



# A resilient performance

## Financial Statements

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## Independent Auditor's Report

to the members of Franchise Brands plc

### Opinion

We have audited the financial statements of Franchise Brands Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- An understanding of the future plans for the group;
- Reviewing cashflow forecasts for the 15 month period ending 31 December 2025 to 30 June 2027, and challenging management on the key operating assumptions based on the 2025 actual results;
- Reviewing all the key inputs into the cash flow forecast to ensure they are appropriate, and no evidence of management bias exists;
- Testing the integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions;
- Reviewing the company and group's management accounts to assess if material matters have been reflected in the underlying assumptions to the forecasts;
- Comparing Board of Directors approved budgets to actual figures achieved to assess the reliability of management's forecasts;
- Assessing the adherence to covenants in the going concern period forecasts;
- Reviewing the new financing arrangement entered into during the period to ensure the new terms have been appropriately factored into forecast, and to assess covenant compliance across the period;
- Performing sensitivity analysis on the forecasts provided; and
- Review the going concern disclosure within the financial statements for appropriateness.

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

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



## Independent Auditor's Report continued to the members of Franchise Brands plc

### Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Materiality for the group was set based on the consolidated position of the Group, at £1,055,000. This was calculated based on 3% of Adjusted EBITDA. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to stakeholders in assessing the financial performance of the group.

We also determined a level of group performance materiality which we use to assess the extent of testing needed to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Performance materiality for the group was set at £685,000 being 65% of materiality for the financial statements as a whole. A benchmark of 65% for performance materiality was applied to provide sufficient coverage of significant and residual risks in the financial statements.

In determining performance materiality, we considered the following factors:

- the number and quantum of identified misstatements observed during the prior year audit; and
- the consistency in the level of judgement required in key accounting estimates and the level of significant or other key risks, including KAMs, identified during our planning procedures.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit of the group with a value in excess of £52,000.

Materiality for the parent company was set at £600,000, with a performance materiality of £390,000. The benchmark used in determining the materiality for the parent company was 2% of net assets, given this is a holding company with no external trade, but capped at an allocated component materiality.

We agreed to report to the audit committee all corrected and uncorrected misstatements for the parent company we identified through the audit with a value in excess of £30,000.

### Our approach to the audit

Our audit was tailored in such a way as to perform sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and of the company, the accounting processes and controls, and the industry in which they operate.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. We looked at the areas Directors make subjective judgements, for example in respect of significant accounting estimates which involve making assumptions and considering future events, this process being inherently uncertain.

The group consists of the parent company and its subsidiaries which are geographically dispersed. Materiality and the risks of material misstatement were assessed at subsidiary level for our audit procedures on the subsidiaries.

We performed an assessment of those components which were significant to the group, determined to be those which were financially significant to the group and in which proportionally higher levels of risk through the transactions in which they engage. Six components were determined to be significant to the audit, on which full scope procedures were performed. The remaining subsidiaries were tested to a percentage of group materiality either through specified procedures, or analytical procedures as determined sufficient by the audit team for the purposes of the group audit.

Audit approach	No. of components	% coverage of revenue	% coverage of adjusted EBITDA
Full-scope audit	6	75	76
Specified audit procedures	4	22	16

With the exception of four components, located in France, Benelux, Germany and the United States of America, all in scope components were located in the UK, where the audit work was conducted by us using a team with specific experience of auditing publicly listed entities.

The components in Germany and the United States of America were audited by PKF and non-PKF network firms respectively under our instruction. We interacted regularly with the component audit team during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and company financial statements.



## Independent Auditor's Report continued to the members of Franchise Brands plc

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p><b>Revenue Recognition</b></p> <p>Refer to accounting policies in Note 1 and further details in Notes 2 and 5</p> <p>Revenue recognition Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk.</p> <p>The group has a number of different revenue streams.</p> <p>Each revenue stream has its own estimates and judgements in relation to IFRS 15 <b><i>“Revenue from Contracts with Customers.”</i></b></p> <p>Within Willow Pumps Limited, revenue for certain projects is recognised over time and management must recognise revenue and profit accordingly across the identified stages of the project (Stage 1 – delivery to site, Stage 2 – first fix, Stage 3 – commissioning) based on the input method.</p> <p>Given the level of estimation uncertainty and the level of judgements involved, this element of Revenue Recognition is determined to be a key audit matter. As part of the Management override of controls risk, we have also identified revenue journals posting as a significant risk of material misstatement.</p>	<p>We reviewed the accounting treatment applied by Management in respect of revenue recognition for Willow Pumps Design &amp; Installation revenue which is recognised over time using the input method under IFRS 15.</p> <p>Our work included, but was not limited to:</p> <ul style="list-style-type: none"> <li>■ Discussions with Management in respect of revenue transaction arrangements for the Design &amp; Installation revenue stream, and understanding Management's own assessment of the treatment of the revenue stream;</li> <li>■ Performing walkthrough testing to develop an understanding of the revenue transaction flow for each entity and which parties are involved at each stage;</li> <li>■ Obtaining revenue contracts for Design &amp; Installation revenue transactions;</li> <li>■ Documenting and challenging Management's treatment of a water pump installation as a single performance obligation;</li> <li>■ Confirming Management's approach to the accounting treatments for stages 2 &amp; 3 and ensuring that these were in line with the requirements of IFRS 15;</li> <li>■ Substantive testing of revenue to supporting documentation both during the year and around year end;</li> <li>■ Journals testing focussed on unusual manual adjustments to revenue line items;</li> <li>■ We challenged Management as to the phasing of profit catch ups in stages 2 &amp; 3 and developed our own estimates of revenue to be recognised in the period; and</li> <li>■ Review the disclosure of the revenue stream within the financial statements.</li> </ul> <p><b>Key observations</b></p> <p>Revenue recognition accounting was seen to be materially in line with the requirements of IFRS 15.</p>



## Independent Auditor's Report continued

to the members of Franchise Brands plc

Key Audit Matter

How our scope addressed this matter

### Impairment of goodwill and indefinite useful life intangible assets

Refer to accounting policies in Note 1 and further details in Notes 2 and 12

The group has goodwill and indefinite useful life intangibles which, under IAS 36 (Intangibles) are required to be tested annually for impairment.

Management must exercise a high degree of estimation in both the assessment of Cash Generated Units (CGUs) or group of CGUs to which Goodwill is allocated, and in determining the value in use of these CGUs. The inputs and assumptions into the value in use models are both highly subjective and complex, which leads to a significant risk that impairment of assets exists, and is therefore designated as a key audit matter.

For each impairment assessment performed we determined whether the inputs and assumptions into the models were both reasonable and supportable.

Our work in this area included, but was not limited to:

- A critical review of the CGUs derived by Management to ensure that they were in line with the requirements of IAS 36;
- Review and challenge of Management's previous forecasting accuracy and understanding of the reasons as to where budgets were not achieved where applicable;
- Challenge of the future trading forecasts to ensure that they are supportable and reasonable based on the external market and internal factors such as past performance and future business plans;
- Ensuring mechanical accuracy of the forecasts and their consistency with forecasts used in other areas, such as going concern;
- Ensuring that the forecasts are consistent with the Board of Directors approved budgets;
- Using our internal valuations team we assessed the appropriateness of the calculation of the discount rates per CGU and challenged these where these fell outside of an expected range;
- Reviewing sensitivities performed by Management to ensure that these were both plausible and sufficiently severe in nature, and assessing the impact of these sensitivities on the key assumptions within the model; and
- Assessing the completeness and appropriateness of the disclosures within the financial statements.

#### Key observations

The carrying values of the goodwill and intangible assets at the period end are reasonable. We draw your attention to Note 12 of the financial statements where the impact on impairment of sensitivities is disclosed.



## Independent Auditor's Report continued

to the members of Franchise Brands plc

Key Audit Matter

How our scope addressed this matter

### **Recoverability of investments and intercompany balances – Franchise Brands Plc (Company only)**

Refer to accounting policies in Note 1 and further details in Notes 2 and 23

The parent company statement of financial position has material investments in subsidiaries: 2025 – £209,468k (2024 – £208,905k) and amounts due from group undertakings 2025 – £100,693k (2024 – £100,036k).

In line with IAS 36, Management must exercise judgement in assessing the recoverability of these balances which can involve complex modelling and assumptions, presenting a risk of material misstatement if not performed correctly.

For the recoverability assessment performed we determined the reasonableness of the inputs and assumptions used by Management.

Our work in this area included, but was not limited to:

- An assessment of the assumptions used by Management in determining the recoverability of investments in subsidiaries and amounts due from group undertakings for reasonableness;
- Ensuring mechanical accuracy of the forecasts and their consistency with forecasts used in other areas, such as going concern;
- Reviewing sensitivity analysis performed by management to ensure that these are both plausible and sufficiently severe in nature, and assessing the impact of these sensitivities on the key inputs and assumptions within the model;
- Obtaining management's assessment of the ECL on the intercompany receivables and evaluated the appropriateness of the assessment; and
- Reviewing current period performance and expected future trading of the subsidiary entities.

#### **Key observations**

The carrying values of the investments and intercompany balances at the period end are reasonable.



## Independent Auditor's Report continued

to the members of Franchise Brands plc

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of directors

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

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



## Independent Auditor's Report continued to the members of Franchise Brands plc

### Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with Management, review of board minutes and cumulative knowledge of the industries in which the subsidiaries operate.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the:
  - Companies Act 2006;
  - UK-adopted international accounting standards;
  - Climate reporting requirements (SECR and TCFD);
  - UK and overseas taxation regulations;
  - Employment, health and safety laws both in the UK and overseas;
  - Data Protection and GDPR rules;
  - Local laws and regulations in the jurisdictions of the subsidiary entities;
  - FCA Listing and AIM Rules for Companies;
  - The financial services Act; and
  - Anti-bribery and anti-money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing board meeting minutes; and
  - Reviewing legal correspondence (where applicable) and reviewing legal and professional fees.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to both the estimates and judgements in relation to revenue recognition, and the impairment assessment of Goodwill and indefinite useful life intangible assets (group), and investments and intercompany balances (parent). We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate and ensuring that there were adequate disclosures included in the respective notes including the disclosures within critical accounting estimates;
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.



## Independent Auditor's Report continued to the members of Franchise Brands plc

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

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

### Use of our report

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

### Hannes Verwey (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP  
Statutory Auditor  
24 March 2026

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Canary Wharf  
London E14 4HD



## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Revenue</b>	5	<b>142,152</b>	139,206
Cost of sales		<b>(57,394)</b>	(55,887)
<b>Gross profit</b>		<b>84,758</b>	83,319
Adjusted earnings before interest, tax, amortisation, share-based payments & non-recurring items ("Adjusted EBITDA")		<b>35,245</b>	35,121
Depreciation and amortisation on right-of-use assets	6, 13, 14	<b>(4,969)</b>	(4,837)
Amortisation of software	6, 12	<b>(1,177)</b>	(1,235)
Amortisation of acquired intangibles	6, 12	<b>(10,296)</b>	(10,156)
Share-based payment expense	6, 8	<b>(874)</b>	(1,480)
Non-recurring items	6	<b>–</b>	(444)
Total administrative expenses		<b>(65,492)</b>	(65,858)
Net impairment losses on financial assets	17	<b>(1,337)</b>	(492)
<b>Operating profit</b>		<b>17,929</b>	16,969
Foreign exchange losses		<b>349</b>	(386)
Finance expense	9	<b>(5,558)</b>	(7,378)
<b>Profit before tax</b>		<b>12,720</b>	9,205
Tax expense	10	<b>(3,743)</b>	(1,921)
<b>Profit for the year attributable to equity holders of the Parent Company</b>		<b>8,977</b>	7,284
<b>Other comprehensive (expense)/income</b>			
Actuarial gains	27	<b>31</b>	12
Exchange differences on translation of foreign operations		<b>(510)</b>	337
<b>Total comprehensive (expense)/income attributable to equity holders of the Parent Company</b>		<b>(479)</b>	349
<b>Total Profit and other comprehensive income for the year attributable to equity holders of the Parent Company</b>		<b>8,498</b>	7,633
<b>Earnings per share</b>			
Basic	11	<b>4.67p</b>	3.78p
Diluted	11	<b>4.64p</b>	3.74p

The Notes on pages 107 to 141 form part of these financial statements.



## Consolidated Statement of Financial Position

At 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	12	286,178	295,536
Property, plant and equipment	13	4,334	4,667
Right-of-use assets	14	11,601	11,106
Contract acquisition costs	15	424	454
Trade and other receivables	17	2,633	333
<b>Total non-current assets</b>		<b>305,170</b>	312,096
<b>Current assets</b>			
Inventories	16	7,265	7,577
Trade and other receivables	17	43,949	40,217
Contract acquisition costs	15	86	98
Current tax asset		908	390
Cash and cash equivalents		15,293	12,921
<b>Total current assets</b>		<b>67,501</b>	61,203
<b>Total assets</b>		<b>372,671</b>	373,299
<b>Liabilities</b>			
<b>Current liabilities</b>			
Overdraft		7,542	–
Trade and other payables	18	35,652	31,018
Loans and borrowings	20	9,681	9,311
Obligations under leases	21	3,250	3,062
Deferred income	19	1,335	2,237
Current tax liability		1,091	778
<b>Total current liabilities</b>		<b>58,551</b>	46,406

	Note	2025 Total £'000	2024 Total £'000
<b>Non-current liabilities</b>			
Loans and borrowings	20	51,631	67,431
Obligations under leases	21	8,404	8,179
Deferred income	19	3,205	1,892
Deferred tax liability	22	29,366	30,828
<b>Total non-current liabilities</b>		<b>92,606</b>	108,330
<b>Total liabilities</b>		<b>151,157</b>	154,736
<b>Total net assets</b>		<b>221,514</b>	218,563
<b>Issued capital and reserves attributable to owners of the Company</b>			
Share capital	24	969	969
Share premium	24	131,131	131,131
Share-based payment reserve	24	4,080	3,213
Merger reserve	24	69,754	69,754
Translation reserve		(149)	361
EBT reserve	24	(4,296)	(2,756)
Retained earnings		20,025	15,891
<b>Total equity attributable to equity holders</b>		<b>221,514</b>	218,563

The consolidated financial statements of Franchise Brands plc (Company number: 10281033) on pages 97 to 141 were approved and authorised for issue by the Board of Directors on 24 March 2026 and were signed on its behalf by:

Andrew Mallows  
Director



## Company Statement of Financial Position

At 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in group companies	23	209,468	208,905
Property, plant and equipment	13	8	7
Right-of-use assets	14	22	-
<b>Total non-current assets</b>		<b>209,498</b>	208,912
<b>Current assets</b>			
Trade and other receivables	17	104,783	102,459
Cash and cash equivalents		3	1,585
<b>Total current assets</b>		<b>104,786</b>	104,044
<b>Total assets</b>		<b>314,284</b>	312,956
<b>Liabilities</b>			
<b>Current liabilities</b>			
Overdraft		7,542	-
Trade and other payables	18	37,686	27,945
Loans and borrowings	20	9,681	9,311
Obligations under leases		6	-
<b>Total current liabilities</b>		<b>54,915</b>	37,256
<b>Non-current liabilities</b>			
Loans and borrowings	20	51,631	67,431
Obligations under leases		15	-
<b>Total non-current liabilities</b>		<b>51,646</b>	67,431
<b>Total liabilities</b>		<b>106,561</b>	104,687
<b>Total net assets</b>		<b>207,723</b>	208,269

	Note	2025 Total £'000	2024 Total £'000
<b>Issued capital and reserves attributable to owners of the Company</b>			
Share capital	24	969	969
Share premium	24	131,131	131,131
Share-based payment reserve	24	4,080	3,213
Merger reserve	24	69,634	69,634
EBT reserve	24	(4,296)	(2,756)
Retained earnings		6,205	6,078
<b>Total equity attributable to equity holders</b>		<b>207,723</b>	208,269

No statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act. Franchise Brands plc reported a profit and total comprehensive income for the financial period ended 31 December 2025 of £4.89m (2024: £2.06m).

The Company financial statements of Franchise Brands plc (Company number: 10281033) on pages 99 to 141 were approved and authorised for issue by the Board of Directors on 24 March 2026 and were signed on its behalf by:

Andrew Mallows  
Director



## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Cash flows from operating activities</b>			
Profit for the year		<b>8,977</b>	7,284
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment	13	<b>1,278</b>	1,122
Depreciation of right-of-use assets	14	<b>3,691</b>	3,715
Amortisation of software & other intangibles	12	<b>1,177</b>	1,235
Amortisation of acquired intangibles	12	<b>10,296</b>	10,156
Stock provision adjustment		–	(313)
Non-recurring costs		–	(491)
Share-based payment expense	8	<b>874</b>	1,480
Gain on disposal of property, plant and equipment		<b>(699)</b>	(102)
Current service cost – DBO	27	<b>17</b>	(18)
Finance expense	9	<b>5,558</b>	7,378
Exchange differences on translation of foreign operations		<b>(387)</b>	357
Tax expense	10	<b>3,743</b>	1,921
<b>Operating cash flow before movements in working capital</b>		<b>34,525</b>	33,724
(Increase)/decrease in trade and other receivables	17	<b>(5,268)</b>	421
(Increase)/decrease in inventories	16	<b>123</b>	(344)
Increase/(decrease) in trade and other payables	18	<b>4,347</b>	(1,654)
<b>Cash generated from operations</b>		<b>33,727</b>	32,147
Corporation taxes paid		<b>(5,608)</b>	(3,991)
<b>Net cash generated from operating activities</b>		<b>28,119</b>	28,156
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	13	<b>(996)</b>	(1,470)
Proceeds from the sale of property, plant and equipment		<b>1,104</b>	248
Purchase of software	12	<b>(2,104)</b>	(1,657)
Purchase of Intellectual Property	12	–	(9)
Loans to franchisees		<b>(973)</b>	(164)
Loans to franchisees repaid		<b>423</b>	341

**Consolidated Statement of Cash Flows** continued

For the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Net cash used in investing activities</b>		<b>(2,546)</b>	(2,711)
<b>Cash flows from financing activities</b>			
Bank loans – received		2,520	2,000
Bank loans – repaid		(18,240)	(11,250)
Overdraft		7,542	–
Capital element of lease liability repaid	21	(3,778)	(3,666)
Interest paid – bank and other loan	9	(4,315)	(6,704)
Interest paid – leases	9, 21	(613)	(598)
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		(1,540)	(77)
Dividends paid	26	(4,711)	(4,429)
<b>Net cash absorbed from financing activities</b>		<b>(23,135)</b>	(24,724)
<b>Net increase in cash and cash equivalents</b>		<b>2,438</b>	721
<b>Cash and cash equivalents at beginning of year</b>		<b>12,921</b>	12,278
Exchange differences on cash and cash equivalents		(66)	(78)
<b>Cash and cash equivalents at end of year</b>		<b>15,293</b>	12,921



## Consolidated Statement of Cash Flows continued

For the year ended 31 December 2025

### Reconciliation of cash flow to the Group net debt position

Group	Term loan £'000	Revolving credit facility £'000	Overdraft facility £'000	Lease liabilities £'000	Total liabilities from financing activities £'000	Cash £'000	Total net cash / (net debt) £'000
<b>At 1 January 2024</b>	(49,251)	(36,908)	-	(9,388)	(95,547)	12,278	(83,269)
Financing cash inflows	-	(2,000)	-	-	(2,000)	-	(2,000)
Financing cash outflows	10,000	1,250	-	4,264	15,514	-	15,514
Leases interest expense	-	-	-	(598)	(598)	-	(598)
Other cash flows	-	-	-	-	-	721	721
Cash items	10,000	(750)	-	3,666	12,916	721	13,637
Non-cash items							
Amortised loan fees	(60)	-	-	-	(60)	-	(60)
Foreign exchange movements	-	227	-	304	531	(78)	453
Additions to new leases	-	-	-	(5,948)	(5,948)	-	(5,948)
Disposals	-	-	-	125	125	-	125
<b>At 1 January 2025</b>	<b>(39,311)</b>	<b>(37,431)</b>	<b>-</b>	<b>(11,241)</b>	<b>(87,983)</b>	<b>12,921</b>	<b>(75,062)</b>
Financing cash inflows	(2,500)	(20)	(7,542)	-	(10,062)	-	(10,062)
Financing cash outflows	10,000	8,240	-	4,391	22,631	-	22,631
Leases interest expense	-	-	-	(613)	(613)	-	(613)
Other cash flows	-	-	-	-	-	2,438	2,438
Cash items	7,500	8,220	(7,542)	3,778	11,956	2,438	14,394
Non-cash items							
Amortised loan fees	(36)	-	-	-	(36)	-	(36)
Foreign exchange movements	-	(254)	-	(386)	(640)	(66)	(706)
Additions to new leases	-	-	-	(3,810)	(3,810)	-	(3,810)
Disposals	-	-	-	5	5	-	5
<b>At 31 December 2025</b>	<b>(31,847)</b>	<b>(29,465)</b>	<b>(7,542)</b>	<b>(11,654)</b>	<b>(80,508)</b>	<b>15,293</b>	<b>(65,215)</b>



## Company Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 Total £'000	2024 Total £'000
<b>Cash flows from operating activities</b>			
Profit for the year		<b>4,885</b>	2,064
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment	13	<b>3</b>	2
Depreciation of right-of-use assets	14	<b>7</b>	-
Management charges		<b>(4,164)</b>	(4,428)
Finance expenses		<b>5,052</b>	6,761
Tax expense		<b>(1,451)</b>	(1,584)
Exchange differences on translation of foreign operations		<b>211</b>	(230)
Share-based payment expense		<b>304</b>	203
<b>Operating cash flow before movements in working capital</b>		<b>4,847</b>	2,788
(Increase)/decrease in trade and other receivables	17	<b>(672)</b>	919
Increase in trade and other payables	18	<b>15,612</b>	17,519
<b>Cash generated from operations</b>		<b>19,787</b>	21,226
Corporation taxes paid		<b>(2,486)</b>	(50)
<b>Net cash generated from operating activities</b>		<b>17,301</b>	21,176
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	13	<b>(4)</b>	(9)
<b>Net cash used in investing activities</b>		<b>(4)</b>	(9)
<b>Cash flows from financing activities</b>			
Bank loans – received		<b>2,520</b>	2,000
Bank loans – repaid		<b>(18,240)</b>	(11,250)
Overdraft		<b>7,542</b>	-
Capital element of lease liability repaid	21	<b>(8)</b>	-
Interest paid – bank and other loans		<b>(4,440)</b>	(6,701)
Interest paid – leases	9, 21	<b>(2)</b>	-
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		<b>(1,540)</b>	(77)
Dividends paid	26	<b>(4,711)</b>	(4,429)
<b>Net cash absorbed from financing activities</b>		<b>(18,879)</b>	(20,457)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,582)</b>	710
<b>Cash and cash equivalents at beginning of year</b>		<b>1,585</b>	875
<b>Cash and cash equivalents at end of year</b>		<b>3</b>	1,585



## Company Statement of Cash Flows continued

For the year ended 31 December 2025

### Reconciliation of cash flow to the Company net debt position

Company	Term loan £'000	Revolving credit facility £'000	Overdraft facility £'000	Lease liabilities £'000	Total liabilities from financing activities £'000	Cash £'000	Total net cash / (net debt) £'000
<b>At 1 January 2024</b>	(49,251)	(36,908)	–	–	(86,159)	875	(85,284)
Financing cash inflows	–	(2,000)	–	–	(2,000)	–	(2,000)
Financing cash outflows	10,000	1,250	–	–	11,250	–	11,250
Other cash flows	–	–	–	–	–	710	710
Cash items	10,000	(750)	–	–	9,250	710	9,960
Non-cash items							
Amortised loan fees	(60)	–	–	–	(60)	–	(60)
Foreign exchange movements	–	227	–	–	227	–	227
<b>At 1 January 2025</b>	<b>(39,311)</b>	<b>(37,431)</b>	<b>–</b>	<b>–</b>	<b>(76,742)</b>	<b>1,585</b>	<b>(75,157)</b>
Financing cash inflows	(2,500)	(20)	(7,542)	–	(10,062)	–	(10,062)
Financing cash outflows	10,000	8,240	–	10	18,250	–	18,250
Leases interest expense	–	–	–	(2)	(2)	–	(2)
Other cash flows	–	–	–	–	–	(1,582)	(1,582)
Cash items	7,500	8,220	(7,542)	8	8,186	(1,582)	6,604
Non-cash items							
Amortised loan fees	(36)	–	–	–	(36)	–	(36)
Foreign exchange movements	–	(254)	–	–	(254)	–	(254)
Additions to new leases	–	–	–	(29)	(29)	–	(29)
<b>At 31 December 2025</b>	<b>(31,847)</b>	<b>(29,465)</b>	<b>(7,542)</b>	<b>(21)</b>	<b>(68,875)</b>	<b>3</b>	<b>(68,872)</b>



## Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Group	Share capital £'000	Share premium account £'000	Share-based payment £'000	Merger reserve £'000	Translation reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2024</b>	969	131,131	1,936	69,754	24	(2,679)	12,901	214,036
Profit for the year	-	-	-	-	-	-	7,284	7,284
Actuarial gain	-	-	-	-	-	-	12	12
Foreign exchange translation differences	-	-	-	-	337	-	-	337
Profit for the year and total comprehensive income	-	-	-	-	337	-	7,296	7,633
<b>Contributions by and distributions to owners</b>								
Shares issued	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(4,429)	(4,429)
Contributions to Employee Benefit Trust	-	-	-	-	-	(77)	-	(77)
Share-based payment	-	-	1,277	-	-	-	-	1,277
Tax on share-based payment expense	-	-	-	-	-	-	123	123
<b>At 1 January 2025</b>	<b>969</b>	<b>131,131</b>	<b>3,213</b>	<b>69,754</b>	<b>361</b>	<b>(2,756)</b>	<b>15,891</b>	<b>218,563</b>
Profit for the year	-	-	-	-	-	-	8,977	8,977
Actuarial gain	-	-	-	-	-	-	31	31
Foreign exchange translation differences	-	-	-	-	(510)	-	-	(510)
Profit for the year and total comprehensive income	-	-	-	-	(510)	-	9,008	8,498
<b>Contributions by and distributions to owners</b>								
Shares issued	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(4,711)	(4,711)
Contributions to Employee Benefit Trust	-	-	-	-	-	(1,540)	-	(1,540)
Share-based payment	-	-	867	-	-	-	-	867
Tax on share-based payment expense	-	-	-	-	-	-	(163)	(163)
<b>At 31 December 2025</b>	<b>969</b>	<b>131,131</b>	<b>4,080</b>	<b>69,754</b>	<b>(149)</b>	<b>(4,296)</b>	<b>20,025</b>	<b>221,514</b>



## Company Statement of Changes in Equity

For the year ended 31 December 2025

Company	Share capital £'000	Share premium account £'000	Share-based payment £'000	Merger reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2024</b>	969	131,131	1,936	69,634	(2,679)	8,421	209,412
Profit for the year and total comprehensive income	-	-	-	-	-	2,064	2,064
<b>Contributions by and distributions to owners</b>							
Dividend paid	-	-	-	-	-	(4,429)	(4,429)
Contributions to Employee Benefit Trust	-	-	-	-	(77)	-	(77)
Share-based payment	-	-	1,277	-	-	-	1,277
Tax on share-based payment expense	-	-	-	-	-	22	22
<b>At 1 January 2025</b>	<b>969</b>	<b>131,131</b>	<b>3,213</b>	<b>69,634</b>	<b>(2,756)</b>	<b>6,078</b>	<b>208,269</b>
Profit for the year and total comprehensive income	-	-	-	-	-	4,886	4,886
<b>Contributions by and distributions to owners</b>							
Dividend paid	-	-	-	-	-	(4,711)	(4,711)
Contributions to Employee Benefit Trust	-	-	-	-	(1,540)	-	(1,540)
Share-based payment	-	-	867	-	-	-	867
Tax on share-based payment expense	-	-	-	-	-	(48)	(48)
<b>At 31 December 2025</b>	<b>969</b>	<b>131,131</b>	<b>4,080</b>	<b>69,634</b>	<b>(4,296)</b>	<b>6,205</b>	<b>207,723</b>



## Notes forming part of the Financial Statements

For the year ended 31 December 2025

### 1 Significant accounting policies

#### General information

Franchise Brands plc (the "Company", and together with its subsidiaries, the "Group"), is a public company incorporated in England and Wales under the Companies Act 2006 with Company Number 10281033. The principal activity of the Group is focused on building market-leading businesses in selected customer segments, using primarily a franchise model. Our focus is on established brands which can benefit from our shared support services, specialist sector expertise, management experience and Group resources. The principal activity of the Company is that of a holding company of a group of companies engaged in franchising and related activities.

#### Basis of consolidation

The consolidated financial statements incorporate the results and net assets of the Company and its subsidiary undertakings. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases. All intercompany transactions and balances between Group entities are eliminated upon consolidation.

#### Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted international accounting standards, in accordance with the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2025. The Group's consolidated financial statements are prepared under the historical cost convention. The principal accounting policies adopted are set out below and have been consistently applied to all the years presented. The Group's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000s) except where indicated.

#### Going concern

The Group's financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. In assessing the appropriateness of adopting the going concern basis in preparing the Annual Report and financial statements, the Directors have considered the current financial position of the Group, alongside its principal risks and uncertainties. The review performed considers plausible financial and operational issues that could reasonably arise within the period. This included credit risk, dependency on key suppliers / customers; and economic risk. The budgets and plans prepared for the next 12 months to June 2027 have been subjected to sensitivity analysis, considering the impact of a downturn in trade.

In all cases, the business model remained robust. The Group has generated significant profits both during the years covered by these financial statements, and in previous years. The Group has sufficient current financial assets to meet its current liabilities as they fall due. The Group's strong operating cashflow allows for contractual repayment of term loan with interest, and lease costs, for the next 12 months to June 2027. The Directors have stress-tested the banking covenants, considered mitigating actions, and concluded that there is sufficient headroom. All these provide resilience against these factors and other principal risks the Group is exposed to. The Directors have made appropriate enquiries and consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

#### Segmental reporting

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer, with support from the Board of Directors, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The business is organised in line with the divisions of Pirtek Europe, Water & Waste Services, Filta International and B2C. Within the Water & Waste Services division there are two different principal activities: Franchisor – management of franchise partners who trade with businesses and consumers; and direct labour organisations – trading directly with businesses and consumers.

Therefore, the Board has determined that we have six different operating segments:

- Pirtek Europe, the franchise and DLOs of Pirtek across eight European countries;
- Water & Waste Services, which is made up of Metro Rod and Metro Plumb, Willow Pumps and Filta UK;
- Filta International, which is made up of Filta US and Filta Europe;
- B2C, which is made up of ChipsAway, Ovensclean and Barking Mad;
- Azura, which is made up of the software business of Azura; and
- Other operations including central administration costs and non-trading companies.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Business combinations

The consolidated financial statements comprise the accounts of the Company and its subsidiary undertakings. An undertaking is regarded as a subsidiary if the Group has control over its operating and financial policies. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The profits and losses of subsidiary undertakings are consolidated as from the effective date of acquisition or to the effective date of disposal.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of completion, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of acquired subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Group, costs of acquisition are charged directly to the income statement as non-recurring costs, unless directly relating to equity issuance, in which case these costs have been charged to share premium account. In the Company, directly attributable costs of acquisition have been capitalised as investment in subsidiaries.

#### Foreign currencies

##### Functional and presentation currency

The consolidated financial statements are presented in Pounds Sterling, which is also the functional currency of the parent company.

##### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the profit and loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost, except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

##### Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Pounds Sterling are translated into Pounds Sterling upon consolidation.

On consolidation, assets and liabilities have been translated into Pounds Sterling at the closing rate at the reporting date. Income and expenses have been translated into Pounds Sterling at the average monthly rate, as an approximation of the rates on the dates of the transactions over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the translation reserve in equity.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Intangible assets

Intangible assets comprise goodwill, certain acquired separable corporate brand names, acquired customer relationships, acquired franchise relationships, acquired licence trade agreements and capitalised computer software not integral to a related item of hardware. Goodwill represents the excess of fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets, including intangible assets, at the date of their acquisition. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the net present value of future cash flows derived from the underlying assets using a projection period of five years, based on the latest approved budgets, for each group of cash generating units ("CGU"). After the projection period a steady growth rate representing an appropriate long-term growth rate for the industry is applied. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Corporate brand names, trademarks, customer relationships, acquired franchise relationships, and other intangibles acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets. Historically, certain brands and trademarks of the Group have been considered to have an indefinite economic life. From 31 December 2024, these brands and trademarks were revised from being indefinite life to finite life, and are now amortised over their estimated useful life.

The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required. Recoverable amount is the higher of fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and written down to its recoverable amount. Any impairment is charged to the profit and loss in the period concerned.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows. Customer-related intangibles have a useful life of 5-10 years. Franchise contracts have a useful life of 10 years. Others (including capitalised computer software) have a useful life of 3-10 years. Brands that have a finite life have a useful life of 10-50 years.

#### Revenue

Revenue is income arising from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised when performance obligations are satisfied and control has transferred to the customer. Revenue is measured at the fair value of consideration received or receivable, net of returns, rebates and value-added taxes. The following criteria must also be met before revenue is recognised:

##### National accounts and commission agent revenue

Within Metro Rod and Filta UK, national account revenue is recognised net, or on an agent commission basis, as the Group only has momentary control of the work between receiving the work and passing it to the incumbent franchise. Franchise partners have right of first refusal and maintain operational fulfilment; if they cannot carry out the work, they must find someone else to complete the work. Within ChipsAway, the franchise partners are passed a lead, which may or may not be converted into a job, and as such we treat national account revenue in the same way as above. In each case, revenue is recognised at the later of our performance obligation being met, or the subsequent sale occurring. As the sale by the franchise partners to the end customer is always completed after our performance obligation is met, which is to pass the work to the franchise, we recognise revenue at the point of job completion.

##### Local accounts and royalty fee income

MSF is a sales-based royalty, charged for the continuing use of the rights and continuing services provided during the franchise period agreement's term. They are recognised as the service is provided and the right to access the licence is used. These are charged on a monthly basis, and the values recognised are based on the performance obligations in the relevant contracts with our franchisees at the fair value of the goods.

Where the underlying transaction belongs to the franchisee, MSF is recorded as a royalty fee. The work is sourced, and jobs are priced and completed by the franchise partners. For national account sales at Pirtek, and local account sales in all subsidiaries, this is deemed to be when the work is performed and invoiced, as we play no part in passing the work to the franchise (see Note 2 for critical accounting judgements).



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Revenue continued

##### Sale of new franchise territories

Revenue from the sales of new franchise territories represent the charges for packages which include start-up support and equipment, and the right to access the license to operate in a designated territory for a stated length of time. The territory fee is deferred over the length of the franchise agreement and released to the consolidated statements of comprehensive income on a straight-line basis, as our performance obligation is to provide a license to operate. If equipment or stock is provided, this is considered a distinct performance obligation and recorded at a point in time when transferred over to the franchise partner.

When a new franchise joins the Group, they are given extensive training. Within Metro Rod, Filta UK and the B2C business, the revenue associated with this training is recognised over the life of the franchise agreement, as it is deemed to be a pre-opening activity which is fundamental for a new franchise to begin operating.

##### Resale of franchise territories

Revenue from resales of franchise territories is recognised when the sale has been contractually transferred. It is recognised at a point in time as a termination fee.

##### Training facility revenue

Revenue from training within Filta International and Pirtek is recognised at the point at which the training is completed, as they are distinct performance obligations in the context of these specific contracts, and at that point we have completed our performance obligations. Filta International and Pirtek have their own training centres, providing on-going industry-specific training to franchisee engineers in their respective industries which go beyond training franchise partners on how to work with Filta International and Pirtek as franchisees respectively. As such, training is a separate revenue stream in these entities and this revenue is distinct from franchise sales.

##### Product sales

Revenue from sales of products is recognised on delivery to customers, as this is when control is deemed to have been transferred. Where freight costs are charged to the franchise, revenue is recognised on completion of the delivery, which is normally at the same point as the goods are recognised. Pirtek franchise partners may order direct from suppliers on a central account; in this instance we recognise both the revenue from recharging franchise partners and cost of goods from the supplier under revenue, in a back-to-back agreement as an agent where no profit is recorded.

##### Direct labour income

Direct labour income is where labour employed by the Group carry out revenue-earning work. Revenue from our DLOs is recognised at the point of which the job is completed, with the exception of Willow Pumps.

Within Willow Pumps, revenue is recognised when our performance obligations are met in relation to an individual job. Willow Pumps performs installation and commissioning work using its own labour as well as bought-out material by integrating them into a single performance obligation where control over goods is transferred in advance of rendering services. Due to the bespoke nature of work performed and contracts being non-cancellable, it meets the requirements of IFRS 15.35c for recognising revenue on over-time basis. However, practically, the entity recognises revenue on completion of each phase (which takes 1-2 days). This is not considered to be material by the Group. Due to the nature of work that requires use of labour, it is appropriate to use the input method to measure stage of completion. Also, observable inputs to measure the stage of completion based on an output method is not available.

Due to the above, it is appropriate to recognise revenue at nil margin for transfer of control over bought-out standard material before providing installation and commissioning services. Once installation begins, the value of the uninstalled goods is excluded from the cost to cost method to calculate the revenue and margin over the period the revenue is recognised. It is to be noted that "nil margin" recognition is available only when the measure of progress is based on input method and not output method (see Note 2). The performance obligations are defined in our underlying contracts with customers.

##### Waste oil

Revenue from sales of waste oil is recognised on a principal basis; although it is the franchise partners that collect and transfer the waste oil, Filta places restrictions on the inventory, insofar as the franchise partners can only sell to Filta, and the onward sale of the waste oil is at Filta's contractual risk. Filta retains control over the oil for a period of time; it is not a back-to-back arrangement. Revenue is recognised when the oil is collected by the customer, as this is when control is deemed to have transferred.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Revenue continued

##### IT contribution

Franchise partners are charged a monthly fee for use of IT systems. Revenue is recognised when the franchise partners are invoiced; this is when the monthly service of providing the IT that allows the franchise to operate their franchise has been fulfilled.

##### Central billing

In certain circumstances the franchise partners are charged a fee to invoice certain national account customers on their behalf. This is recognised when the customer has been invoiced, at which point we are able to invoice the franchise partner for our customer invoicing.

##### National advertising funds

National advertising funds are collected from franchise partners under their agreements and then spent on their behalf on advertising which benefits the underlying franchise networks. The management of the funds does not result in any profit or loss for the Group as all funds received are expended on behalf of the networks. Advertising is not seen to be a separate performance obligation from license (local) and agency (national) sales, it is merely an add-on that the franchisee contributes towards. Advertising of our brands, our franchise partners, and the services that they offer, does not constitute a service to the customer, hence advertising does not represent a separate performance obligation. The Directors have concluded that the Group will recognise the costs expended by the funds in the year, and will recognise a fixed royalty amount as revenue, with any difference from the amount of cash received from our franchisees as accrued or deferred revenue within the balance sheet. This is because it is the Group which controls the expenditure of the funds, rather than the franchise partners. Overall, there is no impact on profit.

##### Other income

The Group has a number of other revenue streams, which are immaterial for reporting purposes. These include freight charges to franchise partners, lending vans to franchise partners, and other charges to franchise partners.

##### Contract acquisition costs

Internal staff-related costs to obtain a customer are expensed to the income statement as incurred. Where these are external i.e. broker fees, these costs are capitalised and recognised within contract assets where management expects to recover those costs. Contract assets are amortised, through cost of sales, over the period consistent with the Group's transfer of the related goods and services to the customer.

The costs capitalised primarily include broker fees paid to third parties where payment is identified as relating directly to the sale of a territory licence and initially recognised upon the signing of a customer contract. The costs are amortised over the contract life. Management is required to determine the recoverability of contract-related assets at each reporting date. An impairment exists if the carrying amount of any asset exceeds the amount of consideration the Group expects to receive in exchange for providing the associated goods and services under the relevant contract. Any impairment is recognised immediately where such losses are forecast. The movement in the contract asset balance in the period, therefore, represents additional payments made, subsequent amortisation and any required impairment.

##### Financial liabilities

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

For any bank borrowings denominated in foreign currency, the balances are translated at the relevant exchange rate at the reporting date. Any applicable gains or losses are taken through other comprehensive income.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Long-term employee benefits

A one-off bonus is payable to staff who remain with the French businesses until they retire based on French law. Under IAS 19, obligations for one-off employee bonuses are recognised in the balance sheet under provisions for liabilities based on assessment of the current value of those benefits. The current value is calculated using criteria including earnings, life expectancy, estimated length of service and wage inflation which is then discounted to give an estimated current value. The annual movement in provision is charged to Other Comprehensive Income.

#### Financial assets

All of the Group's financial assets are classified and held at amortised cost. These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Inventories are stated at the lower of cost and net realisable value. The cost of goods for resale is based on a weighted average cost methodology. At the end of each reporting period inventories are assessed for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed based on customer type, history of payment as well as by the number of days that debt is past due. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Cash and cash equivalents includes cash in hand.

#### Property, plant and equipment

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes cost directly attributable to making the asset capable of operating as intended. Depreciation is provided to write off the cost, less the estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property improvements	– over period of lease
Short-term leasehold improvements	– over period of lease
Freehold property	– 2%–10% straight line
Motor vehicles	– 10%–25% straight line
Plant & equipment	– 10%–33% straight line
Fixtures & fittings	– 20%–33% straight line
Computer equipment	– 20%–33% straight line

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate on an annual basis. Any gain or loss arising on derecognition of an asset is included in the statement of comprehensive income in the year that the asset is derecognised.

#### Share-based payment

When equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Share-based payment costs are charged to the subsidiary companies in line with their allocation of share options.

Fair value is measured by the use of an appropriate valuation model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The volatility in the model is calculated by reference to an implied volatility of a group of listed entities that have similar characteristics and are in the same industry sector.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Share-based payment continued

Additionally, all qualifying US and European employees have been awarded stock appreciation rights ("SARs") which are cash-settled. The SARs are conditional bonuses whose value will be calculated by reference to the amount by which the price of the Company's ordinary shares have risen above the base price at the date of exercise, thus providing holders of SARs the same reward value as if the SARs were share options. The qualifying conditions and timing of vesting are identical to those within the share options scheme for UK employees. For these cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in the fair value recognised in the statement of comprehensive income. There are no SARs within the Company.

#### Corporation tax

Current tax assets and liabilities are measured at the amount expected to be received or paid to the taxation authorities. Corporation tax is charged or credited to the income statement, except when it relates to items charged directly to other comprehensive income or to equity, in which case the corporation tax is also dealt with in other comprehensive income or equity respectively. Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on the initial recognition of goodwill. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

#### Leases

In line with IFRS 16, all leases are accounted for by recognising a right-of-use asset and a lease liability except for leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The range of incremental borrowing rates used is between 3.0% and 11.2% depending on the type of asset and its characteristics. There are no variable lease payments to consider.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- Where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 1 Significant accounting policies continued

#### Employee benefit trust

In order to facilitate its employee share option scheme, on 1 July 2021 the Group established an onshore discretionary employee benefit trust (the "EBT"), which is expected to conduct market purchases of Ordinary shares to satisfy potential future option exercises by employees (but not Directors). When the Group funds the EBT, the cash value is debited to a separate EBT reserve of the Parent Company. The EBT's assets are consolidated into the Group.

#### Adjusted performance measures ("APMs")

APMs are utilised throughout this report as key performance indicators for the Group and are calculated by adjusting the relevant IFRS measurement by amortisation of acquired intangibles, impairment losses, share-based payments and other non-recurring items including acquisition costs.

The three main APMs which are used are System sales, Adjusted EBITDA and Adjusted EPS. System sales are the total aggregate sales of franchise partners and the DLO operations net of VAT to third-party customers. The Directors use this measure to compare the underlying revenues of each business.

Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share-based payment expenses and non-recurring items. This measure is used to give the Chief Operating Decision Maker ("CODM") and the Board visibility of the true operational metrics of the business. The Directors use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-GAAP measures, Adjusted EBITDA measures used by other entities may not be calculated in the same way and are not directly comparable.

Adjusted EPS is before amortisation of acquired intangibles, share-based payment expenses, exchange differences and non-recurring items. Once again this provides a more operationally focused view of the relevant subsidiaries.

Non-recurring costs which are material in size and infrequent in nature are disclosed separately in the consolidated income statement. These include acquisition-related fees, restructuring costs and other material one-off costs. The separate recording of these items, along with the details disclosed in Note 6 of these accounts help provide an indication of the underlying business performance of the Group.

APMs are non-GAAP measures and are not intended to replace those measurements, but are the measures used by the Directors in their day-to-day operational management of the business, and are, therefore, considered important KPIs. Further information can be found within the Strategic Report on pages 21 and 22.

#### Adoption of new standards

The Group adopted the amendment to IAS 21, the effects of changes in foreign exchange rates – lack of exchangeability, in the current year. The amendment had no material impact on the Group's consolidated financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations that are relevant to the Group, which have not been applied in these financial statements, were in issue but not yet effective. None of the standards have a material impact on the Group financial statements on application; IFRS 18 will change certain presentations, the impact of which is currently being assessed.

	Effective for periods beginning on or after:
Classification and measurement – amendments to IFRS 7 & IFRS 9	1 January 2026
Presentation and disclosure in financial statements – IFRS 18	1 January 2027
Subsidiaries without public accountability – IFRS 19	1 January 2027



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 2 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. Each of the following items contain judgements and significant estimates and have the most significant effect on amounts recognised in the financial statements.

#### Revenue recognition

##### National account sales

Within Metro Rod, and parts of Filta UK, orders are received centrally from national account customers; this creates a contract with the customer. This work is passed to the incumbent franchise partner, who has right of first refusal, and will carry out the work; within ChipsAway a lead is passed to franchisees who quote for the work, and that quote may or may not be successful. The responsibility for operational fulfilment lies with the local franchise. If they cannot carry out the work, the franchise must find someone else to do the work or cancel the job. As such, following an assessment of the contracts facts and circumstances, the Group have concluded that we are acting as a commission agent, as we only have momentary control of the contract as it is a back-to-back arrangement, and operational fulfilment rests with the franchise partner.

Metro Rod, Filta UK and ChipsAway's performance obligations are deemed to have been met when the work is passed to the relevant franchise. Revenue however is recognised at the latter of performance obligation being met or when the subsequent sale occurs, as required by IFRS 15 for sales-based royalties. As the subsequent sale by the franchise partner to the end customer is always completed after our performance obligation is met, it is at this point that our sales-based royalty revenue should be recognised and this is therefore at the point of job completion.

##### Local account sales

Local account customers are sourced, and jobs are priced and completed, by the incumbent franchise partner. Our performance obligations are to grant the licence to operate to the franchise partners; Metro Rod also provides invoicing and cash collection services as a performance obligation; however, we have concluded these are not where the significant allocation of consideration applies. As such, we are generating royalty income, and therefore are only recognising our management fee on a net basis.

##### Franchise fees

The territory fee is deferred over the length of the franchise agreement and released to the combined statements of comprehensive income on a straight-line basis, as our performance obligation is to provide a licence to operate. Internal costs are expensed to the income statement as incurred; external costs directly related to the acquisition of a new franchise partner are deferred and released to the statement of comprehensive income to match the revenue recognition. These are not a significant quantum, please see Note 15.

Where franchise territories are resold, on an arm's-length basis between a franchise partner and a third party, it is the Group's policy to recognise the original deferred revenue over the life of the original franchise agreement, and the resale fee is recognised immediately, as a termination fee, as we have completed our obligations as facilitators for the resale. If a franchise agreement is terminated by either party, the remainder of any revenue and cost is recognised immediately, and any subsequent sale is treated as a new territory sale.

##### Training fees revenue recognition

We have deemed that training fees for new franchise partners in Metro Rod and Filta UK should be recognised over the life of the franchise agreement, as this is a pre-opening activity as the franchise cannot operate without this training.

Pirtek and Filta International have their own training centres and provide training externally wider than the franchise network. As such, training is a distinct revenue stream in these instances. All training revenues are judged to be revenue at the point the training takes place, as at that point we have performed our obligations to train the franchise staff to a necessary standard.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 2 Critical accounting estimates and judgements continued

#### Revenue recognition continued

##### Willow Pumps revenue recognition

As part of its range of services, Willow Pumps undertakes the supply and install of pumps in adoptable pump stations. These are typically projects which are performed over a number of accounting periods. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. Where a job spans a number of accounting periods but only one performance obligation exists, revenue and associated costs are recognised at each stage of the job using an input method. However, profit margin is deferred until the point the single performance obligation where control over goods is transferred in advance of rendering services. For most contractual fee arrangements, costs incurred are used as an objective input measure of performance. The primary input for assessing that substantially all work performed under these arrangements is labour. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance. Judgement is required regarding the timing of recognition, particularly in assessing progress on performance obligations, in particular whether the underlying contract contains a single or multiple performance obligations as to when revenue is recognised over time. In rare circumstances, and based on the type of installation work required, sub-contractors are required to install the materials. As a result, the directors determine that the delivery of the goods are a separate performance obligation, resulting in profits being recognised on delivery of the goods.

##### Waste oil revenue recognition

Filta recognise revenue from the sale of waste oil. We have judged that this is on a principal basis; although it is the franchise partners that collect and transfer the waste oil, Filta place restrictions on the inventory, giving it more than momentary control, insofar as the franchise partners can only sell to Filta, and the onward sale of the waste oil is at Filta's contractual risk. Filta retains control over the oil for a period of time, it is not a back-to-back arrangement. There is no right of first refusal for the franchise partners, so Filta retains control of the sale of the oil. It is Filta that agrees the price with the end customer, Filta invoices the customer and arranges all the relevant paperwork.

##### Direct labour organisations Revenue recognition

Within our direct labour organisations, we act as a principal in arranging, completing, invoicing and cash collecting from each contract. As such, we recognise revenue gross at the point at which our performance obligations are met, which is on invoicing the customer.

##### Direct sales from third-party suppliers

Where a franchise buys directly from a third-party supplier, but the supplier invoices the Group and we invoice the franchise, no revenue is recorded. In these cases, control over the goods is momentary; the term of the delivery from the supplier to franchise partner is delivered at place. The Group do not carry any inventory risk and the transaction is to facilitate the work of the franchise partner only.

##### National advertising funds revenue recognition

As per Note 1, National Advertising Funds are collected from franchise partners and then spent on their behalf on advertising. Franchise Brands subsidiaries performance obligations are to receive and manage the funds, and then spend it for the benefit of the franchise community; this is completed, and therefore recognised as revenue, at the point at which consideration is given for the advertising. We take a judgement on estimating the amount to collect from franchise partners; this is held on the statement of financial position until it is recognised as revenue. An assessment is made annually on whether a constraint needs to be applied, depending on whether the amount held on the statement of financial position is in credit or debit.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 2 Critical accounting estimates and judgements continued

#### Business combinations

##### Determining a value and life for assets acquired

Determining the fair value, and the life, of acquired intangible assets and goodwill acquired in business combinations requires the use of estimates regarding the value of intangible assets. The values are determined using discounted cash flows and based upon latest approved budgets which include estimates concerning factors such as future growth rates, new franchise sales and timing of such sales. Acquired brands, licences and trademarks were revised from being definite life to finite life from December 31 2024. As such, the Willow Pumps brand is amortised over 25 years from 31 December 2024, and the Metro Rod and Filta brands over 49 years from 31 December 2024. The Directors have previously decided to amortise the Barking Mad brand over 10 years from 1 January 2023, and the Pirtek brand over 50 years from acquisition on 21 April 2023. As with all tangible and intangible assets, the brands and trademarks will be reviewed at the end of each reporting period to determine whether there is any indication that they have suffered an impairment loss.

Other intangible assets with finite lives are customer relationships and franchise contracts. In both cases, management has determined that they have a useful life of 5-10 years, based on historic duration of customer relationships and franchise contract duration.

##### Performing impairment tests

Subsequent impairment reviews based on long-term forecasts for the Group require estimates. The main estimates used have been the level of sales growth, gross margin, return on sales, operational leverage, level of working capital, capital expenditure and tax rates. These estimates have been performed on a group of CGUs basis and when averaged have resulted in a compound annual system sales growth rate of 7% across the Group, an increase in return on sales from the current level, a consistent tax rate and consistent levels of operating cashflow divided by Adjusted EBITDA. The WACC has been sourced using key variables obtained from independent market sources.

Subsequent impairment reviews also require the use of estimates to value the group of CGUs to which goodwill and indefinite life intangibles have been allocated. The value-in-use calculations, which are run on an annual basis for goodwill and indefinite life intangibles, or when there is an indicator of impairment for tangible and finite life intangible fixed assets, determine whether there is any impairment to the carrying value of assets arising from business combinations. More details of these estimates can be found in Note 12.

#### Intercompany recoverability

The Company has receivables due from subsidiaries. The recoverability of these is assessed under IFRS 9, which requires the recognition of an expected credit loss provision. Where a subsidiary is dependent on Group support or has limited capacity to generate sufficient cash flows, management exercises judgement in determining the extent of expected credit losses to recognise. This assessment incorporates forward-looking information and reflects management's best estimate of the probability-weighted outcome. Due to inherent uncertainties in forecasting future cash flows, the recoverability of intercompany receivables represents an area of significant estimation uncertainty.

### 3 Financial instruments – risk management

#### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings, and long- and medium-term debt facilities. Term loans and revolving credit facilities are used to finance long-term investment such as acquisitions. Revolving credit facilities are used to manage short-term cash requirements and minimise interest costs. The Group's financing facilities have two financial covenants: minimum interest cover and maximum net debt to Adjusted EBITDA. The Group comfortably met these requirements throughout the year.

The Group's dividend policy is to provide sustainable dividends to shareholders, consistent with the Group's earnings growth and debt gearing levels, to attract long-term investors and to enable shareholders to enjoy returns on their investment in tandem with the Group's growth. The payment and amount of any dividends or distributions to shareholders is at the discretion of the Board, and subject to shareholder approval.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 3 Financial instruments – risk management continued

#### Categories of financial instruments

Group	2025 £'000	2024 £'000
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	15,293	12,921
Trade and other receivables	42,259	37,161
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	(33,029)	(28,712)
Loans and borrowings	(81,108)	(88,537)
Financial liabilities at fair value through profit and loss ("FVTPL")	(9)	(236)
Company	2025 £'000	2024 £'000
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	3	1,585
Trade and other receivables	100,693	100,036
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	(37,573)	(27,610)
Loans and borrowings	(61,987)	(77,431)

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates to their fair value.

#### Financial and market risk management objectives

The Group does not use or trade in derivative financial instruments. The Group's financial instruments comprise its cash and cash equivalents and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of the financial assets and liabilities is to provide finance for the Group's operations in the year. The Group is exposed to interest rate risk as the Group borrows funds at variable interest rates.

#### Foreign currency sensitivity

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The currencies giving rise to this risk are the US Dollar, Canadian Dollar, Euro and Swedish Krona. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge wherever possible, by matching the cash inflows (revenue streams) and cash outgoings in foreign currencies.

The following table demonstrates the sensitivity to a reasonable possible change in sterling against the foreign currencies with all other variables held constant.

	Change in rate %	Effect on profit before tax £'000	Effect on net assets £'000
USD	+10%	(527)	(364)
USD	-10%	645	445
CAD	+10%	-	2
CAD	-10%	-	2
EUR	+10%	(398)	(316)
EUR	-10%	486	387
SEK	+10%	(7)	(50)
SEK	-10%	9	62

#### Credit risk management

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities after assessing credit quality using independent rating agencies and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net of expected credit risk losses, represents the Group's maximum exposure to credit risk.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 3 Financial instruments – risk management continued

#### Interest rate sensitivity

The effect on both income and equity, based on exposure to non-derivative floating rate instruments at the balance sheet date, is shown in the table below.

	Sensitivity income 2025 £'000	Sensitivity equity 2025 £'000	Sensitivity income 2024 £'000	Sensitivity equity 2024 £'000
0.25% increase in interest rates	(153)	(153)	(192)	(192)
0.25% decrease in interest rates	153	153	192	192

#### Liquidity risk management

The Group's policy throughout the year has been to ensure continuity of funds. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities.

Group	Trade and other payables 2025 £'000	Loans and borrowings 2025 £'000	Total 2025 £'000	Trade and other payables 2024 £'000	Loans and borrowings 2024 £'000	Total 2024 £'000
On demand	–	–	–	–	–	–
Within one year	33,029	15,591	48,620	28,712	16,139	44,851
More than one year and less than two years	–	13,793	13,793	–	14,801	14,801
More than two years and less than five years	–	44,319	44,319	–	61,731	61,731
In more than five years	–	2,167	2,167	–	2,372	2,372
<b>Total</b>	<b>33,029</b>	<b>75,870</b>	<b>108,899</b>	<b>28,712</b>	<b>95,043</b>	<b>123,755</b>

Company	Trade and other payables 2025 £'000	Loans and borrowings 2025 £'000	Total 2025 £'000	Trade and other payables 2024 £'000	Loans and borrowings 2024 £'000	Total 2024 £'000
On demand	–	–	–	–	–	–
Within one year	37,573	12,238	49,811	27,610	12,666	40,276
More than one year and less than two years	–	10,918	10,918	–	11,886	11,886
More than two years and less than five years	–	41,386	41,386	–	57,635	57,635
<b>Total</b>	<b>37,573</b>	<b>64,542</b>	<b>102,115</b>	<b>27,610</b>	<b>82,187</b>	<b>109,797</b>

### 4 Operating segments

The Group's operating segments are determined based on the Group's internal reporting to the CODM. The CODM has been determined to be the Chief Executive Officer, with support from the Board of Directors, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The business is organised along the lines of our Pirtek, Water & Waste Services, Filta International and B2C businesses.

Therefore, the Board has determined that we have six different operating segments:

- Pirtek Europe, the franchise and direct labour operations of Pirtek across eight European countries;
- Water & Waste Services, which is made up of Metro Rod and Metro Plumb, Willow Pumps and Filta UK;
- Filta International, which is made up of Filta US and Filta Europe;
- B2C, which is made up of ChipsAway, Ovenclean and Barking Mad;
- Azura, which is made up of the software business of Azura; and
- Unallocated assets includes results from central administration costs and non-trading companies; elimination of intercompany trading; and assets and liabilities that are not directly attributable to a segment, or are not able to be allocated on a reasonable basis. This includes intangible assets generated as part of business acquisitions.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 4 Operating segments continued

The CODM uses Adjusted EBITDA, as reviewed at Board meetings and as part of the Managing Directors' and Chief Financial Officer's weekly report to the senior management team, as the key measure of segments' results as it reflects the underlying performance for the financial year under evaluation.

2025	Pirtek £'000	Water & Waste £'000	Filta International £'000	B2C £'000	Azura £'000	Unallocated assets £'000	Total £'000
Revenue from external customers	63,978	41,982	30,516	5,338	338	–	142,152
Revenue from internal customers	–	3,341	–	–	48	(3,389)	–
Segment revenue	63,978	45,323	30,516	5,338	386	(3,389)	142,152
Gross profit	41,819	26,441	11,608	4,552	386	(48)	84,758
<b>Adjusted EBITDA*</b>	<b>19,195</b>	<b>11,837</b>	<b>7,028</b>	<b>1,951</b>	<b>(344)</b>	<b>(4,422)</b>	<b>35,245</b>
Depreciation & amortisation of software	(3,053)	(2,065)	(396)	(300)	(288)	(44)	(6,146)
Amortisation of acquired intangibles	(7,868)	(33)	–	–	–	(2,395)	(10,296)
Share-based payment expense	(213)	(302)	31	(47)	(39)	(304)	(874)
Non-recurring costs	(28)	–	–	–	–	28	–
Finance expense	140	(46)	(29)	6	4	(5,284)	(5,209)
<b>Profit before tax*</b>	<b>8,173</b>	<b>9,391</b>	<b>6,634</b>	<b>1,610</b>	<b>(667)</b>	<b>(12,421)</b>	<b>12,720</b>
Tax expense	(2,932)	(2,407)	(1,612)	(347)	158	3,397	(3,743)
<b>Profit after tax*</b>	<b>5,241</b>	<b>6,984</b>	<b>5,022</b>	<b>1,263</b>	<b>(509)</b>	<b>(9,024)</b>	<b>8,977</b>
Additions to non-current assets	1,041	248	503	345	1,904	4	4,045
Reportable segment assets	76,938	47,580	12,623	4,328	3,308	227,894	372,671
Reportable segment liabilities	(98,519)	(26,589)	(9,563)	(2,278)	(3,650)	(10,558)	(151,157)

\* Operating segments presented before intercompany management recharges which eliminate on consolidation.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 4 Operating segments continued

2024	Pirtek £'000	Water & Waste £'000	Filta International £'000	B2C £'000	Azura £'000	Unallocated assets £'000	Total £'000
Revenue from external customers	63,913	43,577	25,597	5,752	367	–	139,206
Revenue from internal customers	–	2,477	–	–	441	(2,918)	–
Segment revenue	63,913	46,054	25,597	5,752	808	(2,918)	139,206
Gross profit	41,903	26,393	9,906	4,751	808	(442)	83,319
Adjusted EBITDA*	19,925	11,111	5,993	2,205	44	(4,157)	35,121
Depreciation & amortisation of software	(3,241)	(2,120)	(267)	(226)	(183)	(35)	(6,072)
Amortisation of acquired intangibles	(7,867)	(33)	–	–	–	(2,256)	(10,156)
Share-based payment expense	(499)	(437)	(143)	(55)	(33)	(313)	(1,480)
Non-recurring costs	(638)	–	–	–	–	194	(444)
Finance expense	(1,022)	(122)	(57)	(9)	(8)	(6,546)	(7,764)
Profit before tax*	6,658	8,399	5,526	1,915	(180)	(13,113)	9,205
Tax expense	(1,928)	(1,888)	(1,355)	(290)	48	3,492	(1,921)
Profit after tax*	4,730	6,511	4,171	1,625	(132)	(9,621)	7,284
Additions to non-current assets	1,142	1,099	252	63	573	9	3,138
Reportable segment assets	84,258	45,651	8,881	4,295	1,195	229,019	373,299
Reportable segment liabilities	(109,134)	(25,114)	(6,941)	(1,953)	(1,024)	(10,570)	(154,736)

\* Operating segments presented before intercompany management recharges which eliminate on consolidation.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 5 Revenue

	2025 £'000	2024 £'000
Management service fee income – commission agent revenue	5,047	6,407
Management service fee income – royalty fee income	44,951	44,110
Franchise sales and resales – licence fees – recognised over time	1,846	1,464
Franchise sales and resales – termination fees and immediate sales – recognised at point in time	651	989
Product sales	22,674	23,001
Waste oil	17,798	14,837
Direct labour income	41,663	41,710
IT contribution SAAS	2,776	2,544
National advertising funds	2,926	2,707
Central billing fee	372	364
Training facility income	659	353
Other income	789	720
	<b>142,152</b>	139,206

The table shows revenue from contracts disaggregated into major classes of revenue and reconciled to the Group revenue reported.

Revenue and non-current assets by origin of geographical segment for all entities in the Group are as follows:

Revenue	2025 £'000	2024 £'000
North America	30,172	25,029
United Kingdom & Ireland	72,486	74,410
Continental Europe	39,494	39,767
	<b>142,152</b>	139,206

Non-current assets	2025 £'000	2024 £'000
North America	43,868	42,532
United Kingdom & Ireland	147,921	159,155
Continental Europe	113,381	110,409
	<b>305,170</b>	312,096

### 6 Operating profit

Operating profit is stated after charging:	2025 £'000	2024 £'000
Depreciation and amortisation on right-of-use assets	4,969	4,837
Amortisation	11,473	11,391
Share-based payment expense	874	1,480
<b>Auditors' remuneration:</b>		
Fees for audit of the Company	48	47
Fees for audit of the Group	491	477
<b>Fees for non-audit services:</b>		
Other services	3	3

Of the total fee for the audit of the Group, £539,000 (2024: £524,000) was paid to the Group statutory auditors PKF Littlejohn. No non-audit services were provided on a contingent fee basis.

The following costs have been drawn to the attention of the users of the accounts due to their nature and materiality within the accounts.

	2025 £'000	2024 £'000
Exceptional income	–	(409)
Reorganisation expense	–	792
Other exceptional costs	–	61
	–	444



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 7 Staff costs

	2025 £'000	2024 £'000
Wages and salaries	<b>31,667</b>	33,770
Social security costs	<b>5,271</b>	4,915
Defined contribution pension cost	<b>750</b>	961
Share-based payment expense (see Note 8 for further information)	<b>874</b>	1,480
	<b>38,562</b>	41,126

The average monthly number of persons (including Directors) employed by the Group was:

	2025	2024
Administration	<b>306</b>	321
Sales	<b>68</b>	100
Operations	<b>241</b>	303
Directors	<b>7</b>	5
	<b>622</b>	729

### Directors' remuneration

	2025 £'000	2024 £'000
Directors' emoluments	<b>1,218</b>	884
Share-based payment expense	<b>276</b>	42
	<b>1,494</b>	926

The highest paid Director's remuneration was £568,049 (2024: £401,250), which included £267,363 for gain on share exercises. The costs to the Group for the Directors is £1,361,216 (2024: £991,413), after including employer's National Insurance. The Company had an average of 11 employees during the period (2024: 11) (other than the Directors) incurring staff costs of £1,412,699 (2024: £1,677,562).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the Directors of the Company. Directors' emoluments above comprise of: £1,146,000 salary and fees (2024: £851,000), £36,000 car allowance/benefit (2024: £25,000), £7,000 healthcare benefits (2024: £2,000), £11,000 payment in lieu of pension (2024: £nil) and £18,000 defined pension contributions (2024: £6,000). In addition to the emoluments, the Directors benefitted from £267,000 gain on share exercises (2024: £nil).

### 8 Share-based payments

The Company has established an LTIP in the form of an equity-settled share option scheme. Awards are granted and approved at the discretion of the Remuneration Committee. Awards vest on or after the third anniversary of their issue, based on compound growth in the underlying earnings per share of the Group for the three-year period. If the compound annual growth rate is below 8%, then none of these options will vest; if the compound annual growth rate is above 15%, then all of these options will vest; between 8% and 15%, then a proportion of these options will vest on a straight-line basis. Currently, 214 (2024: 261) members of staff hold options for shares in the Company under the scheme. The share-based payments expense recognised in respect of employee services received during the year was £867,000 (2024: £1,277,000). This all arises on equity-settled share-based payment transactions.

Additionally, all qualifying US and European employees have been awarded stock appreciation rights ("SARs"), which are conditional bonuses whose value is calculated by reference to the amount by which price of the Company's ordinary shares has risen above the base price at the date of exercise. The qualifying conditions and timing of vesting are identical to the LTIP above. Currently, 27 (2024: 32) members of staff hold options for shares in the Company under the scheme. A total of £7,000 (2024: £203,000) was recognised during the year in respect of SARs. This all arises on cash-settled share-based payment transactions.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 8 Share-based payments continued

	Share options	SARs	2025	Weighted average exercise price	Share options	SARs	2024	Weighted average exercise price
Outstanding at the beginning of the period	14,815,191	1,907,000	16,722,191	151p	10,347,231	1,171,000	11,518,231	136p
Granted during the period	1,895,000	410,000	2,305,000	129p	6,274,867	930,000	7,204,867	166p
Lapsed during the period	(2,716,142)	(199,000)	(2,915,142)	162p	(1,170,232)	(194,000)	(1,364,232)	148p
Exercised during the period	(674,892)	–	(674,892)	71p	(636,675)	–	(636,675)	68p
<b>Outstanding at the end of the period</b>	<b>13,319,157</b>	<b>2,118,000</b>	<b>15,437,157</b>	<b>149p</b>	<b>14,815,191</b>	<b>1,907,000</b>	<b>16,722,191</b>	<b>151p</b>
<b>Exercisable at the end of the period</b>	<b>3,760,426</b>	<b>496,000</b>	<b>4,256,426</b>	<b>120p</b>	<b>2,514,509</b>	<b>–</b>	<b>2,514,509</b>	<b>72p</b>

The fair value of the options and SARs granted is estimated at the date of grant using a Black-Scholes model, after taking into account the terms and conditions upon which they were granted. For options outstanding at the end of the period, the range of exercise prices was 33p-180p (2024: 33p-180p), and the weighted average remaining contractual life was 7.3 years (2024: 7.8 years).

In order to facilitate the scheme, the Company established an onshore discretionary EBT, which conducts market purchases of Ordinary shares to satisfy potential future option exercises by employees (but not Directors). The Black-Scholes pricing model is applied on the granting dates of options, as shown in the table below.

Expected volatility for the Black-Scholes valuations has been determined using the Company's share price in the 5.5 years preceding the grant date; and for the Mark-to-Market using the Company's share price in the 5.5 years preceding 31 December 2025.

The total carrying amount at the end of the period for liabilities arising from share-based payment transactions is £436,000 (2024: £428,000). The total intrinsic value at the end of the period for the 4,256,426 (2024: 2,514,509) exercisable share options is £851,000 (2024: £2,195,000).

#### Option pricing models

	Black-Scholes 18 February 2025	Black-Scholes 31 July 2025	Mark-to-Market 31 July 2025
Closing share price, £	1.52	1.28	1.28
Exercise price, £	1.50	1.26	1.26
Risk-free interest rate	4.38%	4.17%	4.17%
Expected life of option (years)	5.5	5.5	5.5
Volatility	36.8%	37.2%	37.2%
Dividend yield	1.6%	1.9%	1.9%

#### 9 Finance expense

	2025 £'000	2024 £'000
Interest element on lease agreements	613	598
Interest expense on defined benefit obligation	19	16
Loan interest	4,926	6,764
	<b>5,558</b>	<b>7,378</b>

For further information please see Notes 14, 20, 21 and 27.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 10 Corporation tax

	2025 £'000	2024 £'000
<b>Current tax expense</b>		
Current tax on profits for the period	5,567	5,308
Adjustment for prior period	(104)	(319)
<b>Deferred tax expense</b>		
Origination and reversal (see Note 22)	(1,877)	(2,964)
Adjustment for prior period (see Note 22)	157	(104)
<b>Total tax expense</b>	<b>3,743</b>	1,921
Profit before tax	12,720	9,205
Accounting profit multiplied by the UK statutory rate of corporation tax of 25% (2024: 25%)	3,180	2,301
Expenses not deductible/(income not taxable) in determining taxable profits	352	497
Deferred tax assets not recognised	87	(420)
Effect of tax rate change	11	(2)
Different tax rates applied in overseas jurisdictions	60	(32)
Adjustment for prior period	53	(423)
<b>Total tax expense</b>	<b>3,743</b>	1,921
Effective tax rate	29%	21%

The rate of UK corporation tax of 25% has been used when calculating UK deferred tax balances at the reporting date. Deferred tax balances relating to overseas entities have been calculated using the latest substantively enacted relevant overseas tax rates, including a rate of approximately 28% for balances relating to the Group's US business. Deferred tax balances relating to intangible assets have been calculated at rates between 25% – 27.29% based on the geography of the underlying intangible assets.

### 11 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary shares outstanding during the year, plus the weighted average number of Ordinary shares that would have been issued on the conversion of all dilutive share options at the start of the period or, if later, the date of issue.

	2025 £'000	2024 £'000
Profit attributable to owners of the Parent Company	8,977	7,284
Non-recurring costs (Note 6)	–	444
Amortisation of acquired intangibles (Note 12)	10,296	10,156
Share-based payment expense (Note 8)	874	1,480
Tax on adjusting items	(2,831)	(2,822)
Adjusted profit attributable to owners of the Parent Company	17,316	16,542
	2025 Total number	2024 Total number
Basic weighted average number of shares	192,317,519	192,471,897
Dilutive effect of share options	1,057,043	2,231,135
Diluted weighted average number of shares	193,374,562	194,703,032

	2025 Pence	2024 Pence
Basic earnings per share	4.67	3.78
Diluted earnings per share	4.64	3.74
Adjusted earnings per share	9.00	8.59
Adjusted diluted earnings per share	8.95	8.50



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 12 Intangible assets

	Goodwill £'000	Brands & other intangibles £'000	Customer relationships £'000	Software £'000	Total £'000
<b>Cost</b>					
At 1 January 2024	169,957	105,989	37,816	6,137	319,899
Additions	-	9	-	1,657	1,666
Disposals	-	-	-	(164)	(164)
Foreign exchange rate movements	-	-	-	(7)	(7)
At 31 December 2024	169,957	105,998	37,816	7,623	321,394
Additions	-	-	-	<b>2,131</b>	<b>2,131</b>
Foreign exchange rate movements	-	-	-	<b>(20)</b>	<b>(20)</b>
<b>At 31 December 2025</b>	<b>169,957</b>	<b>105,998</b>	<b>37,816</b>	<b>9,734</b>	<b>323,505</b>
<b>Amortisation</b>					
At 1 January 2024	-	(7,401)	(4,690)	(2,480)	(14,571)
Charge for the year	-	(6,090)	(3,807)	(1,494)	(11,391)
Disposals	-	-	-	104	104
Foreign exchange rate movements	-	-	-	-	-
At 31 December 2024	-	(13,491)	(8,497)	(3,870)	(25,858)
Charge for the year	-	<b>(6,342)</b>	<b>(3,695)</b>	<b>(1,436)</b>	<b>(11,473)</b>
Foreign exchange rate movements	-	-	-	<b>4</b>	<b>4</b>
<b>At 31 December 2025</b>	<b>-</b>	<b>(19,833)</b>	<b>(12,192)</b>	<b>(5,302)</b>	<b>(37,327)</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>169,957</b>	<b>86,165</b>	<b>25,624</b>	<b>4,432</b>	<b>286,178</b>
At 31 December 2024	169,957	92,507	29,319	3,753	295,536
At 1 January 2024	169,957	98,588	33,126	3,657	305,328

### Carrying amount of assets with indefinite useful lives

Goodwill	2025 £'000	2024 £'000
Pirtek – franchisor	<b>109,563</b>	109,563
Pirtek – DLO	-	-
Metro Rod	<b>18,174</b>	18,174
Willow Pumps	<b>3,812</b>	3,812
Filta UK	<b>6,156</b>	6,156
Filta International	<b>30,080</b>	30,080
B2C	<b>1,315</b>	1,315
Azura	<b>856</b>	856
	<b>169,957</b>	169,957



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 12 Intangible assets continued

#### Carrying amount of assets with definite useful lives

	Remaining life at December 2025	Brands & tradenames £'000	Patents £'000	Franchise agreements £'000	Intellectual property £'000	2025 £'000	Brands & tradenames £'000	Patents £'000	Franchise agreements £'000	Intellectual property £'000	2024 £'000
Pirtek – franchisor	48 years	39,366	–	–	–	39,366	40,198	–	–	–	40,198
Pirtek – franchisor	8 years	–	–	28,769	–	28,769	–	–	32,707	–	32,707
Pirtek – DLO	48 years	164	–	–	–	164	166	–	–	–	166
Metro Rod	48 years	4,653	–	–	–	4,653	4,750	–	–	–	4,750
Willow Pumps	24 years	2,666	–	–	–	2,666	2,777	–	–	–	2,777
Filta UK	48 years	359	–	–	–	359	367	–	–	–	367
Filta UK	7 years	–	330	934	–	1,264	–	384	1,085	–	1,469
Filta UK	7 years	–	–	–	459	459	–	–	–	492	492
Filta International	48 years	1,752	–	–	–	1,752	1,789	–	–	–	1,789
Filta International	7 years	–	1,612	4,566	–	6,178	–	1,874	5,307	–	7,181
B2C	8 years	535	–	–	–	535	611	–	–	–	611
		<b>49,495</b>	<b>1,942</b>	<b>34,269</b>	<b>459</b>	<b>86,165</b>	<b>50,658</b>	<b>2,258</b>	<b>39,099</b>	<b>492</b>	<b>92,507</b>

The key assumptions for the value-in-use calculations are those regarding the discount rates and expected changes to operating results and cash flows during the period of five years from the statement of financial position dates. Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks in relation to the group of CGUs. The WACC for each group of CGUs is shown in the table below.

Changes in operating results and cash flows including the sales of franchises and the level of sales of the franchise partners, are based on past results and expectations of future performance. The Group prepares cash flow forecasts for the next five years derived from the most recent budgets and long-term business plans which have been approved by the Board of Directors.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 12 Intangible assets continued

The long-term growth rates and discount rates applied in the annual impairment reviews are as follows:

	5-year compound annual growth rate		Discount rate	
	2025	2024	2025	2024
Pirtek – franchisor	<b>6.1%</b>	8.4%	<b>9.0%</b>	9.0%
Pirtek – DLO	<b>7.4%</b>	9.8%	<b>8.5%</b>	10.7%
Metro Rod	<b>5.7%</b>	6.3%	<b>9.1%</b>	8.6%
Willow Pumps	<b>8.1%</b>	8.9%	<b>9.3%</b>	10.2%
Filta UK	<b>7.3%</b>	7.4%	<b>10.9%</b>	10.2%
Filta International	<b>9.4%</b>	7.0%	<b>9.2%</b>	10.1%
B2C	<b>(0.7%)</b>	3.3%	<b>9.4%</b>	8.8%
Azura	<b>36.0%</b>	15.3%	<b>11.4%</b>	8.8%

For Metro Rod, Willow Pumps, Filta UK, Filta International and Pirtek businesses, revenue growth rates have been set at between 5% and 13%, which is consistent with historical averages, and plans to widen our range of services and increase our franchise footprint, particularly within the US. For B2C brands franchisee recruitment and churn are consistent with historical averages, with the revenue growth of between -5% and 1% per annum being driven by the net new franchisees being introduced to the networks. Historic and future investment in IT will result in profit margins continually improving in all groups of CGUs. A 2% perpetual growth rate has been assumed when extrapolating cash flow projections beyond the five-year period used in the long-term business plans, on the basis that this is a reasonable long-term growth rate for the UK, European and US economies. Based on the calculations prepared, the recoverable amount for all groups of CGUs exceeds their carrying amount.

### Sensitivity analysis

The recoverable amounts, with the exception of the Pirtek franchisor, are not considered to be sensitive to reasonably possible changes in the discount rate or growth rates. The Directors do not believe that there is currently a reasonably possible change of key assumptions that would cause a group of CGU's carrying amount to exceed its recoverable amount. However, a sensitivity analysis has been performed on the base case assumptions used for assessing the level of headroom in each group of CGUs. These are summarised as follows:

- A 5% reduction in annual sales from the growth rates used in the model, and a 2% growth in perpetuity, with all other assumptions remaining the same. All groups of CGUs would have headroom, with the exception of Pirtek franchisor, where the carrying value of the unit would exceed the recoverable amount by £20.5m. Given the long-term nature of the model, and historic growth rates, we do not consider it appropriate to recognise an impairment at this time.
- A 1% reduction in EBITDA margin in each group of CGUs, with all other assumptions remaining the same. All groups of CGUs would have headroom in this scenario, including Pirtek franchisor. For the carrying value to exceed the recoverable amount EBITDA to System sales margin would need to reduce by 1.6% in Pirtek Franchisor. Given the relatively fixed cost nature of a franchising model the Board consider this deterioration in margin to be unlikely.
- Increasing the WACC to the point at which all headroom is eliminated in each group of CGUs. The most sensitive group of CGUs to this is Pirtek franchisor; for the carrying value to be equal to the recoverable amount the WACC would have to increase by 1.3%, which the Board believe to be unlikely.
- Changing the WACC to 11.4% for each group of CGUs, with all other assumptions remaining the same. At this rate there would be an impairment of Pirtek franchisor of £23.5m. As per the above, we do not believe this would result in an impairment, due to the factors previously mentioned.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 13 Property, plant and equipment

	Freehold property £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company- only computer equipment £'000
<b>Cost</b>								
At 1 January 2024	1,004	422	401	1,164	2,863	1,802	7,656	-
Reclassified from ROU	-	-	-	-	313	-	313	-
Additions	574	117	164	207	94	314	1,470	9
Disposals	(3)	-	(25)	48	(413)	(124)	(517)	-
Foreign exchange rate movements	(3)	-	(8)	(13)	(5)	(22)	(51)	-
At 31 December 2024	1,572	539	532	1,406	2,852	1,970	8,871	9
Reclassified from ROU	-	-	-	-	17	-	17	-
Additions	92	3	61	105	544	527	1,332	4
Disposals	(194)	(10)	(6)	(433)	(715)	(395)	(1,753)	-
Foreign exchange rate movements	-	-	12	17	7	44	80	-
<b>At 31 December 2025</b>	<b>1,470</b>	<b>532</b>	<b>599</b>	<b>1,095</b>	<b>2,705</b>	<b>2,146</b>	<b>8,547</b>	<b>13</b>
<b>Depreciation</b>								
At 1 January 2024	(79)	(264)	(239)	(623)	(1,157)	(876)	(3,238)	-
Reclassified from ROU	-	-	-	-	(312)	-	(312)	-
Charge for the year	(86)	(62)	(65)	(219)	(371)	(319)	(1,122)	(2)
Disposals	2	-	9	(9)	349	102	453	-
Foreign exchange rate movements	1	-	1	4	1	8	15	-
At 31 December 2024	(162)	(326)	(294)	(847)	(1,490)	(1,085)	(4,204)	(2)
Reclassified from ROU	-	-	-	-	(17)	-	(17)	-
Charge for the year	(107)	(65)	(59)	(236)	(473)	(338)	(1,278)	(3)
Disposals	2	9	3	404	557	340	1,315	-
Foreign exchange rate movements	1	-	(2)	(7)	(2)	(19)	(29)	-
<b>At 31 December 2025</b>	<b>(266)</b>	<b>(382)</b>	<b>(352)</b>	<b>(686)</b>	<b>(1,425)</b>	<b>(1,102)</b>	<b>(4,213)</b>	<b>(5)</b>
<b>Net book value</b>								
<b>At 31 December 2025</b>	<b>1,204</b>	<b>150</b>	<b>247</b>	<b>409</b>	<b>1,280</b>	<b>1,044</b>	<b>4,334</b>	<b>8</b>
At 31 December 2024	1,410	213	238	559	1,362	885	4,667	7
At 1 January 2024	925	158	162	541	1,706	926	4,418	-

ROU assets are those categorised as "right-of-use". Please see Note 14.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 14 Right-of-use assets

	Land and buildings £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company-only motor vehicles £'000
<b>Cost</b>					
At 1 January 2024	8,117	6,509	571	15,197	-
Additions	2,881	3,009	59	5,949	-
Disposals	(1,328)	(872)	(89)	(2,289)	-
Foreign exchange rate movements	(194)	(103)	(3)	(300)	-
At 31 December 2024	9,476	8,543	538	18,557	-
<b>Additions</b>	<b>1,863</b>	<b>1,921</b>	<b>47</b>	<b>3,831</b>	<b>29</b>
<b>Disposals</b>	<b>(105)</b>	<b>(98)</b>	<b>-</b>	<b>(203)</b>	<b>-</b>
<b>Foreign exchange rate movements</b>	<b>313</b>	<b>203</b>	<b>5</b>	<b>521</b>	<b>-</b>
<b>At 31 December 2025</b>	<b>11,547</b>	<b>10,569</b>	<b>590</b>	<b>22,706</b>	<b>29</b>
<b>Amortisation</b>					
At 1 January 2024	(2,914)	(2,713)	(232)	(5,859)	-
Charge for the year	(1,597)	(2,016)	(102)	(3,715)	-
Disposals	1,246	829	46	2,121	-
Foreign exchange rate movements	-	2	-	2	-
At 31 December 2024	(3,265)	(3,898)	(288)	(7,451)	-
<b>Charge for the year</b>	<b>(1,477)</b>	<b>(2,118)</b>	<b>(96)</b>	<b>(3,691)</b>	<b>(7)</b>
<b>Disposals</b>	<b>104</b>	<b>82</b>	<b>-</b>	<b>186</b>	<b>-</b>
<b>Foreign exchange rate movements</b>	<b>(72)</b>	<b>(71)</b>	<b>(6)</b>	<b>(149)</b>	<b>-</b>
<b>At 31 December 2025</b>	<b>(4,710)</b>	<b>(6,005)</b>	<b>(390)</b>	<b>(11,105)</b>	<b>(7)</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>6,837</b>	<b>4,564</b>	<b>200</b>	<b>11,601</b>	<b>22</b>
At 31 December 2024	6,211	4,645	250	11,106	-
At 1 January 2024	5,203	3,796	339	9,338	-

PPE assets are those categorised as "Property, Plant and Equipment". Please see Note 13.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 14 Right-of-use assets continued

#### Amounts recognised in profit and loss

Amounts recognised in profit and loss	2025 £'000	2024 £'000
Depreciation expense on right-of-use assets	3,691	3,715
Interest expense on lease liabilities	613	598
Expense relating to short-term leases	303	374
Expense relating to leases of low value assets	–	–
Expense relating to variable lease payments not included in the measurement of the lease liability	–	81
Income from sub-leasing right of use assets	243	208

For further information please see Notes 9 and 21.

### 15 Contracts acquisition costs

The Group capitalises incremental costs to obtain contracts with customers where it is expected these costs will be recoverable. Incremental costs to obtain contracts with customers are considered those which would not have been incurred if the contract had not been obtained. For the Group, these costs relate primarily to third-party broker fees. The Group has elected to use the practical expedient as allowed by IFRS 15 whereby such costs will be expensed as incurred where the expected amortisation is period one year or less. Where the amortisation period is greater than one year, these costs are amortised over the contractual term on a systematic basis consistent with the transfer of the underlying goods and services to which these costs relate. Expense recognised in 2025 was £105,000 (2024: £98,000) whilst impairment of capitalised contract costs was £nil in 2025 (2024: nil).

The amount of capitalised contract cost expected to be recovered within one year is £86,000 (2024: £98,000), after more than one year is £424,000 (2024: £454,000).

### 16 Inventories

Group	2025 £'000	2024 £'000
Finished goods and goods for resale	7,265	7,577

All amounts are carried at cost and therefore no amounts are carried at fair value less costs to sell. There is a provision of £1.2m against stock at the period end (2024: £1.3m). No material amounts have been written off in either year ended 31 December 2025 or 31 December 2024, within the income statement of the Group £26.9m of inventories were recognised as an expense within the year (2024: £23.0m).

### 17 Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected credit loss rates are based on the Group's subsidiaries' historic credit losses experience and a future assessment of lifetime credit loss on a franchise partner-by-franchise partner basis and customer-by-customer basis. The differing segmental risks to which the Group is exposed in respect of the franchisee and customer base have been considered.

	2025 £'000	2025 %	2025 £'000	2025 £'000	2024 £'000	2024 %	2024 £'000	2024 £'000
	Gross		Provision	Net	Gross		Provision	Net
No provision	22,758	0%	–	22,758	22,121	0%	–	22,121
Low risk	3,817	6%	(240)	3,577	2,757	6%	(172)	2,585
Medium risk	2,260	44%	(992)	1,268	2,231	24%	(541)	1,690
High risk	1,516	85%	(1,287)	229	1,166	77%	(902)	264
<b>Total</b>	<b>30,351</b>	<b>8%</b>	<b>(2,519)</b>	<b>27,832</b>	<b>28,275</b>	<b>6%</b>	<b>(1,615)</b>	<b>26,660</b>

In relation to the Company, the credit risk for amounts owed by Group undertakings has not increased significantly since their initial recognition. No expected credit loss provision has been recognised on the basis of the significant net assets and positive cash flows of subsidiaries.

Group	2025 £'000	2024 £'000
Non-current other receivables	2,633	333
Trade receivables	30,351	28,275
Provision at the year-end	(2,519)	(1,615)
Other receivables	11,794	10,168
Total current financial assets other than cash and cash equivalents	39,626	36,828
Prepayments	4,323	3,389
Total current trade and other receivables	43,949	40,217
Total trade and other receivables	46,582	40,550

Included within Group other debtors is an amount of £13,000 (2024: £nil) which represents the net receivable in relation to the National Advertising Funds.

**Notes forming part of the Financial Statements** continued

For the year ended 31 December 2025

**17 Trade and other receivables** continued

	2025 £'000	2024 £'000
<b>Credit loss provision:</b>		
Brought forward	(1,615)	(1,424)
Provision for the year	(1,337)	(492)
Utilised	439	294
Foreign exchange movement	(6)	7
<b>Total current trade and other receivables</b>	<b>(2,519)</b>	<b>(1,615)</b>

	2025 £'000	2024 £'000
The ageing of the trade receivables is as follows:		
<b>Due</b>	<b>8,735</b>	12,142
<b>Past due not impaired</b>		
0-30 days	6,762	7,263
31-60 days	3,780	2,464
61-90 days	1,472	885
91-120 days	1,980	510
121+ days	4,102	1,975
<b>Past due and impaired</b>		
Due	894	37
0-30 days	418	43
31-60 days	80	79
61-90 days	35	50
91-120 days	111	76
121+ days	1,982	2,751
<b>Total</b>	<b>30,351</b>	<b>28,275</b>

Company	2025 £'000	2024 £'000
Amounts owed by Group undertakings	100,693	100,036
Prepayments	119	103
Corporation tax	3,971	2,320
<b>Total current trade and other receivables</b>	<b>104,783</b>	<b>102,459</b>

Company amounts owed by Group undertakings are interest free and due on demand.

**18 Trade and other payables**

Group	2025 £'000	2024 £'000
<b>Current</b>		
Trade payables	11,004	12,458
Accruals	16,396	11,619
Other creditors	5,629	4,635
Social security and other taxes	2,623	2,306
<b>Total trade and other payables</b>	<b>35,652</b>	<b>31,018</b>

Company	2025 £'000	2024 £'000
Trade payables	848	961
Accruals	1,263	758
Other creditors	27	21
Social security and other taxes	113	335
Amounts owed to Group undertakings	35,435	25,870
<b>Total trade and other payables</b>	<b>37,686</b>	<b>27,945</b>

Carrying values approximate to fair value. Included within Group other creditors is an amount of £nil (2024: £125,000) which represents the net payable in relation to the National Advertising Funds.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 19 Deferred income

Within the franchise subsidiaries, deferred income relates to certain performance obligations from franchise sales that are deferred over the life of the franchise agreement. The deferral period is determined by the length of the franchise agreement. Revenue is recognised equally over the deferral period.

	2025 £'000	2024 £'000
At 1 January	4,129	4,212
Additions in the year	3,161	2,098
Utilisation	(2,664)	(2,168)
Foreign exchange	(86)	(13)
<b>Total trade and other payables</b>	<b>4,540</b>	4,129
	2025 £'000	2024 £'000
Current	1,335	2,237
Non-current	3,205	1,892
<b>Total deferred income</b>	<b>4,540</b>	4,129

### 20 Loans and borrowings

	2025 £'000	2024 £'000
<b>Current</b>		
Term loan	9,681	9,311
Total current loans and borrowings	9,681	9,311
<b>Non-current</b>		
Revolving credit facility	29,465	37,431
Term loan	22,166	30,000
<b>Total non-current loans and borrowings</b>	<b>51,631</b>	67,431

The loans are comprised of a £37.5m term loan, which at 31 December 2025 £32.5m is outstanding (before capitalised arrangement fees of £0.7m), and carries a 5.4% interest rate, comprising 3.7% SONIA rate and 1.7% margin, and is repayable in instalments until 2028; and a £49.5m RCF, of which £29.5m (2024: £37.4) is utilised, which is fixed until 2028 and is not renewed annually, and carries the same 5.4% interest rate. The Group debt facilities are secured by way of an English Debenture, with cross-guarantees to cover, at all times, the aggregate of the EBITDA, turnover and gross assets and net assets of the guarantor Group companies (being all material companies contributing in excess of 5% of gross assets, net assets or turnover) and these should contribute at any time 85% or more of the consolidated EBITDA, consolidated turnover and consolidated gross assets respectively of the Group at that time. The Group has only two bank covenants: net debt divided by EBITDA and EBITDA divided by interest payable. The Group had comfortable headroom on both these bank covenants at 31 December 2025. During the year, the company refinanced its loan arrangement from the syndicate in place as at 31 December 2024 to HSBC UK Bank Plc. The terms of this agreement remained materially the same as the previous syndicate arrangement.

The Company's present and future assets are subject to a fixed and floating charge in favour of HSBC UK Bank plc in respect of certain borrowings of fellow Group companies: Franchise Brands plc, Metro Rod Limited, Willow Pumps Limited, The Filta Group Limited, ChipsAway International Ltd, The Filta Group Inc, WPL Group Holdings Limited, Filta Group Holdings Limited, Hydraulic Authority I Limited, Hydraulic Authority II Limited, Hydraulic Authority III Limited, Pirtek Europe Limited, Pirtek Sweden AB and Pirtek Deutschland GmbH. At 31 December 2025, the net borrowings encompassed by the charges amounted to £61,312,000 (2024: £76,742,000).

In the year, Franchise Brands entered into an overdraft agreement with HSBC with interest charges offset through a cash pooling arrangement with fellow Group companies: Metro Rod Limited, Willow Pumps Limited, The Filta Group Limited, ChipsAway International Ltd, Barking Mad Limited and Oven Clean Limited. The arrangement has been agreed and actioned under the normal course of business and does not require the movement of cash. As such, this Notional Pooling arrangement is not subject to additional disclosures in the annual accounts and has been reported on a gross basis in the statement of financial position.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 20 Loans and borrowings continued

The Group has set up an asset financing scheme with HSBC plc for the use of Metro Rod franchise partners, primarily for the purchase of vans and tankers. The Group participates in this scheme, on a step-in basis, up to a total value of £1.0m. In the event of a default of a franchise partner, the Group would step-in and have the rights of the financed asset, and the obligation of the liability. At the year-end, £0.4m (2024: £0.5m) is outstanding in relation to this scheme. There are no expected credit losses to recognise in respect of the asset financing scheme.

Based on contractual undertakings, Metro Rod Limited franchise partners can request for payment for local account sales that have been invoiced, but not yet collected from the customer, and not yet paid on the typical standard monthly payment run to franchise partners. The value of this open commitment at 31 December 2025 is £2.9m (2024: £2.3m).

### 21 Obligations under leases

Undiscounted amounts due under finance leases	2025 £'000	2024 £'000
Current	<b>3,762</b>	3,554
Non-current (between 1 and 5 years)	<b>6,970</b>	7,125
Non-current (greater than 5 years)	<b>2,726</b>	2,372
<b>Total undiscounted lease liabilities</b>	<b>13,458</b>	13,051
Less present value discount	<b>(1,804)</b>	(1,810)
<b>Total obligations under leases</b>	<b>11,654</b>	11,241

Group	2025 £'000	2024 £'000
Current	<b>3,250</b>	3,062
Non-current (between 1 and 5 years)	<b>6,093</b>	6,256
Non-current (greater than 5 years)	<b>2,311</b>	1,923
<b>Total obligations under leases</b>	<b>11,654</b>	11,241

Company	2025 £'000	2024 £'000
Current	<b>6</b>	–
Non-current (between 1 and 5 years)	<b>15</b>	–
Non-current (greater than 5 years)	<b>–</b>	–
<b>Total obligations under leases</b>	<b>21</b>	–

	Land and buildings £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000	Company-only motor vehicles £'000
At 1 January 2024	5,384	3,624	380	9,388	–
Additions	2,879	3,010	59	5,948	–
Interest expense	352	236	10	598	–
Lease payments	(1,797)	(2,365)	(102)	(4,264)	–
Disposals	(87)	(36)	(2)	(125)	–
Foreign exchange rate movements	(197)	(104)	(3)	(304)	–
<b>At 31 December 2024</b>	<b>6,534</b>	<b>4,365</b>	<b>342</b>	<b>11,241</b>	<b>–</b>
Additions	<b>1,861</b>	<b>1,906</b>	<b>43</b>	<b>3,810</b>	<b>29</b>
Interest expense	<b>341</b>	<b>262</b>	<b>10</b>	<b>613</b>	<b>2</b>
Lease payments	<b>(1,825)</b>	<b>(2,460)</b>	<b>(106)</b>	<b>(4,391)</b>	<b>(10)</b>
Disposals	<b>–</b>	<b>(4)</b>	<b>(1)</b>	<b>(5)</b>	<b>–</b>
Foreign exchange rate movements	<b>251</b>	<b>134</b>	<b>1</b>	<b>386</b>	<b>–</b>
<b>At 31 December 2025</b>	<b>7,162</b>	<b>4,203</b>	<b>289</b>	<b>11,654</b>	<b>21</b>



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 22 Deferred tax liability

Deferred tax is calculated in full on temporary differences under the liability method using the latest substantively enacted tax rates in the relevant countries, including 25% for the UK, approximately 28% for the US and rates of between 25% – 27.29% for intangibles depending on the geography of the underlying assets.

	Intangibles £'000	Losses £'000	Accelerated allowances £'000	Provisions £'000	Share-based payment £'000	ROU assets £'000	Lease liabilities £'000	Total £'000
At 1 January 2024	(35,681)	881	(280)	451	683	(1,535)	1,562	(33,919)
Recognised through statement of changes in equity	-	-	-	-	14	-	-	14
Foreign exchange rate movements				10		58	(59)	9
Credit/(charge) in the year	2,746	322	103	41	(179)	(623)	658	3,068
<b>At 31 December 2024</b>	<b>(32,935)</b>	<b>1,203</b>	<b>(177)</b>	<b>502</b>	<b>518</b>	<b>(2,100)</b>	<b>2,161</b>	<b>(30,828)</b>
Recognised through statement of changes in equity	-	-	-	-	(230)	-	-	(230)
Foreign exchange rate movements	-	-	-	(31)	-	(98)	101	(28)
Credit/(charge) in the year	2,778	(542)	(446)	(73)	(31)	246	(212)	1,720
<b>At 31 December 2025</b>	<b>(30,157)</b>	<b>661</b>	<b>(623)</b>	<b>398</b>	<b>257</b>	<b>(1,952)</b>	<b>2,050</b>	<b>(29,366)</b>

### 23 Subsidiaries & audit exemption

The investment in Group companies held by the Company are as follows:

	Total £'000
<b>Cost</b>	
At 1 January 2024	207,830
Additions	1,075
At 31 December 2024	<b>208,905</b>
Additions	<b>563</b>
<b>At 31 December 2025</b>	<b>209,468</b>



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 23 Subsidiaries and audit exemption continued

The subsidiaries of the Company included in the consolidated financial statements are as set out below.

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
Azura Business Solutions Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Azura Design Studio Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Azura Group Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Barking Mad Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
ChipsAway International Limited <sup>1,2</sup>	England & Wales	£0.10 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSK Hydraulics Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSS Hydraulics Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CST Hydraulics Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
CSY Hydraulics Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
DentsAway Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Edwin Investments Limited <sup>2</sup>	England & Wales	£0.25 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Environmental Biotech Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
FB Holdings Limited <sup>1,2</sup>	England & Wales	£0.01 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
Filta Group Europe BV	Netherlands	€1.00 Ordinary shares	100	Trading	Hongkongstraat 29, 3047BR, Rotterdam, Netherlands
Filta Group Holdings Limited <sup>1,2</sup>	England & Wales	£0.10 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Filta Local Operators, LLC	USA (Delaware)	Membership units	100	Trading	7075 Kingspointe Parkway, Suite 1, Orlando, Florida, 32819, United States
Filta Refrigeration Limited <sup>2</sup>	England & Wales	£1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
FiltaFry Deutschland GmbH	Germany	€25,500 Ordinary 1 share and €24,500 Ordinary 2 share	100	Trading	Pliniusstrasse 8, 48488, Emsbüren, Germany
FiltaFry Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Grease Management Limited <sup>2</sup>	England & Wales	£1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority I Limited <sup>1,2</sup>	England & Wales	£0.10 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority II Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Hydraulic Authority III Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Kemac Services Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
M&M Asset Maintenance Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Metro Plumb Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Dormant	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Metro Rod Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
MRB Drainage Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
MRE Drainage Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Oven Clean (Ontario) Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Oven Clean Domestic Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek (UK) Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek 24/7 HydraulikService GmbH	Austria	€1.00 Ordinary shares	100	Trading	Brückenkopfgasse 1/6, 8020, Graz, Austria
Pirtek Austria GmbH	Austria	€35.00 Ordinary shares	100	Trading	Gonzagagasse 4, 1010, Wien, Austria
Pirtek Brussel BV	Belgium	€100.00 Ordinary shares	100	Trading	Avenue Newton 7, 1300, Wavre, Belgium
Pirtek BV	Netherlands	€1.00 Ordinary shares	100	Trading	Hongkongstraat 29, 3047BR, Rotterdam, Netherlands
Pirtek (Deutschland) GmbH	Germany	€100.00 Ordinary shares	100	Trading	Bayerische Allee 2, D-50858, Köln, Germany
Pirtek Europe Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Pirtek Europort BV	Netherlands	€1.00 Ordinary shares	100	Trading	Moezelweg 104, 3198 LS, Europort, Netherlands
Pirtek France Holding SAS	France	€1.00 Ordinary shares	100	Holding company	3 rue des Lancés, 94310, Orly, France
Pirtek Hydraulique Service SAS	France	€21.95 shares	100	Trading	3 rue des Lancés, 94310, Orly, France
Pirtek Liège BV	Belgium	€100.00 shares	100	Trading	Rue de l'Informatique 10/3, 4460 Grâce-Hollogne, Belgium
Pirtek Lummen BV	Belgium	€100.00 Ordinary shares	100	Trading	Klaverbladstraat 16, 3560, Lummen, Belgium
Pirtek Rotterdam Noord BV	Netherlands	€1.00 Ordinary shares	100	Trading	Schuttevaerweg 88, 3044BB, Rotterdam, Netherlands
Pirtek Sweden AB	Sweden	SEK100 Ordinary shares	100	Trading	Vendevägen 85B 6tr, 182 91, Danderyd, Sweden



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 23 Subsidiaries and audit exemption continued

Name of undertaking	Country of incorporation and operation	Share class owned	% of share class held by the Group	Principal activity	Registered office address
The Filta Group Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
The Filta Group, Inc	USA (Delaware)	Common stock (no par value)	100	Trading	7075 Kingspointe Parkway, Suite 1, Orlando, Florida, 32819, United States
The Handyman Van Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watbio Holdings Limited <sup>2</sup>	England & Wales	£1.00 A Ordinary shares and £1.00 B Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watbio Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Watling Hope (Installations) Limited <sup>2</sup>	England & Wales	£1.00 B Ordinary shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Willow Drainage Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares and £1.00 Ordinary A shares	100	Non-trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
Willow Pumps Limited <sup>2</sup>	England & Wales	£1.00 Ordinary shares	100	Trading	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom
WPL Group Holdings Limited <sup>1,2</sup>	England & Wales	£1.00 Ordinary shares	100	Holding company	Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF, United Kingdom

1. Entities directly owned by Franchise Brands plc:

2. For the purposes of section 479A to 479C, Companies Act 2006 (the "Act") the Company confirms that the UK subsidiaries of the Company, all of which are included in these consolidated accounts, are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of s479A of the Act. The outstanding liabilities at 31 December 2025 of the UK subsidiaries have been (or will be) guaranteed by the Company pursuant to s479A to s479C of the Act. In the opinion of the Directors, the possibility of the guarantee being called upon is remote.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 24 Share capital and other reserves

Allotted, called-up and fully paid	2025 £'000	2024 £'000	2025 No. of shares	2024 No. of shares
At 1 January	969	969	193,784,080	193,784,080
Placing	–	–	–	–
At 31 December	969	969	193,784,080	193,784,080

Share capital comprises the nominal value of the Company's Ordinary shares of 0.5 pence each.

**Share premium:** The share premium reserve is the premium paid on the Company's 0.5 pence Ordinary shares.

**Share-based payment reserve:** The share-based payment reserve represents the movement in cost of equity-settled transactions in relation to the long-term incentive plan.

**Merger reserve:** The merger reserve represents the premium above the nominal value of the equity issued as part of the consideration in relation to acquisitions.

**EBT reserve:** This represents the amount that the Company paid for its own shares held in the EBT. During the year, the EBT purchased 1,531,094 Ordinary shares (2024: 326,112 Ordinary shares) at an average price of 132 pence per share (2024: 156 pence per share). 674,892 Ordinary shares (2024: 641,675 Ordinary shares) have been used to satisfy the exercise of options. Accordingly, at the year-end the EBT held 2,103,324 Ordinary shares (2024: 1,247,122 Ordinary shares) which represents 1.09% (2024: 0.64%) of the Company's current issued share capital.

Movements on these reserves are set out in the consolidated statement of changes in equity.

### 25 Related-party transactions

#### Remuneration of Directors and other transactions

During the year, the Group employed family members of one of the Directors. The total remuneration paid was the same as other employees at an equivalent level in the organisation.

We operate a number of businesses which provide consumer-facing services. From time-to-time, Directors of the Parent Company and other Group companies may use some of these to provide services to them or their immediate family members in a personal capacity. These transactions are conducted at arm's length and no discounts or special terms are offered by virtue of the Director's position. The value of these transactions, individually and collectively, are not material for either the individual or the Group company involved. There are no other transactions with Directors.

### 26 Dividends

	2025 £'000	2024 £'000
Final 2024 dividend of 1.3p per Ordinary share paid and declared (2024: Final 2023 dividend of 1.2p)	2,519	2,325
Interim dividend of 1.15p per Ordinary share paid and declared (2024: 1.1p)	2,229	2,132
	4,748	4,457

A final dividend of 1.35 pence per share is proposed.

Shares held by the Employee Benefit Trust have a dividend waiver applied to them; as such they are exempt from receiving a dividend, resulting in a difference between the total dividend calculated above and the dividend cash paid in the Consolidated Statement of Cash Flows.



## Notes forming part of the Financial Statements continued

For the year ended 31 December 2025

### 27 Employee benefits

	2025	2024
Country	<b>France</b>	France
Valuation date	<b>31 December 2025</b>	31 December 2024
Fiscal year	<b>31 December 2025</b>	31 December 2024
Currency	<b>Euro (€)</b>	Euro (€)
Plan	<b>Pension</b>	Pension
Actuarial method	<b>OCI</b>	OCI
Key assumptions	2025	2024
Discount rate	<b>3.96%</b>	3.38%
Measurement date	<b>31 December 2025</b>	31 December 2024
Salary increase rate	<b>2.50%</b>	2.50%
Mortality table	<b>Insee 2022</b>	Insee 2022
	2025 £'000	2024 £'000
<b>Movement in defined benefit obligation</b>		
At 1 January	<b>471</b>	507
Additions in year	-	-
Current service cost	<b>17</b>	(18)
Interest expense on DBO	<b>19</b>	16
Actuarial gain – financial assumption changes	<b>(31)</b>	(12)
Actuarial gain – demographic changes	-	-
Foreign exchange movements	<b>25</b>	(22)
<b>At 31 December</b>	<b>501</b>	471
	2025 £'000	2024 £'000
<b>Funded status</b>		
Defined benefit obligation at end of year	<b>501</b>	471
Funded status liability	-	-
Net pension liability	<b>501</b>	471

	2025 £'000	2024 £'000
Net liability reconciliation		
<b>Balance sheet reconciliation</b>		
At 1 January	<b>471</b>	507
Additions in year	-	-
Expense recognised in consolidation statement of income	<b>36</b>	(2)
Remeasurement amounts recognised in OCI	<b>(31)</b>	(12)
Foreign exchange movements	<b>25</b>	(22)
<b>At 31 December</b>	<b>501</b>	471
	2025 £'000	2024 £'000
Expense		
Current service cost	<b>17</b>	(18)
Interest cost	<b>19</b>	16
<b>Total expenses recognised</b>	<b>36</b>	(2)

The Group assumed defined benefit retirement schemes for all qualifying employees in France as part of the acquisition of Pirtek Europe. The scheme is an unfunded plan, therefore there are no separately identifiable assets associated with the scheme. The Group recorded an increase in expenses of £36,000 (2024: a reduction of £2,000) in the consolidated income statement for the year. That expense represents contributions payable to the trust fund for this scheme by the Group at rates specified in the rules of the scheme. The unfunded benefit obligation for this scheme reflected on the consolidated statement of financial position as at 31 December 2025 is £501,000 (2024: £471,000).

Pirtek France operates a post-employment bonus scheme which is as required by French law. Under this national scheme, employees accrue a bonus based on years of service and a bonus is paid out at retirement. The scheme is an unfunded plan, therefore there are no separately identifiable assets associated with the scheme. The following sensitivities have been modelled by the Group actuaries: 1% change in the discount rate has a potential impact of £75,000 (2024: £86,000), a 1.5% change in salary inflation £94,000 (2024: £107,000) and a 2% change in social contribution £9,000 (2024: £10,000).



## Five Year Financial Summary (Unaudited)

For the year ended 31 December 2025

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
<b>System sales</b>	<b>434,985</b>	425,574	350,053	186,353	93,571
<b>Statutory revenue</b>	<b>142,152</b>	139,206	121,019	69,839	34,133
<b>Adjusted EBITDA</b>	<b>35,245</b>	35,121	30,153	15,257	8,474
Depreciation & amortisation of software	(6,146)	(6,072)	(4,598)	(2,281)	(1,716)
Finance expense	(5,209)	(7,764)	(5,880)	(235)	(292)
<b>Adjusted profit before tax</b>	<b>23,890</b>	21,285	19,675	12,741	6,465
Tax expense	(6,574)	(4,743)	(5,147)	(2,560)	(1,154)
<b>Adjusted profit after tax</b>	<b>17,316</b>	16,542	14,528	10,181	5,311
Amortisation of acquired intangibles	(10,296)	(10,156)	(7,718)	(1,693)	(393)
Other gains & losses	-	-	-	1,232	223
Share-based payment	(874)	(1,480)	(838)	(535)	(334)
Non-recurring items	-	(444)	(6,159)	(1,707)	(187)
Tax on adjusting items	2,831	2,822	3,174	648	(387)
<b>Statutory profit</b>	<b>8,977</b>	7,284	2,987	8,126	4,233
Basic EPS	4.67p	3.78p	1.75p	6.65p	4.42p
Adjusted basic EPS	9.00p	8.59p	8.42p	8.34p	5.55p
Dividend	2.50p	2.40p	2.20p	2.00p	1.50p

### Glossary of key terms

Term	Definition
CRM	Customer Relationship Management
DLO	Direct Labour Organisation
FOG	Fats, Oil and Grease
GRU	Grease Recovery Unit
MFU	Mobile Filtration Unit
MSU	Mobile Service Unit
MST	Mobile Service Technician
NAF	National Advertising Funds
THM	Total Hose Management



## Company Information

### Directors and Company Secretary

**Stephen Hemsley**

Executive Chairman

**Peter Molloy**

Group Chief Executive Officer

**Andrew Mallows**

Chief Financial Officer

**Pete Kear**

Senior Independent  
Non-executive Director

**Andy Brattesani**

Independent Non-executive Director

**Louise George**

Independent Non-executive Director

**Nigel Wray**

Non-executive Director

**Rob Bellhouse**

Company Secretary

### Registered office and principal place of business

Ashwood Court  
Springwood Close  
Tytherington Business Park  
Macclesfield  
SK10 2XF

### Auditor

PKF Littlejohn LLP  
15 Westferry Circus  
London  
E14 4HD

### Nominated adviser and joint broker

Stifel Nicolaus Europe Limited  
150 Cheapside  
London  
EC2V 6ET

### Joint brokers

Allenby Capital Limited  
5 St. Helen's Place  
London  
EC3A 6AB

Dowgate Capital  
(Singer Capital Markets)  
1 Bartholomew Lane  
London  
EC2N 2AX

### Financial public relations advisers

MHP Group  
6 Agar Street  
London  
WC2N 4HN

### Legal adviser

Gateley Plc  
One Eleven Edmund Street  
Birmingham  
B3 2HJ

### Registrars

Neville Registrars  
Neville House  
Steelpark Road  
Halesowen  
B62 8HD

### Bankers

HSBC Bank  
8 Canada Square  
London  
E14 5HQ

### Warning to shareholders – investment fraud

We are aware that shareholders in UK companies sometimes receive unsolicited telephone calls or correspondence offering to buy or sell their shares on very favourable terms. The callers can be extremely persistent and very persuasive and often have professional-looking websites and telephone numbers to support their activities. These callers will sometimes imply a connection to the Company and provide incorrect or misleading information. This type of call should be treated as an investment scam – the safest thing to do is hang up and ignore any written communications.

You should always check that any firm calling you about potential investment opportunities is properly authorised and regulated by the FCA. If you deal with an unauthorised firm, you will not be eligible for compensation under the Financial Services Compensation Scheme. You can find out more about protecting yourself from investment scams by visiting the FCA's website [www.fca.org.uk/consumers/fca-firm-checker](http://www.fca.org.uk/consumers/fca-firm-checker).

If you have already paid money to share fraudsters you should contact Report Fraud immediately on 0300 123 2040 or through their website, [www.reportfraud.police.uk](http://www.reportfraud.police.uk).



## Cautionary note regarding forward-looking statements

Certain statements contained in this document relate to the future and constitute "forward-looking statements". These forward-looking statements include all matters that are not historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "could", "shall", "risk", "aims", "predicts", "continues", "assumes", "positioned" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors, Franchise Brands or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of Franchise Brands and the industry sectors in which it operates.

By their nature, forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the Group's control, and which may cause the Group's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry and business sectors in which the Group operates to differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if the Group's actual results of operations, financial condition and the development of the business sectors in which it operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation or assurance that trends or activities underlying past performance will continue in the future. Accordingly, readers of this document are cautioned not to place undue reliance on these forward-looking statements.

Other than as required by English law, none of the Company, its Directors, officers, advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur, in part or in whole. Additionally, statements of the intentions of the Board and/or Directors reflect the present intentions of the Board and/or Directors, respectively, as at the date of this document, and may be subject to change as the composition of the Company's Board of Directors alters, or as circumstances require. The forward-looking statements contained in this document speak only as at the date of this document.

Except as required by the Market Abuse Regulation or other applicable law, the AIM Rules for Companies or other requirements of the London Stock Exchange, Franchise Brands expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.