

BAKER HICKS EUROPE HOLDINGS LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

BAKER HICKS EUROPE HOLDINGS LIMITED

CONTENTS

	Page
Company Information	1
Strategic Report	2 - 3
Directors' Report	4 - 6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Material Accounting Policy Information	14 - 17
Notes to the Financial Statements	18 - 21

BAKER HICKS EUROPE HOLDINGS LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

Directors CMW Archer (resigned 9 May 2025)
D Howells (appointed 9 May 2025)
EF King
MV Lubieniecki

Company Secretary HM Mason (resigned 22 April 2025)

Registered Office Kent House
14–17 Market Place
London
W1W 8AJ

Independent Auditor Ernst & Young LLP
Statutory Auditor
One Colmore Square
Birmingham
B4 6HQ

BAKER HICKS EUROPE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Principal activities

The principal activity of Baker Hicks Europe Holdings Limited (the “Company”) is as an investment holding company. The Company is a member of Morgan Sindall Group plc and its subsidiaries (“the Group”) and its activities are included in those of the Group’s Infrastructure reporting division.

Business review

There were no operating activities recognised in the Income Statement during the year other than foreign exchange differences and interest payable and receivable. This was in line with our expectations.

Financial position and liquidity

The financial position of the Company is presented in the Balance Sheet. The total shareholder’s funds at 31 December 2025 were £2.6m (2024: £2.5). The Company had net current liabilities of £5.5m (2024: £4.8m).

The Company participates in the Group’s banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the Group had net cash balances of £531.2m. The Group also had £180m of committed loan facilities: £15m maturing in June 2028 and £165m of committed loan facilities maturing in October 2028, which were entirely undrawn as at 31 December 2025.

Key performance indicators

The Company’s financial key performance indicators are described in the business review above. No other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

Principal risks and uncertainties

The management of the business and the execution of the Company’s strategy are subject to a number of risks. The market and economic environment are considered to be the main risks and uncertainties affecting the Company, including health and safety, environmental performance and contractual risk such as mispricing of contracts, managing changes to contracts and contract disputes, poor project delivery, and poor contract selection.

Further discussion of risks and uncertainties in the context of the Group as a whole and how these risks are managed and mitigated, is provided in the strategic report in the Group’s 2025 annual report, which does not form part of this report.

Financial risk management objectives and policies

The Company’s operations expose it to a variety of financial risks that include credit risk, liquidity risk, and interest rate risk.

Credit risk

With regard to credit risk, the Company has implemented policies that require appropriate credit checks on potential customers before contracts are commenced. The Company has no significant concentration of credit risk.

Liquidity risk

This is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company aims to manage liquidity by ensuring that it will always have sufficient liquidity to

BAKER HICKS EUROPE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Liquidity risk (continued)

meet its liabilities when due, under both normal and stress conditions. Liquidity is provided through cash balances and access to the Group's committed bank loan facilities.

Interest rate risk

In respect of interest rate risk, the Company has interest-bearing assets and/or liabilities. Interest-bearing assets and/or liabilities include cash balances and overdrafts, all of which have interest rates applied at floating market rates.

Section 172(1) statement

Section 172 requires a director to have regard to the following matters, among others, when discharging their duty: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company is a member of Morgan Sindall Group plc and has no employees, customers or suppliers. However, as a subsidiary holding company within the Morgan Sindall Group ('the Group'), the directors consider the impact of the Company's activities on its shareholder, its subsidiaries, the Group's businesses and partners that have an interest in the Company's investments and other stakeholders.

The directors maintain high standards of business conduct by complying with the Group's governance framework and Code of Conduct. The Code of Conduct states a commitment to the Group's human rights policy and provides practical guidance on upholding the Group's Core Values and delivering on our Total Commitments to being a responsible business.

The directors engage with our shareholder on an ad hoc basis on requests for investment and financial matters, including additional capital distributions or funding. The directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term. Any decisions taken will be aligned to the Group's purpose, strategy and standards and made in the best interests of all stakeholders.

The key activities of the Company's directors during the year included approval of the financial statements for the year ended 31 December 2025.

Further information, including the Group's Section 172 statement, engagement with stakeholders and activities with regard to improving the environment, can be found in the Group's 2025 annual report and accounts at morgansindall.com.

Approved by and on behalf of the Board



D Howells

Director

22 September 2026

BAKER HICKS EUROPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their annual report and the audited financial statements for the year ended 31 December 2025. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 'Reduced Disclosure Framework', and applicable law.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities are described in the strategic report on pages 2 to 3.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence during the going concern period, which the directors have defined as a period of 12 months from the date of approval of the financial statements.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the Group had net cash balances of £531.2m. The Group also had £180m of committed loan facilities £15m maturing in June 2028 and £165m maturing in October 2028, which were entirely undrawn as at 31 December 2025.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, and having received confirmation regarding its support to assist the Company in meeting its liabilities as and when they fall due, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

Based on the above, the directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence to the end of the going concern period, which is a period of 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Financial risk management

The financial risk management policies of the Company are disclosed in the strategic report.

Directors

The directors who served during the year and to the date of this report are shown on page 1. None of the directors had any interest in the shares of the Company during the year ended 31 December 2025.

Directors' indemnities

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Furthermore, the Group maintains liability insurance for its directors and officers and the directors and officers of its associated companies. The Group has also indemnified certain directors of its Group companies, to the extent permitted by law, against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties.

The Company has not made qualifying third-party indemnity provisions for the benefit of its directors during the year (2024: none).

BAKER HICKS EUROPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Dividends

The directors do not recommend the payment of a final dividend (2024: £nil).

Post balance sheet events

There were no post balance sheet events that affected the financial statements of the Company.

Political contributions

The Company made no political contributions during the year (2024: none).

Environmental performance

For further detail of the Group's environmental performance, including alignment to the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and Streamlined Energy and Carbon Reporting (SECR), please see the Morgan Sindall Group 2025 annual report [morgansindall.com](https://www.morgansindall.com).

Independent auditor and disclosure of information to the independent auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Company has abolished the requirement to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions as provided in section 487 of the Companies Act 2006 for the deemed reappointment of Ernst & Young LLP as auditors.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The directors confirm that they have complied with the above requirements in preparing the financial statements. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law) including FRS 101. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

BAKER HICKS EUROPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations.

Approved for and on behalf of the Board



D Howells

Director

22 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of Baker Hicks Europe Holdings Limited for the year ended 31 December 2025 which comprise the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 14, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

Other information (continued)

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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and compliance with the relevant direct tax regulation in the United Kingdom.
- We understood how Baker Hicks Europe Holdings Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing minutes of the board meetings.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the processes and controls that the Company had established to address identified risks, or that otherwise prevent or detect fraud; and how management monitors those processes and controls. Due to the nature of the Company and its limited level of transaction activities, we focussed our assessment in respect of the risk of material fraud in testing manual journal entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on journals indicating unusual transactions based on our understanding of the business, enquiries of management, and focussed testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards and applicable UK legislation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER HICKS EUROPE HOLDINGS
LIMITED FOR THE YEAR ENDED 31 DECEMBER 2025**

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.

DocuSigned by:

39EB45EB9AF5440...

Helen Hemming (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
22 September 2026

BAKER HICKS EUROPE HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Notes	£000	£000
Administrative expenses		198	(289)
Operating profit / (loss)	2	198	(289)
Interest receivable	4	185	172
Interest payable	4	(210)	(226)
Profit / (loss) before tax		173	(343)
Tax	5	(43)	86
Profit / (loss) for the financial year attributable to owners of the Company	12	130	(257)
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income / (expense)		-	-
Profit for the financial year attributable to owners of the Company		130	(257)

Continuing operations

The results for the current and previous financial years all derive from continuing operations.

BAKER HICKS EUROPE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2025

	Notes	2025 £000	2024 £000
Non-current assets			
Investments in subsidiaries	6	3,401	3,401
Trade and other receivables	7	4,715	3,908
		8,116	7,309
Current assets			
Trade and other receivables	7	-	-
		-	-
Total assets		8,116	7,309
Current liabilities			
Trade and other payables	8	(5,436)	(4,803)
Current tax liabilities		(78)	(34)
		(5,514)	(4,837)
Net current liabilities		(5,514)	(4,837)
Total liabilities		(5,514)	(4,837)
Net assets		2,602	2,472
Capital and reserves			
Share capital	9	-	-
Share premium	10	1,684	1,684
Foreign currency translation reserve	11	730	730
Retained earnings	12	188	58
Total shareholder's funds		2,602	2,472

The financial statements of Baker Hicks Europe Holdings Limited (company number 06325415) were approved by the Board and authorised for issue on 22 September 2026. They were signed on its behalf by:



..... D Howells, Director

BAKER HICKS EUROPE HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital (Note 9)	Share premium (Note 10)	Foreign currency translation reserve (Note 11)	Retained earnings (Note 12)	Total
	£000	£000	£000	£000	£000
At 1 January 2024	-	1,684	730	315	2,729
Total comprehensive income	-	-	-	(257)	(257)
At 1 January 2025	-	1,684	730	58	2,472
Total comprehensive income	-	-	-	130	130
At 31 December 2025	-	1,684	730	188	2,602

Further details in respect of the dividends paid are disclosed in note 12.

BAKER HICKS EUROPE HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

Accounting Policy Information

Baker Hicks Europe Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the UK under the Companies Act 2006 and registered in England and Wales. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 7. The address of the registered office is given on page 1.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of Morgan Sindall Group plc, which are available to the public at www.morgansindall.com.

The financial statements have been prepared under the historical cost convention, except where otherwise indicated.

These financial statements are presented in pounds sterling which is the Company's presentational and functional currency. All financial information, unless otherwise stated, has been rounded to the nearest £1,000.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall Group plc, which is registered in England and Wales. It is the only group into which the results of the Company are consolidated. Copies of the consolidated financial statements of Morgan Sindall Group plc are publicly available from morgansindall.com or from its registered office Kent House, 14-17 Market Place, London W1W 8AJ.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the preparation of consolidated financial statements because it is included in the Group accounts of Morgan Sindall Group plc. These financial statements are separate financial statements and present information about the Company as an individual undertaking and not of the Group.

Adoption of new and revised standards

New and revised accounting standards adopted by the Company

During the year, the Company has adopted the following new and revised standards and interpretations. Their adoption has not had any significant impact on the accounts or disclosures in these financial statements.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'

(ii) New and revised accounting standards and interpretations which were in issue but were not yet effective and have not been adopted early

At the date of the financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

BAKER HICKS EUROPE HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 18 'Presentation and Disclosures in Financial Statements'

The Company is currently assessing the impact of the standards but does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

The accounting policies as set out below have been applied consistently to all periods presented in these financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position as well as the financial position of the Company, its cash flows, liquidity position and the borrowing facilities are described in the strategic report on pages 2 to 3.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence during the going concern period, which the directors have defined as a period of 12 months from the date of the approval of the financial statements.

The Company participates in the Group's banking arrangements (under which it is a cross guarantor). As at 31 December 2025 the Group had net cash balances of £531.2m (2024: £544.2m). The Group also had £180m of committed loan facilities £15m maturing in June 2028 and £165m maturing in October 2028, which were entirely undrawn as at 31 December 2025.

The directors, having assessed the responses of the directors of Morgan Sindall Group plc to their enquiries, and having received confirmation regarding its support to assist the Company in meeting its liabilities as and when they fall due, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

Based on the above, the directors have a reasonable expectation that the Company and the Group of which it is part have adequate resources to continue in operational existence to the end of the going concern period, which is a period of 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments held as non-current assets are stated at cost less provision for impairment.

Impairment of financial assets

The Company recognises lifetime expected credit losses for trade receivables, contract assets and loans to joint ventures. The expected credit losses on these financial assets are based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

BAKER HICKS EUROPE HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Income tax

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity.

Current tax is the Company's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the statement of comprehensive income because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Foreign currency translation

Items included in the financial statements of the Company are measured using the functional currency which is the primary economic environment in which the entity operates. The Company presents its financial statements in Pound sterling.

Foreign currency transactions are recorded in the functional currency for the Company using the exchange rates prevailing at the dates of the transactions or at the average rate for the period when this is a reasonable approximation.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets and financial liabilities are subsequently measured at either fair value or amortised cost, depending on the classification of the financial assets and financial liabilities.

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

BAKER HICKS EUROPE HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption as part of the Company's normal identifiable operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities expected to be settled in line with the Company's normal course of business and for which the Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements and estimates in applying the Company's accounting policies

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The assessment of whether any impairment of investments held requires an estimation of the value in use of the investment held. The value in use calculation requires an estimate of the future cash flows expected from these CGUs, including the anticipated growth rate of revenue and costs as well as resulting operating margin and requires the determination of a suitable discount rate to calculate the present value of the cash flows.

The Company did not have any other critical judgements or key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

BAKER HICKS EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Analysis of revenue and profit before taxation

All revenue and profit before taxation relates to the Company's principal activity carried out in the UK.

2. Operating profit / (loss)

	2025 £000	2024 £000
Operating profit is stated after charging:		
Foreign exchange (loss) / gain	198	(289)

Fees payable to the Company's auditor for the audit of the Company's annual financial statements were paid for by the Company's parent company and not recharged to the Company.

There were no non-audit fees payable by the Company during the year (2024: £nil).

3. Staff costs

There were no staff costs for the year ended 31 December 2025 or for the year ended 31 December 2024. Staff working for the Company are employed and remunerated by another Group company. Time spent by staff and directors during the reporting period was minimal and did not result in any material cost to the company. Accordingly, no specific monetary value has been attributed or disclosed. None of the directors receive any emoluments (2024: nil) in their capacity as directors of the Company. These individuals are remunerated by another company in the Group and their time spent on this company is incidental.

4. Net interest receivable/(payable)

	2025 £000	2024 £000
Interest income	185	172
Interest receivable	185	172
Lease liabilities	(210)	(226)
Interest payable	(210)	(226)

5. Tax

	2025 £000	2024 £000
UK corporation tax charge on profit for the year	(43)	(86)
Adjustment in respect of previous years	-	-
Total current tax	(43)	(86)
Total deferred tax	-	-
Total tax expense	(43)	(86)

Corporation tax is calculated at 25% (2024: 25%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

BAKER HICKS EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £000	2024 £000
Profit before tax	173	343
Tax on profit at corporation tax rate	(43)	(86)
<i>Factors affecting the charge for the year:</i>		
Non-taxable income and expenses	-	-
Adjustments to tax charge in respect of previous years	-	-
Other tax differences	-	-
Total tax expense	(46)	(86)

The UK statutory Corporation Tax rate for the Company was 25% (2024: 25%). Deferred taxes at the balance sheet date are measured at the enacted rates that are expected to apply to the unwinding of each asset or liability. Accordingly deferred tax balances as at 31 December 2025 have been calculated at 25% (2024: 25%).

Pillar Two legislation has been enacted in the United Kingdom, where the Company operates. The Company has performed an assessment of the Company's potential exposure to Pillar Two income taxes. Based on the assessment performed, the Pillar Two effective tax rate is above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Company does not expect a potential exposure to Pillar Two top-up taxes and has accrued no liability.

6. Investments in subsidiaries

	Subsidiaries £000
Cost and net book value	
At 1 January 2025	3,401
Additions	-
At 31 December 2025	3,401

The details of the Company's subsidiaries are shown below. The country of incorporation and principal place of business is the UK and the address of the registered office of each entity is the same as the registered office of this Company unless otherwise indicated.

Name of company	Registered office	Principal activity	Proportion of ordinary shares held
BakerHicks AG	Badenstrasse 3, CH-4057 Basel, Switzerland	Design & construction management services	100%

BAKER HICKS EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

BakerHicks GmbH	Albert-Nestler-Strasse 26, 76131 Karlsruhe, Germany	Design & construction management services	100%
BakerHicks GmbH	Am Euro Platz 3, 1120 Wien, Austria	Design & construction management services	100%
BakerHicks ApS	Borupvang 3, 4., 2750 Ballerup, Denmark	Design & construction management services	100%
BakerHicks SA	Boulevard Louis Schmidt 29 15 1040 Etterbeek, Belgium	Design & construction management services	100%

7. Trade and other receivables

	2025 £000	2024 £000
Amounts falling due within one year		
Amounts owed by Group undertakings	-	-
	-	-
Amounts falling due after year		
Amounts owed by Group undertakings	4,715	3,908
	4,715	3,908

Amounts owed by Group undertakings are payable on demand and are interest bearing. All items are accounted for at amortised cost.

8. Trade and other payables

	2025 £000	2024 £000
Amounts falling due within one year		
Amounts owed to Group undertakings	5,436	4,803
	5,436	4,803

Amounts owed to Group undertakings are payable on demand and are interest bearing. All items are accounted for at amortised cost.

9. Share capital

	2025 £	2024 £
Issued, and fully paid		
3 ordinary shares of £1 each	3	3

The Company has one class of ordinary share which carries no rights to fixed income.

BAKER HICKS EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

10. Share premium

	2025	2024
	£000	£000
Balance at 31 December	1,684	1,684

11. Foreign currency translation reserve

	2025	2024
	£000	£000
Balance at 31 December	730	730

12. Retained earnings

	2025	2024
	£000	£000
Balance as at 1 January	58	315
Profit / (loss) for the year	130	(257)
Dividends	(-)	(-)
Tax relating to share-based payments	-	-
Balance as at 31 December	188	58

13. Related party transactions

In the ordinary course of business, the Company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 7 and 8 of these financial statements.

14. Subsequent events

There were no subsequent events that affected the financial statements of the Company.