

Company Registration No. 03340310 (England and Wales)

**INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY
FACILITIES MANAGEMENT LIMITED)**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

COMPANY INFORMATION

Directors	O Saleh S Perrett J Keenan	(Appointed 1 July 2024)
Secretary	Mainstay (Secretaries) Limited	
Company number	03340310	
Registered office	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR	
Bankers	Natwest Group Hampshire House Templars Way Chandlers Ford Hampshire United Kingdom SO53 3RY	

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

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INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Innovus Facilities Management Limited (formerly Mainstay Facilities Management Limited) (the "Company") is a part of the Innovus division of Emerica RES UK Limited which is the UK division ("Group") of Emerica ("Emerica") - the world's leading provider of real estate services and technologies, providing services to both individuals and businesses. Emerica operates mainly in Europe in 8 countries and provides competitive and comprehensive services in block management, sales, leasing & renting and acquisitions.

Business Review

Innovus provides market leading solutions and expertise to the property sector. The Company's principal activity encompasses the provision of services and solutions in areas such as the deployment of cleaners and maintenance operatives as well as building fire asset checking and maintenance to property sector clients with a clear service delivery model to ensure consistently high standards wherever the business operates.

A detailed business review of the Group can be found in the Strategic Report of Emerica Res UK Limited.

Financial Review

Financial highlights

	2023	2022
Turnover (£'000)	6,082	6,568
FRITDA* (£'000)	971	419
EBITDA %	15.9%	6.4%
Cash at bank and in hand	387	616
Net assets (£'000)	2,268	1,943

*EBITDA is defined as profit before interest, tax, depreciation and amortisation and excludes one off exceptional items.

Financial performance

Revenue for the year decreased by 7.4% to £6.1m (2022: £6.6m). After total administrative costs of £5.7m (2022: £5.8m), the Company returned an operating profit of £0.3m (2022: £0.8m).

Financial risk management

One of the key risks of the Company is the performance of its investments in its subsidiaries. The Directors of the Company are closely involved with the day-to-day management of the investments are therefore able to influence the strategy and direction of the businesses in order to manage this risk. In addition, the majority of our customer base is UK residential and commercial, which reduces the concentration of credit risk. Where we transact with corporate customers, our credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges. The companies within the group have policies and procedures that require credit checks on potential customers before engaging with them, taking into account their financial position and other factors.

The Group's interest rate risk exposure arises mainly on the intercompany loan between Emerica RES UK Newco Limited (as borrower) and Emerica (as Lender) set up for the purpose of financing the acquisition of Drive Topco Limited in 2022 which is indexed to three-month EURIBOR and the acquisition of Chesterton UK Services Limited in 2023, which is indexed to three-month SONIA. To the extent that interest rates were to increase significantly, as a result of changing macro-economic conditions, the interest expense could correspondingly increase, thereby reducing cash flows. As this intercompany loan is designated in Euro, we also have exposure to foreign exchange volatility, that we closely monitor and report. The Group has cash management and forecasting processes in place to manage cashflow and liquidity within our existing financing.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Section 172(1) Statement

The Company depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Company seeks to put its customers best interests first, invest in its employees, support the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors have acted in accordance with their duties codified in law which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. Sec 172 considerations are embedded in decision making at Board level and throughout the Company. Issues, factors and stakeholders which the Directors have considered when discharging their duty under section 172(1) are detailed throughout these financial statements.

The Group's strategy is set out in the consolidated Emeria Res UK Limited financial statements.

Approved by the Board of Directors and signed on behalf of the Board.



J Keenan

Director

16 September 2024

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of Innovus Facilities Management Limited (formerly Mainstay Facilities Management Limited) (the "Company") forms part of the Innovus division of Emerica UK Group (the "Group").

Innovus provides market leading solutions and expertise to the property sector. The Company's principal activity encompasses the provision of services and solutions in areas such as the deployment of cleaners and maintenance operatives as well as building fire asset checking and maintenance to property sector clients with a clear service delivery model to ensure consistently high standards wherever the business operates.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

O Saleh

S Perrett

J Keenan

(Appointed 1 July 2024)

Results and dividends

The results for the year are set out on page 5.

Dividends of £nil were paid during the period (2022: £nil).

Directors' Insurance

The Company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group. This is a qualifying third party indemnity provisions made for the benefit of its directors during the year. These provisions remain in force at both the reporting date and the date of signing these financial statements.

Going Concern

Further information on going concern is included in note 1.3.

Strategic Report

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Company's Strategic Report the Company's Strategic Report information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board



J Keenan
Director

16 September 2024

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

PROFIT AND LOSS ACCOUNT

	Notes	2023 £	2022 £
Turnover	3	6,081,938	6,567,868
Administrative expenses		(5,744,685)	(5,811,191)
Operating profit		337,253	756,677
Interest payable and similar expenses	6	(1,848)	-
Profit before taxation		335,405	756,677
Tax on profit	7	(10,000)	-
Profit for the financial year		325,405	756,677

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

	2023 £	2022 £
Profit for the year	325,405	756,677
Other comprehensive income	-	-
Total comprehensive income for the year	325,405	756,677

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	8	5,963,509		13,292,297	
Cash at bank and in hand		386,665		615,593	
		<u>6,350,174</u>		<u>13,907,890</u>	
Creditors: amounts falling due within one year	9	(4,082,098)		(11,965,219)	
Net current assets		<u>2,268,076</u>		<u>1,942,671</u>	
Capital and reserves					
Called up share capital	10		100		100
Profit and loss reserves			2,267,976		1,942,571
Total equity		<u>2,268,076</u>		<u>1,942,671</u>	

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The notes on pages 8 to 15 form an integral part of these financial statements.

The financial statements on pages 5 to 18 were approved by the board of directors and authorised for issue on 16 September 2024 and are signed on its behalf by:



J Keenan
Director

Company Registration No. 03340310

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2022	100	1,185,894	1,185,994
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	756,677	756,677
Balance at 31 December 2022	100	1,942,571	1,942,671
Year ended 31 December 2023:			
Profit and total comprehensive income for the year	-	325,405	325,405
Balance at 31 December 2023	100	2,267,976	2,268,076

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Innovus Facilities Management Limited (formerly Mainstay Facilities Management Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

The Company provides facilities management and related services.

1.1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.3 Basis of preparation

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Emeria RES UK Limited and its results are included in the consolidated financial statements of that entity.

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.4 Going concern

As at 31 December 2023 the Company had net current assets of £2.3m and cash and cash equivalents of £0.4m.

The operations of the Company are managed as part of the UK ("Emeria UK") division of Emeria. The Company is funded via Emeria's bank facilities and therefore manages its day to day working capital requirements in line with Emeria's facility. As part of assessing the ability of the Company to continue as a going concern, Emeria UK has also considered any related potential downturn on its business. Given the available resources, the budgeted forecasts and the economic environment there is a reasonable expectation that the Company will continue to operate as a going concern for the foreseeable future. In addition, the directors of the Company have received confirmation that Emeria will continue to provide financial support for a period of at least 12 months from the date of signing these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

As part of this, the Company assessed that they have a considerable number of on-going management contracts across FirstPort, Innovus and Campions, making them resilient to adverse trading conditions. In addition, the Group's forecasts and projections, taking account of the possibility of changes in trading performance, show that the Group should be able to operate within its own means for a period of at least 12 months from the signing date of these accounts.

The Company has performed stress scenario analysis on the Group's future performance to consider any potential downturn on its business. During this assessment, the Group conducted an alternative forecast considering a severe but plausible change in trading performance to the end of December 2025. The model assumed a significant reduction in its transactional revenue lines with no cost reduction projected to offset the impact. In addition, given the cash generating nature of the business, working capital payments have been added back to the model as they are non-recurring in nature and would only be paid to Emeria if there is excess working capital. In this "severe" scenario, sufficient liquidity and cash generation was demonstrated, and as a result, it can be concluded that the Group operates a resilient business and has the capabilities to continue to operate for the foreseeable future and for at least a period of twelve months following the date of approval of these financial statements.

1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's ultimate parent, Emeria RES UK Limited, which includes any cash flows of the company;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Emeria RES UK Limited;

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Emeria RES UK Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Emeria RES UK Limited has control, joint control or significant influence over both the company and the related entities.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.

(i) Residential property management services

Fees for residential property management services, including maintenance, are recognised as the Company's obligations under the applicable contracts are delivered to the customer which is typically on a straight line basis over the period of the contract.

1.7 Exceptional items

The Company classifies certain non-recurring charges or credits in a financial year that are not part of the underlying trading business, that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide a fair view of the financial performance of the Company.

1.8 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The Company operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

1.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

1.10 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.11 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.12 Financial instruments

The Company has elected to adopt Section 11 and Section 12 of FRS 102 to all of its financial instruments. The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

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

1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.14 Related parties

The Company discloses transactions with related parties not wholly owned by Emeria RES UK Limited. It does not disclose transactions with other group companies wholly owned by Emeria RES UK Limited.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no areas within the financial statements where management has been required to apply a critical judgement.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Turnover and other revenue

The Company's turnover is all derived from its principal activity in the UK, that being property management and related services.

4 Employees

The average monthly number of persons (including directors) employed by the Company during the period was:

	2023	2022
	Number	Number
Office and management	36	157
House managers and reliefs	111	23
	<u>147</u>	<u>180</u>
Total	<u><u>147</u></u>	<u><u>180</u></u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	3,116,357	3,209,116
Social security costs	336,105	286,046
Pension costs	85,067	77,019
	<u>3,537,529</u>	<u>3,572,181</u>
	<u><u>3,537,529</u></u>	<u><u>3,572,181</u></u>

5 Directors' remuneration

The directors are remunerated by Emeria RES UK Newco Limited as their services to the Company are merely incidental to their employment in other divisional companies.

6 Interest payable and similar expenses

	2023	2022
	£	£
Interest payable and similar expenses includes the following:		
Other interest	1,848	-
	<u>1,848</u>	<u>-</u>

7 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	10,000	-
	<u>10,000</u>	<u>-</u>

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	335,405	756,677
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	78,887	143,769
Tax effect of expenses that are not deductible in determining taxable profit	3	47
Group relief	(116,993)	(193,873)
Transfer pricing	48,103	50,057
Taxation charge for the year	10,000	-

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.

8 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	138,529	128,792
Amounts owed by group undertakings	5,824,980	13,158,722
Other debtors	-	4,783
	5,963,509	13,292,297

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	64,080	181,205
Amounts owed to group undertakings	3,291,659	11,105,933
Corporation tax	10,000	-
Other taxation and social security	198,938	216,674
Other creditors	517,421	461,407
	<u>4,082,098</u>	<u>11,965,219</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Called up share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of 10p each	<u>100</u>	<u>100</u>

11 Operating lease commitments

Lessee

At the reporting end date the Company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases,

	2023	2022
	£	£
Within one year	<u>-</u>	<u>13,038</u>
	<u>-</u>	<u>13,038</u>

12 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Emeria RES UK Limited.

The Company has taken advantage of Sec 33 of FRS 102 and has not disclosed transactions with wholly owned group companies.

INNOVUS FACILITIES MANAGEMENT LIMITED (FORMERLY MAINSTAY FACILITIES MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Parent company

The immediate parent undertaking is Innovus Asset Management Limited (formerly Mainstay Asset Management Limited).

In the opinion of the directors, the controlling party are funds managed by affiliates that are ultimately controlled by Partners Group Holding AG, a Company registered in Switzerland and listed on the SIX Stock Exchange in Zurich.

Emeria RES UK Limited, a company registered in the United Kingdom under registration number 13718546, is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared.

The consolidated financial statements of Emeria RES UK Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ or from the Company's registered office at Queensway House, 11 Queensway, New Milton, Hampshire, UK. BH25 5NR.