



APRIL 24-MARCH 25

Annual Report

Supporting the delivery of better public services to help people live, learn and thrive.





KENT-TEACH.COM



Introduction from the Chair



Philip Dearing
Chair, Board of Directors

Welcome to Commercial Services Group's Annual Report – we hope you find it an interesting read!

The 2024/25 financial year has arguably witnessed our best-ever performance across many important metrics including growth, productivity, profitability and, most importantly, dividends paid to our principal shareholder, Kent County Council, and our joint venture partners; it is these dividends that help support essential public services.

The achievements of the past year, many of which are referred to in more detail in the coming pages by Matt, our CEO, are due to the unique operating model of our business. Commercial Services Group is essentially a company owned by the public sector but operated as a private business, governed by a Board comprising independent Non Executive Directors drawn from the business community, Executive Directors with private equity commercial experience and Officer Directors from Kent County Council; it is this blend of skills and expertise which harnesses entrepreneurial spirit and translates it into the provision of relevant and cost-effective products and services resulting in not just a meaningful financial return but a positive social impact for the communities we serve.

While 2024/25 has been a very successful year, and the Board are confident of further progress in 2025/26, there are some significant financial challenges ahead. In common with many other businesses the size and scale of Commercial Services Group, the November 2024 Budget, with its increase to National Insurance contributions and lowering of thresholds, will adversely impact profitability and hiring intentions. In the meantime, Local Government reorganisation plans, as yet relatively undefined for Kent, inevitably cause some uncertainty albeit equally presenting some opportunities. Despite the foregoing the Board remain confident that the 2025/26 Business Plan forecasts will be fully met and that investment decisions to support further commercial growth and productivity gains will remain unaffected.

Finally, and as ever, the Board would like to thank our many supply chain and other partners for their support across a successful year. Most of all though sincere thanks must go to the 1,800+ team of colleagues, whose commitment, loyalty and contribution has been pivotal in ensuring not just a great past year but a sustainable future. Thank you!

A handwritten signature in blue ink, appearing to read "Philip Dearing".

Contents

01	Group CEO Summary	14	People, Culture & Communications Function
02	Highlights	16	Financial Analysis
03	Brand Structure 2025	17	Portfolio Summary 2024/25
04	Executive Board Structure	18	Corporate Governance
05	Non-Executive Board Structure	19	Maturing our Governance Function
06	Performance – Energy & Environment	20	Governance in Numbers 24/25
08	Performance – Procurement & Partnerships	21	Board Membership and Attendance
10	Performance – Children & Education	22	Final Word
12	Performance – People & Talent		

Group CEO Summary



Matt Johnson
Group CEO

I am proud to reflect on the 2024/25 financial year as one of great strategic and operational success for Commercial Services Group.

We have enjoyed many highlights between April 2024 and March 2025, including the acquisitions of Landscapes for Learning and WF Education Group, which, when combined with our existing educational resources interests across KCS and CES Holdings, has created one of the largest and most comprehensive service providers in Europe – one of the key strategic projects in delivering our growth strategy.

We continued to drive the innovative and highly successful joint venture model, launching new partnerships with Dorset Council and Halton Borough Council, with yet another collaboration launching later in 2025, this time with the London Borough of Hackney, taking the aggregated revenue of these joint venture partnerships to over £170m per annum.

We have continued to acquire new customers and retain key existing customers in both the UK and overseas, taking our total customer base to over 22,000 entities. With the support of thousands of supply chain partners, the dedication of our 1,800 staff, and the support of key industry stakeholders, we have continued to drive positive impact and social purpose that supports local economies and local communities across the many regions we serve.

This growth has once again been delivered in a well-governed and assured operating environment. We have retained gold status as an Investor in People (IIP) employer and, for the second consecutive year, been awarded a 'substantial' internal audit opinion, further enhanced by an unmodified external audit opinion.

However, despite these successes and the commitment of our people, we are not immune to market and national challenges. The ever-declining financial security of the UK public sector continues to create difficult market conditions, which are increasing competition and driving down margins. Structural changes across the sector, ranging from academisation in education through to local government reorganisation and devolution in local authorities, is creating uncertainty and slowing decision-making. Government policy changes will have a significant financial impact on the Commercial Services Group, leading to a multi-million-pound increase in national insurance contributions and minimum wage commitments. These changes will take effect from April 1st and will inevitably affect short-term profitability growth.

The year ahead will be challenging, but with incredible opportunities. Changes across the UK to local government administrations will bring fresh perspectives and drive for improvements, and we are expertly positioned to support these demands. We will continue to focus on building our ambitious growth strategy to maximise shareholder value through ongoing dividend growth and a rising enterprise value, whilst driving support for the local economies and communities we serve. The four values that underpin Commercial Services Group – commercial growth, customer experience, social and sustainable value, and empowered workforce – will remain the core principles on which growth is delivered in the year ahead.

Matt

Highlights

£707.1m

gross revenue
(including JV's)
(£185.4m net revenue)

£9.45m

profit after tax
(PYR £8.246m)

£10m

contributed to KOC

22,000

active customers
in 87 countries

1,800

colleagues across
50+ global offices
and sites

16,000

suppliers
4,000+ are Kent based

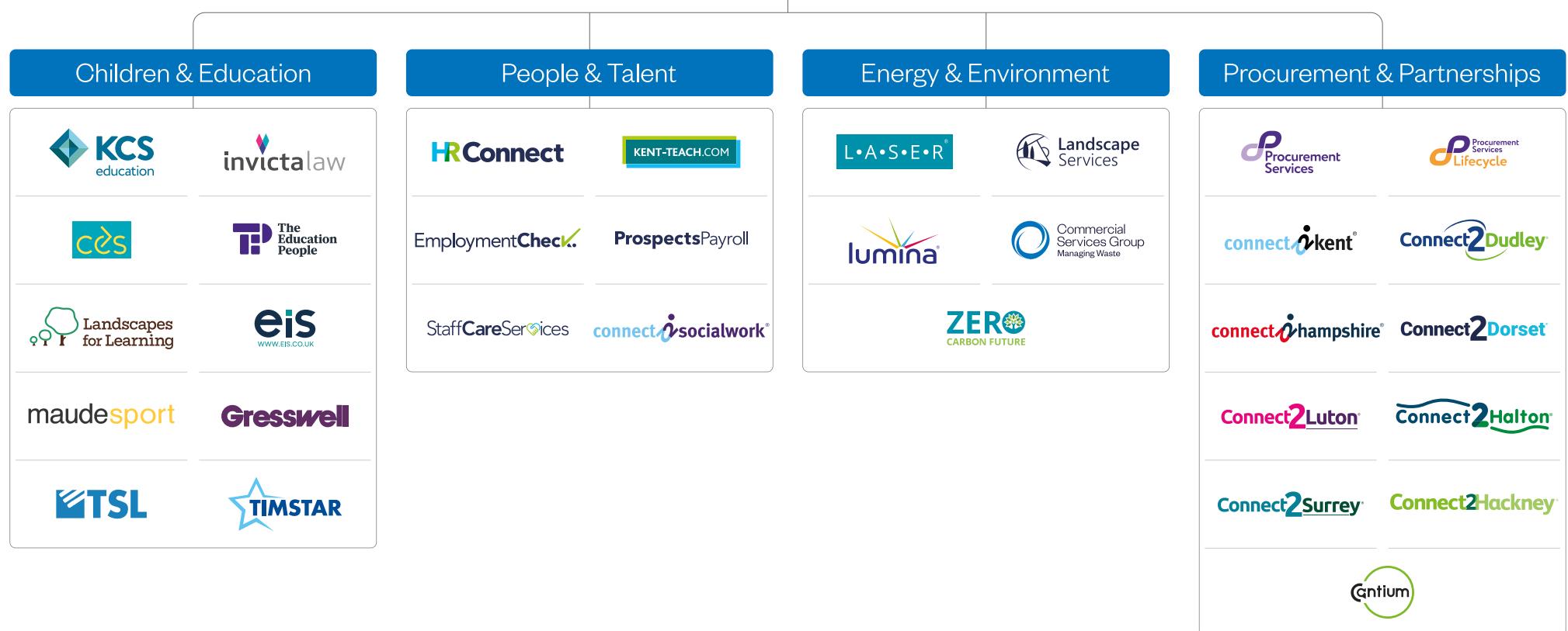
32

trading brands

Substantial

Internal
audit opinon

Brand Structure 2025



Executive Board Structure



Matt Johnson

Group CEO



John Doherty

Divisional CEO
Children & Education
and People & Talent



Nicola Monk

Divisional CEO
Energy & Environment and
Procurement & Partnerships



Rob Boyles

Group Chief
Financial Officer



Sally Richards

Chief Operating Officer

Non-Executive Board Structure



Philip Dearing

Independent
Non-Executive Chairman



Ceri Richards

Senior Independent
Non-Executive Director



Catherine Ward

Independent
Non-Executive Director



David Whittle

Shareholder
Non-Executive Director



Simon Plesce

Shareholder
Non-Executive Director



Robin Dargue*

Independent
Non-Executive Director

Performance – Energy & Environment



Nicola Monk
Divisional CEO Energy &
Environment and Procurement
& Partnerships

This has been a standout year for our Energy and Environment Division. We've delivered record growth—finishing the year nearly £1.2m ahead of budget—and achieved some truly exceptional milestones.

Highlights include retaining 100% of our energy framework, launching LASER's new Education Team, and opening Kings Hill Solar Park and the Dunbrik Waste Transfer Station in Sevenoaks. We've invested in new depots and cutting-edge machinery for Landscape Services and delivered outstanding customer satisfaction across the board.

I'm incredibly proud to lead a division that's driving real value for local communities across Kent and the wider public sector. But what I'm proudest of is our investment in our people. From adopting the Real Living Wage for our frontline teams to growing our apprenticeship programme, enhancing technical and leadership training, and launching our People's Forums. Our people are central to everything we do. Their commitment drives our success—and will remain the foundation of our future growth and impact.



Employees

Total	254
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Sectors and Trading Brands

Energy & Carbon	E&C
→ LASER	
→ Lumina	
→ Zero Carbon Future	

Community Services	CS
→ Commercial Services Group	
→ Managing Waste	
→ Landscape Services	

Performance – Energy & Environment

Major Contract Wins 24/25

E&C	City of London (Managed Service upsell)
E&C	Walsall (Energy win)
E&C	ValueMatch Partnership (x4 MATs)
E&C	Suffolk County Council (Solar Carport)
E&C	Cambridgeshire County Council (PPA)
CS	Tonbridge & Malling Borough Council

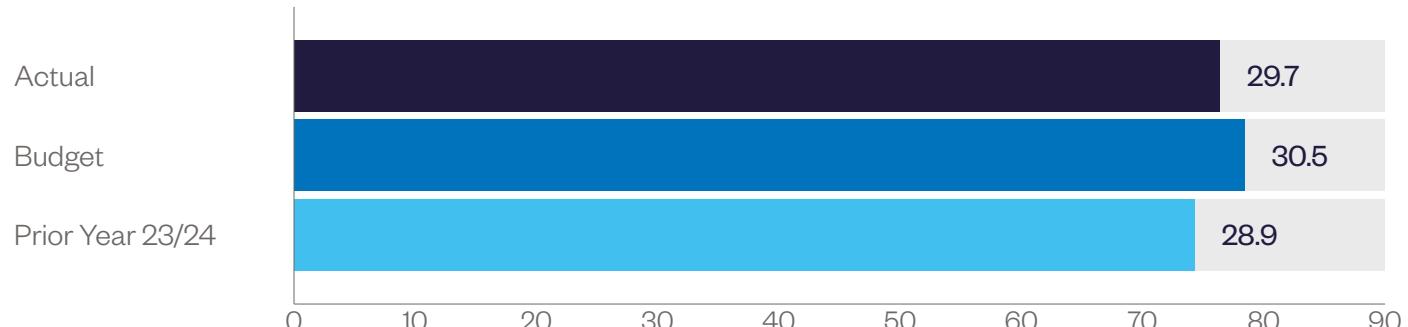
Energy & Environment – Net EBITDA

NET EBITDA – a comparison of Actual Figures to Budget and Previous Year (£m)



Energy & Environment – Net Revenue

NET REVENUE – a comparison of Actual Figures to Budget and Previous Year (£m)



Performance – Procurement & Partnerships



Nicola Monk
Divisional CEO Energy &
Environment and Procurement
& Partnerships

This has been a landmark year for the Procurement and Partnerships Division—one defined by growth, innovation, and strong collaboration with our partners across the public sector.

We've significantly expanded our procurement frameworks business, launched new strategic frameworks and introduced our Procurement Managed Services offer—all designed to create greater value, flexibility and efficiency for our customers. We've also established two new joint ventures with Dorset and Halton Councils to deliver agile, localised contingent labour solutions.

We were especially proud to welcome Hackney Council—our largest customer win to date—and to integrate Cantium, our ICT business, into the Division, further strengthening the digital services we provide to Kent County Council and Commercial Services Group.

Above all, our people continue to make the difference. Their expertise, commitment and award-winning performance have helped position us as trusted advisers and thought leaders. We're proud of what we've achieved together—and excited about the opportunities ahead to deliver even more for our partners and the communities we serve.

Employees

Total 442

Sectors and Trading Brands

Recruitment

R

Connect2Kent

Connect2Surrey

Connect2Hampshire

Connect2Luton

Connect2Dudley

Connect2Dorset

Connect2Halton

Connect2Hackney (launched summer 2025)

Procurement

P

Procurement Services

Lifecycle

Cantium Business Solutions

C



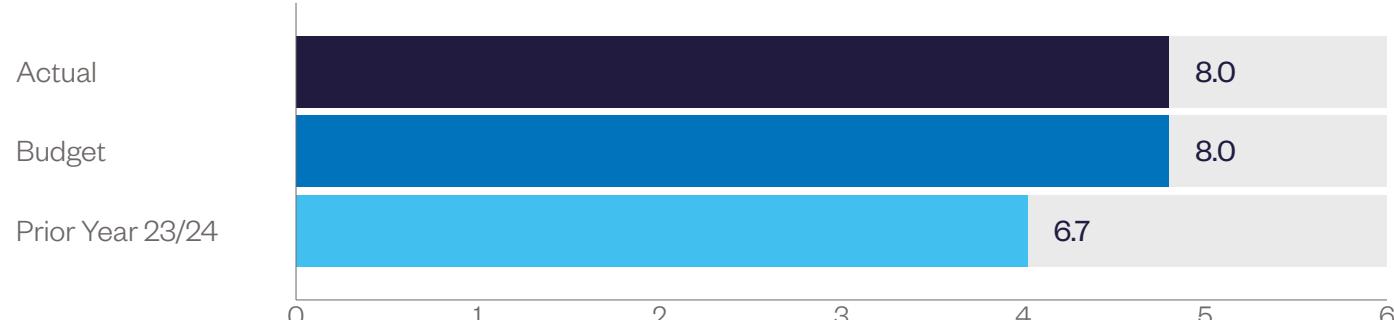
Performance – Procurement & Partnerships

Major Contract Wins 24/25

R	Hackney Joint Venture (Connect2Hackney)
P	Hull University Teaching Hospitals NHS Trust (Contract Management)
P	Liverpool University Hospitals NHS Foundation Trust (Leasing)
P	Bournemouth, Christchurch & Poole Council (Software Framework)
P	P North Yorkshire Council (ICCE Framework)
P	The Tedd Wragg Multi-Academy Trust (Digital)

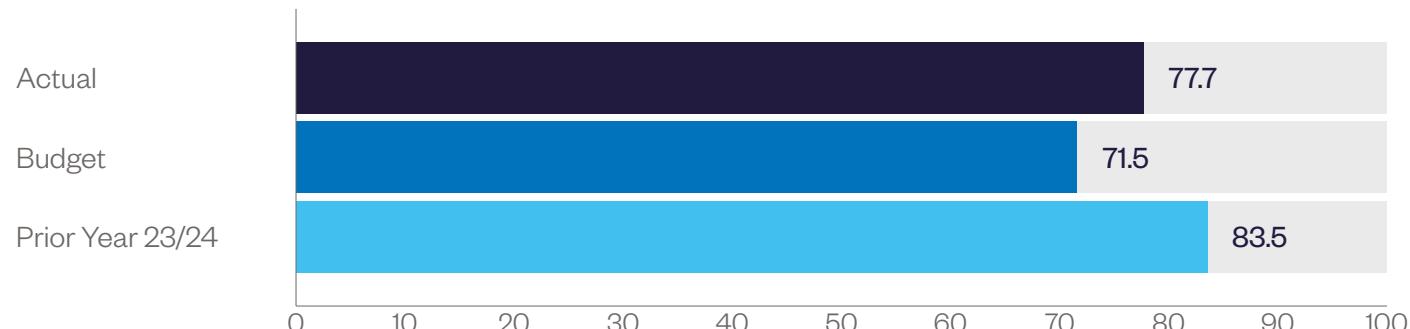
Procurement & Partnerships – Net EBITDA

NET EBITDA – a comparison of Actual Figures to Budget and Previous Year (£m)



Procurement & Partnerships – Net Revenue

NET REVENUE – a comparison of Actual Figures to Budget and Previous Year (£m)



Performance – Children & Education



John Doherty
Divisional CEO Children &
Education and People & Talent

I am delighted and proud to reflect on an exceptional year for our Children & Education division. Through the efforts of 741 members of staff, the division delivered £6.5m of EBITDA in 2024/25, a huge increase on the £2.9m delivered during the previous year.

We have substantially increased the scale of our business over the past 12 months through the acquisitions of Landscapes for Learning and WF Education Group, bringing material inorganic growth in revenue, active customers, and product range. We have seen the re-launch of EIS following its strategic separation from Cantium, ensuring schools once again have a specialist provider of ICT services. And material contract wins in both Invicta Law and The Education People have ensured the division enters the 2025/26 financial year with exciting opportunities to continue this performance trajectory.

Employees

Total 741

Sectors and Trading Brands

IT Services	IT
EIS	
Education Management	EM
The Education People	
Legal Services	LS
Invicta Law	
International School Projects	ISP
CES	

Education Supplies

KCS
CES
Landscapes for Learning
Gresswell
Maudesport
TSL
Timstar



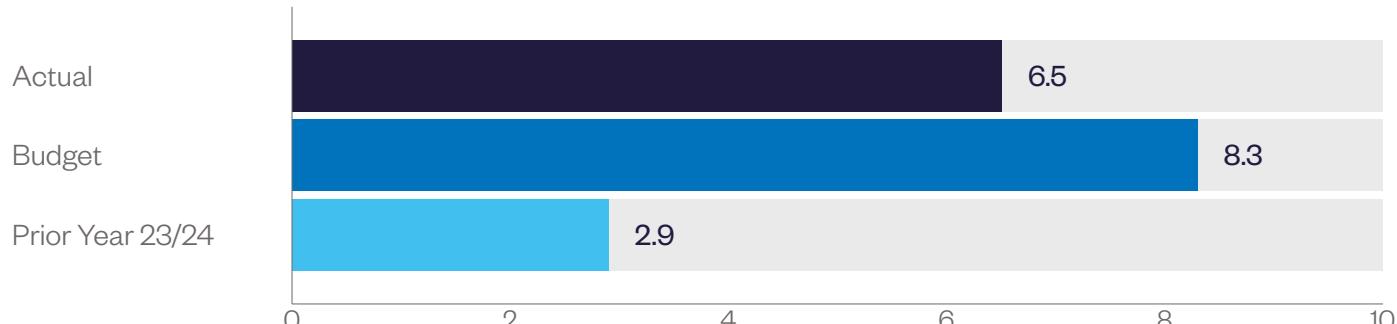
Performance – Children & Education

Major Contract Wins 24/25

- ES** Successful Acquisition of Wall Family Education brands
- ES** Successful Acquisition of Landscapes for Learning
- IT** EIS Re-Launched to Kent Schools
- ES** KCS Punch-Out extension delivered for customers
- ISP** International Launch of KCS NPD Range
- GES** Extension of RSP contract – signed MOU
- EM** Duke of Edinburgh service launched
- EM** Delivery of £1.2m efficiencies for KCC CYPE Directorate

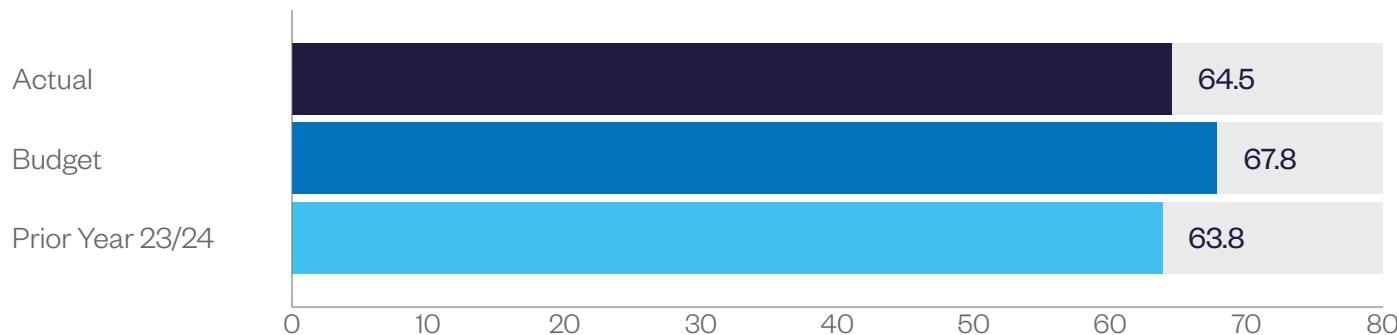
Children & Education – Net EBITDA

NET EBITDA – a comparison of Actual Figures to Budget and Previous Year (£m)



Children & Education – Net Revenue

NET REVENUE – a comparison of Actual Figures to Budget and Previous Year (£m)



Performance – People & Talent



John Doherty
Divisional CEO Children &
Education and People & Talent

I am excited to share the continued success of our People and Talent division, which continues to deliver fully compliant and trusted HR services with a strong people-focused approach.

Through our dedicated brands, our expert teams specialise in supporting organisations of all sizes, having honed our expertise in the Education and Public Sectors.

We are proud to be trusted by over 1,000 customers nationwide, including Schools, Academies, Multi-Academy Trusts (MATs), Local Authorities, NHS Trusts, and private businesses. Our commitment to excellence and our tailored approach ensure that we meet the unique needs of each client, providing first-class HR solutions that drive success and foster growth.

HR Connect

EmploymentCheck.

StaffCareServices

ProspectsPayroll

Employees

Total	210
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Sectors and Trading Brands

HR Services	HR
HR Connect	
Staff Care Services	
Kent-Teach	
Employment Check	
Prospects Payroll	

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connect2socialwork®

Performance – People & Talent

Major Contract Wins 24/25

HR Achieved Safe Effective Quality Occupational Health Service (SEQOHS) Accreditation.

HR Awarded a fully Managed Payroll and Pension Administration Service with the Swale Academy Trust.

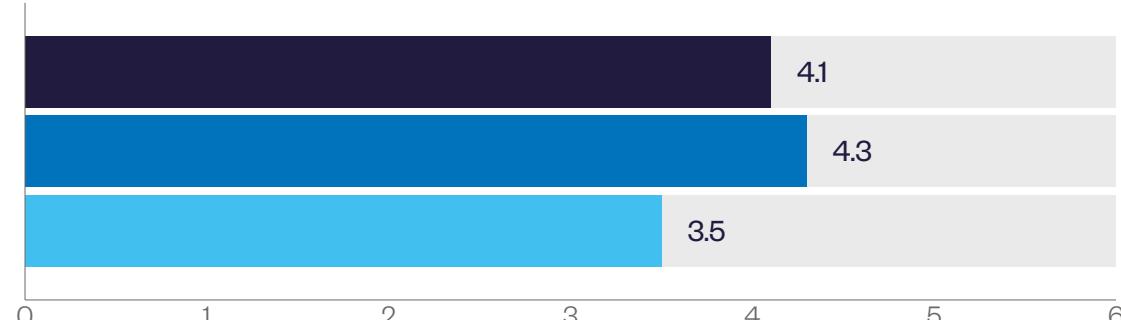
HR Implemented a Career Pathway across both recruitment brands.

HR Launch of the expanded SupportLine Service to Schools.

HR Successful migration of school's customers from Oracle to iTrent.

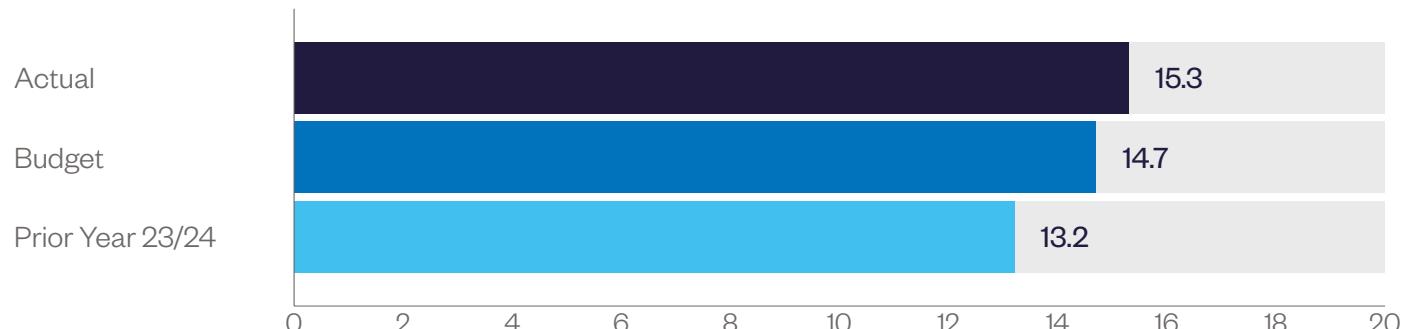
People & Talent – Net EBITDA

NET EBITDA – a comparison of Actual Figures to Budget and Previous Year (£m)



People & Talent – Net Revenue

NET REVENUE – a comparison of Actual Figures to Budget and Previous Year (£m)



People, Culture & Communications Function



Jess Jones
Associate Director of People

In FY24/25, the People, Culture & Communications (PCC) team made significant strides in shaping a unified, inclusive, and high-performing culture across Commercial Services Group. A key milestone was the development and launch of the organisation's first People Strategy – co-created with leaders and colleagues – to support our culture.

The strategy focuses on enhancing employee engagement and experience through inclusive practices, data-driven decision-making, and proactive talent and culture initiatives, with the ultimate aims of driving performance, talent retention and talent attraction. To bring this strategy to life, we introduced our new structures, strengthened our Centres of Excellence, established a programme of delivery, and reset the People Partner model to support businesses better locally while enabling consistency for everyone.

PCC in Numbers

86

apprentices

90%

of senior roles have
succession plan in place

77%

of HR policies transitioned for the whole
of Commercial Services Group

20%

of vacancies become
internal moves

34%

of vacancies filled directly by the
Talent team v 10% external benchmark

30%

leadership roles filled internally

People, Culture & Communications Function

Key Achievements

- People Strategy Launch: Delivered our first People Strategy following consultation and engagement, with a structured programme to drive delivery.
- Careers Advisory Service: Introduced a dedicated service to support internal career progression, directly shaped by employee feedback.
- PCC Team Development: Recruited a new HR Operations Manager and reset the People Partner model to increase impact, consistency, and business alignment.
- Employee Voice: Ran our first Employee Engagement Survey and launched People Forums to embed listening and dialogue.
- Policy Alignment & Simplification: Commenced the consolidation of HR policies across Commercial Services Group, with consultation ensuring relevance and alignment.
- Learning Culture: Expanded our development offer through apprenticeships, mentoring, and in-person learning, supporting a culture of growth.

In Progress

- Performance & Recognition: Developing a new approach to performance appraisals focused on growth, feedback, and frequent recognition.
- Building Culture & Enabling Communication: Building community across Commercial Services Group via the launch of our new intranet, Loop.
- People Insights: Enhancing our data capability to better measure impact and support decision-making.
- Culture & Values: Embedding inclusive values and responding to engagement feedback to evolve our employee experience.
- Policy & Process Efficiency: Continuing to harmonise and future-proof people policies in line with business needs and legislative change.
- Growth & Talent: Launching Commercial Services Group's Capability & Behaviour Framework, leadership development offers, and internal talent management strategies.
- Reward Strategy: Initiating a comprehensive review of pay, benefits, and employment terms across Commercial Services Group to shape a future-fit reward approach.

Financial Analysis

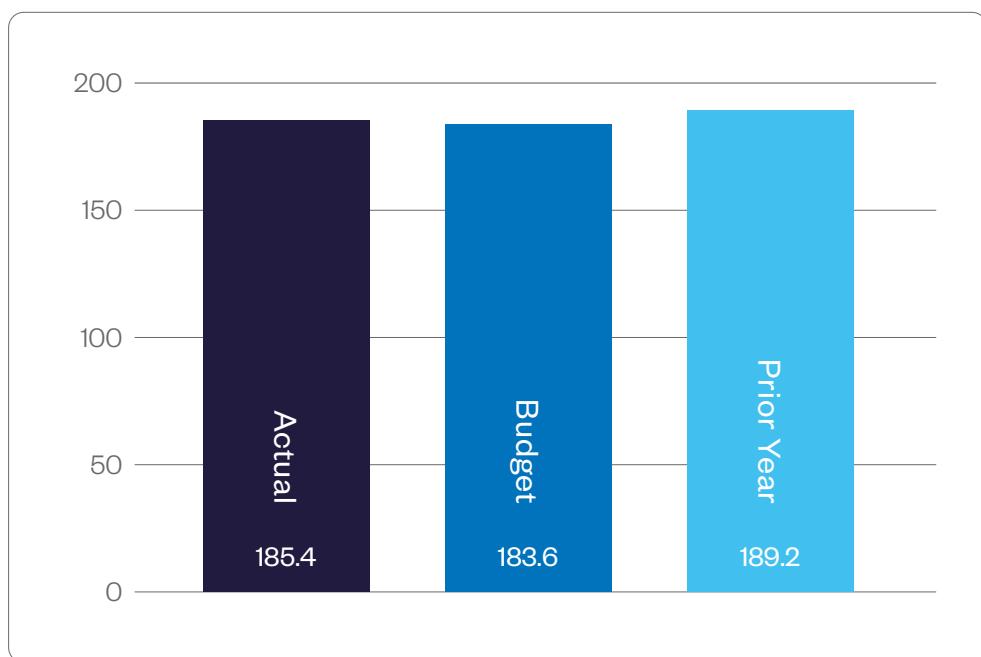


The business generated net revenue of £185.4m in the financial year, not including revenue pass through or non-consolidated joint ventures.

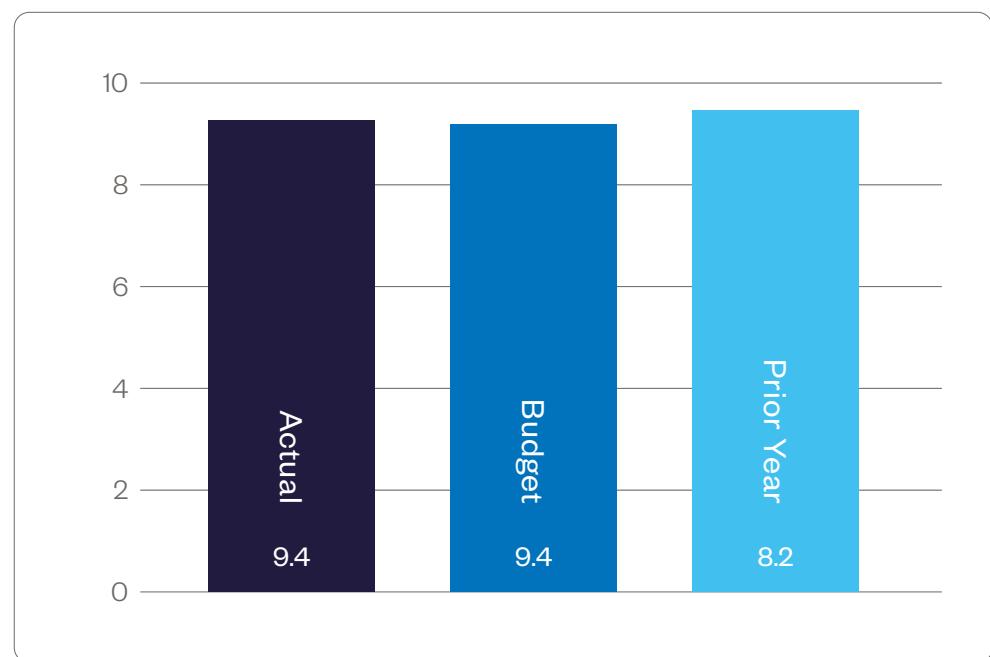
Net profits increased by 14% to a record £9.450m, allowing Commercial Services Group to declare record dividends of £10m (24/25) to its Shareholder, Kent County Council. The business is budgeting for further underlying growth in the year ahead after taking into consideration the material increase in National Insurance rates.

Rob Boyles Group Chief Financial Officer

Profit After Tax (£m)



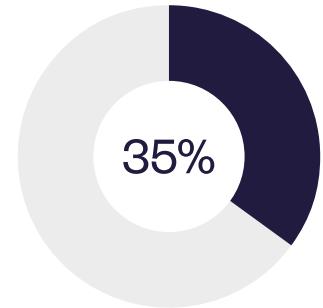
Net Revenue (£m)



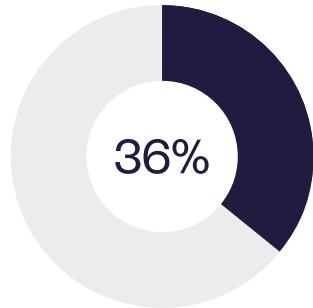
Portfolio Summary 24/25

Energy & Environment

Net revenue contribution

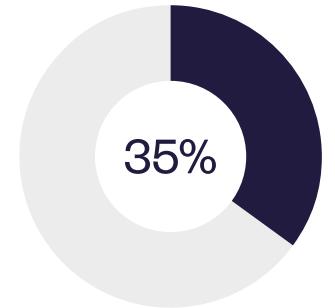


EBITDA contribution

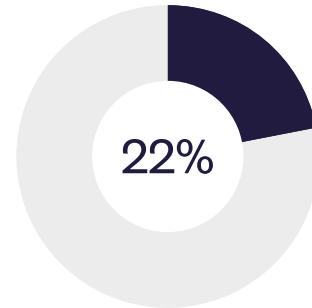


Children & Educations

Net revenue contribution

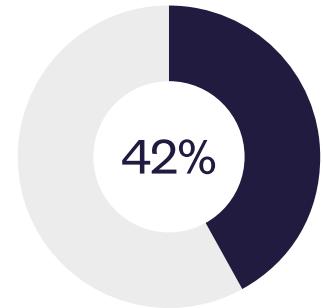


EBITDA contribution

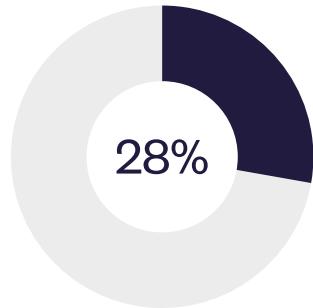


Procurement & Partnerships

Net revenue contribution

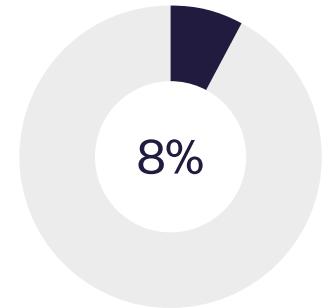


EBITDA contribution

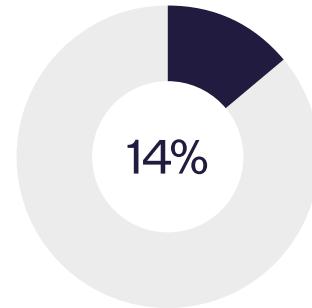


Procurement & Partnerships

Net revenue contribution



EBITDA contribution



Remaining 7% of workforce assigned to Corporate Services.

Corporate Governance



24/25 has been a year of further developing the support services provided by our corporate teams to enable the business to make smarter decisions, supporting commercial agility whilst continuing to keep Commercial Services Group safe.

Sally Richards, Chief Operating Officer

Governance

Our governance reporting improved to expand Horizon risk and opportunity identification, plus enhancement of our policy suite to include AI, Data Retention, FOI and Information Security.

- We have risk management software implementation.
- Enhanced fraud awareness training, e-learning modules and in-person training.
- Our DPO has managed 70 SARs, 44 FOI requests.
- We retained the ISO 9001, 14001 accreditations .
- Accreditation retained in ISO27001 (CBS).
- Cyber Essentials Plus (CBS) Cyber Essentials (CSKL & Invicta Law).

Audit

Working with KCC internal audit team, we have successfully completed 16 audits with an overall rating of **Substantial**.

H&S

We have reported **396** near misses/incidents across Commercial Services Group with the increase in our safe reporting from the field teams. All incidents have investigations carried out and mitigating actions implemented, with the ongoing control framework being well-managed and controlled.

16

Supplier payment days average over a full year.



Maturing our Governance Function

Corporate Governance

- ✓ Established team and communities of practice.
- ✓ Rolling ARC deep dive program in place.
- ✓ Our internal audit plan matured.
- ✓ Procurement, HSEQ, Data Protection and Business Continuity policies.
- ✓ Implemented new safety management system and QR code incident/near miss reporting.
- ✓ Consolidated to single DPO.
- ✓ Review of mandatory training via our Learning Academy.

Our Capability

- ✓ Investment Value Review Committee launched.
- ✓ Our assessment and response to the Procurement Act.
- ✓ Launched Delta e-tendering portal.
- ✓ We have centralised our HSEQ provision and extended out of hours coverage.
- ✓ Consolidated ISO certifications into ISO Business Management System for Commercial Services Group.
- ✓ Rolled-out our approach to BCP, undertaking five tests.

Strategic Risk Management

- ✓ Strategic risk themes and appetite aligned with our Business Plan.
- ✓ Horizon risk data reported to Board, Executive and ARC.
- ✓ Supported with due diligence and onboarding of new JVs and acquisitions.
- ✓ Security Steering Group implemented.

Key Initiatives for 24/25

- ESG, Wates and AGS statements.
- Financial KPIs.
- Insurance brokerage and policy review.
- Supplier chain resilience and assurance.

- Fraud risk assessment and training programme.
- Strategic commissioning model.
- ISO27001:2013 transition to 2022.
- Leverage BI to automate and shift from information to actionable insights.

- Key strategic risk assurance maps.
- Data protection reform readiness.
- ISMS policies and controls.
- Procurement act readiness.
- Mature horizon scanning .

Governance in Numbers 24/25



16

Internal Audits completed



250+

H&S site visits conducted



300+

H&S risk assessments and method statements

29

H&S Audits



25

Emergency First Aid at Work training delegates



1524

H&S incident/near miss reports investigated



70

SARs

44

FOI requests

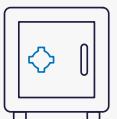
396

Data Protection incident/near miss reports



23

Data Protection impact assessments reviewed



16

Insurance policies managed



11

Dynamic Purchasing Systems

1042

submissions

457

agreements



23

Frameworks published

120+

awarded suppliers

85+

SME's awarded

Board Membership and Attendance

Director	Commercial Services Group (inc/ CSKL, CSTL, KCT)	Remuneration Committee	Audit & Risk Committee
Philip Dearing Independent Non-Executive Chairman	11/11		
Ceri Richards Senior Independent Non-Executive Director	10/11		4/4
Catherine Ward (started April 2024) Independent Non-Executive Director	11/11	3/3	
Robin Dargue (term ended March 2025) Independent Non-Executive Director	9/11	3/3	
David Whittle Shareholder Non-Executive Director	11/11	3/3	
Simon Pleace Shareholder Non-Executive Director	10/11		4/4
Matt Johnson Group CEO	11/11		
Rob Boyles Group Chief Financial Officer	10/11		2/4
Marcus Yarham (resigned October 2024) Group Finance Director	5/5		3/3

Final Word

Thank you for taking the time to read our annual report.

We hope it provided a valuable insight and that you now have a better understanding of Commercial Services Group, a business we take pride in.

At Commercial Services Group, we are immensely proud of the service, support and financial contribution we provide to support frontline services, a genuine example of profit with a purpose.

Philip Dearing, Chair of the Board of Directors



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1 Abbey Wood Road, Kings Hill, West Malling ME19 4YT
commercialservices.org.uk