company has a number of long-term contracts which are predominantly integrated facilities management arrangements. Typically, these contracts involve the provision of multiple service lines, with a single management team providing an integrated service. Such contracts tend to be transformational in nature where the business works with the customer to identify and implement cost saving initiatives across the life of the contract.

Management considers the majority of services provided within integrated facilities management contracts meet the definition of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time. The series constitutes services provided in distinct time increments (e.g. monthly or quarterly) and therefore the Company treats the series of such services as one performance obligation.

Projects

The Company delivers project works that include performance obligations under which revenue is recognised over time as value from the service is transferred to the customer due to an enforceable right to payment for performance to date where the Company creates or enhances an asset that the customer controls and/or creates an asset with no alternative use. The Company measures progress using the input method, where the value of work transferring over time is based on the proportion of costs incurred to date compared to total forecasted costs and applied to the total consideration. During a project, there may be variations to amend or extend the original project as well as claims for additional consideration which are accounted for as contract modifications.

Repeat service-based contracts (single and bundled contracts)

The Company operates a number of single or joint-service line arrangements where repeat services meet the definition of a series of distinct services that are substantially the same. They have the same pattern of transfer of value to the customer as the series constitutes core services provided in distinct time increments (e.g. monthly or quarterly). The Company therefore treats the series of such services as one performance obligation and recognise revenue over time.

Short-term service-based arrangements

The Company delivers a range of other short-term service based performance obligations and professional services work for which revenue is recognised at the point in time when control of the service has transferred to the customer. This may be at the point when the customer obtains control of the service in a contract with customer-specified acceptance criteria e.g. the delivery of a strategic operating model or report.

Accrued income and deferred income

The Company's customer contracts include a diverse range of payment schedules that are often agreed at the inception of long-term contracts under which it receives payments throughout the term of the arrangement. Payments for goods and services transferred at a point in time may be at the delivery date, in arrears or part payment in advance.

Where revenue recognised at the year end date is more than amounts invoiced, the Company recognises accrued income for the difference. Where revenue recognised at the year end date is less than amounts invoiced, the Company recognises deferred income for the difference.

Where price step-downs are required in a contract and output is not decreasing, revenue is deferred from initial periods to subsequent periods in order for revenue to be recognised on a consistent basis.

Providing the option for a customer to obtain extension periods or other services at a significant discount may lead to a separate performance obligation where a material right exists. Where this is the case, the Company allocates part of the transaction price from the original contract to deferred income which is then amortised over the discounted extension period or recognised immediately when the extension right expires.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Taxation

Tax in the income statement represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from the accounting profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at cost less accumulated impairment losses. It is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement for the year and is not subsequently reversed.

On disposal of an operation, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Computer software and helpdesk

Software and development expenditure is capitalised as an intangible asset if the asset created can be identified, if it is probable that the asset created will generate future economic benefits, and if the development cost of the asset can be measured reliably.

Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are reviewed for impairment annually, or more frequently when there is an indication that they may be impaired. Amortisation expense is charged to the income statement on a straight-line basis over its useful life, which is five years.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost less expected residual value of the assets over their estimated useful lives and is calculated on a straight-line basis as follows.

Plant and equipment and office equipment: 3-10 years

The Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Investments in subsidiaries

Investments in subsidiaries are shown at cost less any provision for impairment. Investments in subsidiaries are reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset exceeds its recoverable amount.

Financial instruments

Classification and measurement

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets principally comprise cash and cash equivalents, trade receivables and certain other receivables. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank transactions are recorded on their settlement date.

Bank transactions are recorded on their settlement date. All of the Company's cash flows are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Company's revenue streams are therefore initially measured at their transaction price and are subsequently remeasured at amortised cost.

Financial liabilities principally comprise trade payables and certain other payables. These are measured at initial recognition at fair value and subsequently at amortised cost.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECLs”) on all receivable balances from customers measured at amortised cost, using the simplified approach. Under this approach, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated on the basis of historical credit loss experience, adjusted for forward-looking factors that incorporate macroeconomic conditions, for example changes in interest rates and inflation, and applied to customers with common risk characteristics such as sector type.

For other receivables, ECLs are measured using those losses expected to arise in the 12 months subsequent to the statement of financial position date.

For cash and cash equivalents, the Company does not currently anticipate any future credit losses given the high-quality credit rating of the financial institutions with which balances are held.

Foreign currency

The financial statements are prepared in the functional currency applicable to the Company. Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement.

Non-monetary items are measured in terms of historical cost in a foreign currency and are not retranslated.

Leases

At inception of a lease contract, the Company assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Company recognises a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is a lessee, except low-value leases and short-term leases of 12 months or less, costs for which are recognised as an operating expense within the income statement as they are incurred.

A right-of-use asset is capitalised on the statement of financial position and presented within property, plant and equipment at cost which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right-of-use asset at inception. Right-of-use assets are depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term and are reviewed for impairment to account for any loss when events or changes in circumstances indicate the carrying value may not be fully recoverable.

The lease liability is initially measured at amortised cost using the effective interest method to calculate the present value of future lease payments and is subsequently increased by the associated interest cost and decreased by lease payments made. The effective interest rate is based on the rate implicit in the lease or, where not available, the incremental borrowing rate. Lease payments made are apportioned between a capital repayment amount and an interest charge. Lease payments comprise fixed lease rental payments only, with the exception of property leases for which the associated fixed service charge is also included. The majority of the Company’s lease contracts include inflationary linked rent review clauses. Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. Lease liabilities are classified between current and non-current on the statement of financial position.

The lease term comprises the non-cancellable period in addition to the determination of the enforceable period which is covered by an option to extend the lease, where it is reasonably certain that the option will be exercised, and the period covered by the option to terminate the lease to a point in time where no more than an ‘insignificant penalty’ is incurred. The Company assesses an insignificant penalty with reference to the wider economics of the lease, including any investment in non-transferable leasehold improvements which may result in an impairment charge should the lease be terminated.

A modification to a lease which changes the lease payment amount (e.g. due to a renegotiation or market rent review) or amends the term of the lease results in a reassessment of the lease liability with a corresponding adjustment to the right-of-use asset.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Retirement benefit costs

The Company partakes in defined contribution retirement benefit schemes operated by another Group company for qualifying employees. Payments to the defined contribution and stakeholder pension schemes are charged as an expense as the related service is provided.

Share-based payments

The Company participates in a number of Group executive and employee share option schemes. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. For grants of share options and awards, the fair value as at the date of grant is calculated using the Black-Scholes model or the share price at grant date, and the corresponding expense is recognised on a straight-line basis over the vesting period based on management's estimate of shares that will eventually vest. At each statement of financial position date, the estimate of the number of equity instruments expected to vest is revised as a result of the effect of non-market based vesting conditions. Save As You Earn options are treated as cancelled when employees cease to contribute to the scheme, resulting in an acceleration of the remainder of the related expense. Further details of the Group's share option schemes are contained in the Mitie Group plc annual report and accounts. The share-based payments expense recognised by the Company is with respect to the employees that provide services directly to the Company.

Dividends

Dividends are recognised in the financial statements in the year in which the shareholder's right to receive payment of the dividend becomes unconditional.

e) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, made by management in the process of applying the Company's accounting policies, that have the most significant effect on the amounts recognised in the Company's financial statements.

Revenue recognition

The Company's revenue recognition policies, which are set out under Revenue recognition in Note 1d are central to how the Company measures the work it has performed in each financial year.

Some of the Company's contracts include variable consideration where management assesses the extent to which revenue is recognised. For certain contracts, key judgements were made on whether it is considered highly probable that a significant reversal of revenue will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Recoverability of trade receivables and accrued income

The Company has material amounts of billed and unbilled work outstanding at 31 March 2025. Receivables are recognised initially at cost (being the same as fair value) and subsequently at amortised cost less any allowance for impairment, to ensure that amounts recognised represent the recoverable amount. The Company recognises a loss allowance for ECLs on all receivable balances from customers using a lifetime credit loss approach and includes specific allowance for impairment where there is evidence that the Company will not be able to collect amounts due from customers, subsequent to initial recognition. Management applies judgement on specific allowances for impairment based on the information available at each reporting date which includes information about past events, current conditions and forecasts of the future economic condition of customers.

IFRS 16 – Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for the Company to exercise either the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

Notes to the financial statements (continued)

1 Accounting policies, judgements and estimates (continued)

Key sources of estimation uncertainty

There were no significant accounting estimates at the statement of financial position date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2 Revenue

	2025	2024
	€000	€000
Cleaning	25,407	20,928
Security	7,585	6,977
Other	38,408	40,321
	<u>71,400</u>	<u>68,226</u>

Other revenue above includes management services, mechanical and electrical maintenance and project works, reception, mailroom, pest, waste, etc. All revenue arises in the Republic of Ireland.

3 Operating profit

Operating profit is stated after charging:

	2025	2024
	€000	€000
Amortisation of intangible assets (Note 8)	17	27
Impairment of intangible assets (Note 8)	9	-
Depreciation of property, plant and equipment (Note 9)	204	151
Depreciation of right-of-use assets (Note 15)	441	427
Amortisation of contract assets	-	58
Impairment of contract assets	-	205
Property rental	242	242

4 Auditor's remuneration

The auditor's remuneration for the financial year was €50,000 (2024: €44,000).

Fees paid to the Company's auditor and its associates in respect of services other than the statutory audit of the Company have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Mitie Group plc.

Notes to the financial statements (continued)**5 Staff numbers and costs**

The average number of persons who work for and are employed by the Company (including Directors) during the year, analysed by category, was as follows.

	Number of employees	
	2025	2024
Management	75	74
Administration	74	72
Operations	1,273	1,282
	<u>1,422</u>	<u>1,428</u>

The aggregate payroll costs incurred by the Company and charged to the income statement were as follows.

	2025	2024
	€000	€000
Wages and salaries	36,036	32,702
Share-based payments	(9)	29
Social security costs	3,814	3,434
Pension costs	180	195
	<u>40,021</u>	<u>36,360</u>

6 Directors' remuneration

	2025	2024
	€000	€000
Salaries	464	358
Share-based payments	20	29
Social security costs	54	45
Pension costs	17	18
Other benefits	24	23
	<u>579</u>	<u>473</u>

Accrued pension costs in the current financial year included the retirements benefits of one Director (2024: one).

The following Directors were also directors or employees of another Group company. They were remunerated by the company shown. It is not practicable to allocate their remuneration between their services as Directors of this company and as directors or employees of other Group companies.

Director	Remunerated by	Disclosed by
P J G Dickinson	Mitie Limited	Mitie Limited
L Sheridan	Mitie Facilities Management Limited	Mitie Facilities Management Limited

Notes to the financial statements (continued)**7 Tax**

	2025	2024
	€000	€000
<i>Analysis of charge/(credit) in the year</i>		
<i>Republic of Ireland corporation tax at 12.5% (2024: 12.5%)</i>		
Current tax on profit for the year	410	408
Adjustments in respect of prior periods	(2)	3
	<hr/>	<hr/>
Total current tax charge	408	411
<i>Deferred tax (Note 13)</i>		
Origination and reversal of temporary timing differences	(6)	6
Adjustments in respect of prior periods	2	2
	<hr/>	<hr/>
Total deferred tax (credit)/charge	(4)	8
	<hr/>	<hr/>
Total charge for the year	404	419
	<hr/> <hr/>	<hr/> <hr/>
<i>Tax reconciliation</i>		
Profit before tax	3,136	3,294
Tax using the Republic of Ireland corporation tax rate of 12.5% (2024: 12.5%)	392	412
Items not deductible for tax purposes	12	3
Adjustments in respect of employee share options	-	(1)
Adjustments in respect of prior periods	-	5
	<hr/>	<hr/>
Total tax charge	404	419
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)**8 Intangible assets**

	Goodwill	Computer software and helpdesk	Total
	€000	€000	€000
Cost			
At 1 April 2024	9,194	1,680	10,874
Disposals	-	(210)	(210)
	<u>9,194</u>	<u>1,470</u>	<u>10,664</u>
At 31 March 2025	9,194	1,470	10,664
Amortisation and impairment			
At 1 April 2024	-	1,654	1,654
Charge for the year	-	17	17
Impairment	-	9	9
Disposals	-	(210)	(210)
	<u>-</u>	<u>1,470</u>	<u>1,470</u>
At 31 March 2025	-	1,470	1,470
Net book value			
At 1 April 2024	9,194	26	9,220
	<u>9,194</u>	<u>-</u>	<u>9,194</u>
At 31 March 2025	9,194	-	9,194

Notes to the financial statements (continued)**9 Property, plant and equipment**

Property, plant and equipment comprises owned and leased assets.

	2025	2024
	€000	€000
Owned property, plant and equipment	492	576
Right-of-use assets (Note 15)	1,517	891
	<u>2,009</u>	<u>1,467</u>

The table below relates to owned property, plant and equipment.

	Plant and equipment	Office equipment	Total
	€000	€000	€000
Cost			
At 1 April 2024	1,349	235	1,584
Additions	120	-	120
Disposals	(46)	(17)	(63)
At 31 March 2025	<u>1,423</u>	<u>218</u>	<u>1,641</u>
Accumulated depreciation and impairment			
At 1 April 2024	773	235	1,008
Charge for the year	204	-	204
Disposals	(46)	(17)	(63)
At 31 March 2025	<u>931</u>	<u>218</u>	<u>1,149</u>
Net book value			
At 1 April 2024	576	-	576
At 31 March 2025	<u>492</u>	<u>-</u>	<u>492</u>

10 Investment in subsidiaries

The Company acquired 100% of the share capital of Mitie NI Limited on 27 January 2012 for a consideration of €2,287,000. This was satisfied through a share exchange agreement with Mitie Group plc.

Subsidiary	Registered office	% holding	Nature of business
Mitie NI Limited	Mitec Operations Centre, Unit 9B, First Floor, Silverwood Business Park, Silverwood Rd, Lurgan, Craigavon, Northern Ireland, BT66 6SY	100	Facilities management services

For the financial year ended 31 March 2025, Mitie NI Limited recorded a profit of GBP £890,000 (2024: GBP £803,000) and had net assets of GBP £3,529,000 (2024: GBP £2,639,000). The Directors believe that the value of the investment is not impaired, and it is consequently carried at cost.

Dividends

Mitie NI Limited did not pay a dividend to the Company during the financial year (2024: €nil).

Notes to the financial statements (continued)**11 Trade and other receivables**

	2025	2024
	€000	€000
Trade receivables	7,718	10,518
Amounts owed by Group undertakings	5,617	2,070
Prepayments	588	432
Accrued income	4,150	1,350
Other receivables	603	752
	<u>18,676</u>	<u>15,122</u>
Current	18,494	14,790
Non-current	182	332

Management considers that the carrying amount of trade and other receivables approximates their fair value. Trade and other receivables are interest-free except as noted below.

Amounts owed by Group undertakings are repayable on demand. Included within these amounts are €5,250,000 (2024: €2,000,000) relating to interest-bearing loans at 3% per annum (2024: 3% per annum).

12 Trade and other payables

	2025	2024
	€000	€000
Trade payables	1,969	1,652
Amounts owed to Group undertakings	488	355
Other taxes and social security	1,401	1,622
Accruals	10,637	9,286
Other payables	188	36
	<u>14,683</u>	<u>12,951</u>

Trade and other payables are interest-free.

PAYE and VAT are subject to the terms of the relevant legislation.

Amounts owed to Group undertakings are repayable on demand.

Notes to the financial statements (continued)**13 Deferred tax assets**

	Accelerated capital allowances	Share options	Short-term timing differences	Total
	€000	€000	€000	€000
At 1 April 2023	24	48	18	90
Recognised in income statement	(3)	(3)	(2)	(8)
Recognised in equity	-	(23)	-	(23)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	21	22	16	59
Recognised in income statement	6	(2)	-	4
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	27	20	16	63
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Deferred tax has been calculated using tax rates that were substantively enacted at the statement of financial position date (Note 7).

14 Provisions

	Insurance reserve	Dilapidations provisions	Total
	€000	€000	€000
At 1 April 2024	792	116	908
Additional provisions	147	-	147
Utilised	(339)	-	(339)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	600	116	716
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Current	211	116	327
Non-current	389	-	389

The Company retains a portion of the exposure in relation to insurance policies for employer liabilities and motor and fleet liabilities. Judgement is involved in assessing outstanding liabilities, the ultimate cost and timing of which cannot be known with certainty at the statement of financial position date. The provision includes claims incurred but not yet reported and is based on information available at the statement of financial position date using advice from third party actuarial experts. The provision is expected to be utilised over five years.

The provision for dilapidations relates to the legal obligation for leased properties to be returned to the landlord in the contracted condition at the end of the lease period. This cost includes repairs of any damage and wear and tear.

Notes to the financial statements (continued)

15 Leases

Right-of-use assets	Plant and vehicles	
	€000	
Cost		
At 1 April 2024		2,243
Additions		1,097
Modifications		(10)
Disposals		(891)
		<hr/>
At 31 March 2025		2,439
Accumulated depreciation and impairment		
At 1 April 2024		1,352
Charge for the year		441
Disposals		(871)
		<hr/>
At 31 March 2025		922
		<hr/> <hr/>
Net book value		
At 1 April 2024		891
		<hr/> <hr/>
At 31 March 2025		1,517
		<hr/> <hr/>
Lease liabilities		
	€000	€000
At 1 April 2024/2023	900	838
Additions	1,097	502
Modifications	(10)	19
Finance cost on lease liabilities	51	31
Disposals	(20)	(24)
Repayment of lease liabilities (including financing)	(493)	(466)
	<hr/>	<hr/>
At 31 March 2025/2024	1,525	900
	<hr/> <hr/>	<hr/> <hr/>
Current	476	375
Non-current	1,049	525
Maturity analysis-contractual undiscounted cash flows		
	2025	2024
	€000	€000
Less than one year	541	406
Between one to five years	1,142	555
	<hr/>	<hr/>
	1,683	961
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)**15 Leases (continued)****Amounts recognised in the income statement**

	2025	2024
	€000	€000
Depreciation	(441)	(427)
Short-term lease expense	(63)	-
Operating profit impact	(504)	(427)
Finance cost	(51)	(31)
Profit before tax impact	(555)	(458)

16 Equity

Authorised	2025	2024	2025	2024
	Number	Number	€000	€000
Ordinary shares				
Ordinary-A shares at €0.15 each	4,266,660	4,266,660	640	640
Ordinary-B1 to Ordinary-B32 shares at €0.01 each	36,000,000	36,000,000	360	360
Ordinary-C share at €1.00	1	1	-	-
			1,000	1,000
Allotted, called-up and fully paid	2025	2024	2025	2024
	Number	Number	€000	€000
Ordinary shares				
Ordinary-A shares at €0.15 each	1,591,460	1,591,460	239	239
Ordinary-B1 to Ordinary-B32 shares at €0.01 each	1,000,000	1,000,000	10	10
Ordinary-C share at €1.00	1	1	-	-
			249	249

Rights attaching to shares

All dividends up to the Cumulative Index Linked Profit Threshold ("CIPT") are payable to the holders of the Ordinary-A shares. Any dividend above the CIPT is payable pro-rata to all classes of shares.

Share premium

Share premium represents the premium arising on the issue of equity shares.

Retained earnings

This comprises the retained profits and losses of the Company, less amounts distributed to the Company's shareholder.

Dividends

The following dividends were paid during the year.

	2025	2024
	€000	€000
€nil (2024: €2.20) per qualifying ordinary-A share	-	3,500

Notes to the financial statements (continued)

17 Capital contributions and share-based payments

During the financial year the Company had a capital reduction of €9,000 (2024: €29,000 capital contribution) in relation to share options granted by the ultimate parent company. The credit recognised in the year arising from share-based payments was €9,000 (2024: €29,000 expense). The detailed disclosures are not included on the basis that they are not material to the accounts.

18 Retirement benefits

The Company operates a defined contribution retirement benefit scheme for qualifying employees. The assets of the scheme are held separately from those of the Company in funds controlled by the scheme providers. The Company incurred employer contributions of €180,000 (2024: €195,000) during the financial year. As at 31 March 2025, contributions of €15,000 (2024: €16,000) due in respect of the current reporting financial year had not been paid over to the scheme.

19 Related parties

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries within the Group.

20 Subsequent events

There have been no material events since the statement of financial position date that require adjustment or disclosure.

21 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie Treasury Management Limited and Mitie Group plc which are the immediate parent companies incorporated in the United Kingdom. The ultimate controlling party is Mitie Group plc, a company incorporated in the United Kingdom with its registered office at 35 Duchess Road, Rutherglen, Glasgow, Scotland, G73 1AU. Mitie Group plc is the parent company of the largest and smallest groups into which the accounts of the Company are consolidated. The consolidated financial statements of Mitie Group plc are available to the public and may be obtained from the Company Secretary at Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG or from www.mitie.com.