31 January 2022

Van Elle Holdings plc
('Van Elle', the 'Company' or the 'Group')

Interim Results for the six months ended 31 October 2021
Analyst Briefing and Investor Presentation

Van Elle Holdings plc, the UK's largest ground engineering contractor, announces its Interim Results for the six months ended 31 October 2021 (the 'Period').

£m	6 months ended 31 Oct 2021	6 months ended 31 Oct 2020	6 months ended 31 Oct 2019
Revenue	**60.1**	38.3	48.5
EBITDA[1]	**4.8**	1.9	3.4
Operating profit / (loss)	**2.3**	(0.4)	1.2
Profit / (loss) before taxation	**1.9**	(0.7)	0.9
Basic earnings per share (p)	**1.4**	(0.5)	0.9
Net (debt) / funds	**(2.0)**	0.6	(10.4)
Net funds (excluding IFRS 16 property and vehicle lease liabilities)	**3.5**	4.5	(6.4)

[1] EBITDA is defined as earnings before interest, tax, amortisation and depreciation.

Share based payments have been reclassified from 'non-underlying' to 'underlying' in the Period. The comparative periods have been restated to reflect this reclassification.

There are no non-underlying items in the Period.

A comparative for the 6 months ended 31 October 2019 has been presented as it is considered to represent a more meaningful pre-Covid-19 baseline for performance comparisons.

Period highlights

- Core markets recovered strongly following the relaxation of pandemic related restrictions
- All divisions performed well as the higher activity levels achieved in the last quarter of FY2021 continued throughout H1 of FY2022
- The Group traded profitably and in excess of the pre-pandemic comparatives in H1 of FY2020
- The Rail business saw improved contract activity towards the end of the Period, which has continued into the third quarter of FY2022
- Integration of ScrewFast into the wider Group is progressing well and performance is in line with expectations at the time of acquisition
- The Group has been awarded several important contracts, including on the Core Valley Lines rail electrification and the Smart Motorway Programme Alliance
- The Group maintained a robust balance sheet with cash and cash equivalents as at 31 October 2021 of £6.3m (30 April 2021: £8.5m), with cash outflows reflecting a normalisation of working capital, planned capital expenditure and a reduction of Group debt
- Further progress made against the three pillars of the strategic plan, focussed on delivering the medium-term targets of revenue growth, improved operating margin and higher return on capital employed
- Healthy order book at 31 December 2021 of £39.1m (31 October 2021: £34.5m)

Outlook

- The positive trading momentum from the first six months has carried into H2 of FY2022

- The improved levels of demand across the core markets are expected to remain strong for the remainder of the financial year and into FY2023
- Investment in infrastructure, including the decarbonisation/electrification of the rail network, where the Group has established a market-leading position, is expected to continue in the longer term
- The Board now anticipates trading for the full year to be ahead of market expectations
- The Board confirms its intention to reinstate dividend payments, commencing with a final, full year dividend for FY2022

Mark Cutler, Chief Executive, commented:

"I'm delighted that Van Elle has continued to deliver a strong recovery from the pandemic, despite supply chain and labour pressures.

"Our core markets have seen strong demand with all divisions operating at increased utilisation levels throughout the Period. This demand for our services has continued into the third quarter, and we are particularly encouraged by the improved opportunities in our Rail division.

"We remain optimistic that the improved levels of demand in our core markets will remain strong for the remainder of the financial year and into the medium term. As a result, we expect the trading performance for the full year to be ahead of our previous expectations."

Analyst Briefing: 9.30am on Monday 31 January 2022

A briefing for Analysts will be held at 9.30am today. Analysts interested in attending should contact Walbrook PR on vanelle@walbrookpr.com or 020 7933 8780.

Investor Presentation: 3.30pm on Monday 31 January 2022

Mark Cutler, Chief Executive Officer, and Graeme Campbell, Chief Financial Officer, will hold a presentation to review the results and outlook at 3.30pm today. The presentation will be hosted through the digital platform Investor Meet Company.

Investors can sign up to Investor Meet Company for free and add to meet Van Elle Holdings plc via the following link https://www.investormeetcompany.com/van-elle-holdings-plc/register-investor. Investors who have already registered and added to meet the Company will automatically be invited.

Questions can be submitted pre-event to vanelle@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

For further information, please contact:

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About Van Elle Holdings plc:

Van Elle Holdings is the UK's largest specialist geotechnical engineering contractor. The Company provides a range of ground engineering techniques and services including - ground investigation, general and specialist piling, rail geotechnical engineering, modular foundations, and ground improvement and stabilisation services.

Van Elle operates through three divisions: General Piling, Specialist Piling and Ground Engineering; and is focused on three end markets: residential and housing, infrastructure and regional construction - across which the Group has completed more than 20,000 projects over the last 35 years.

General Piling provides a range of larger piling and ground engineering solutions for open-site construction projects. Specialist Piling provides a range of geotechnical solutions in operationally constrained environments including on-track rail applications. Ground Engineering services offers a range of ground investigation and geotechnical services and modular foundation solutions such as Smartfoot®. Van Elle has a market-leading reputation and the UK's largest rig fleet of 120 rigs.

Having floated on AIM in 2016 it now has a strong national presence, diversified offering and market-leading brand name.

Van Elle Holdings plc - Interim Report to 31 October 2021

Results overview

Half year revenues of £60.1m were significantly ahead of the Covid-19 impacted prior period (H1 FY2021: £38.3m) and represent an increase of 24% compared with the same period in FY2020, the latter being the last comparative period unaffected by Covid-19.

Sales were segmented to our end markets as follows: residential 43.0% (H1 FY2021: 44.5%), infrastructure 36.4% (H1 FY2021: 35.6%) and regional construction 20.6% (H1 FY2021: 19.7%).

The recovery in the national construction and housebuilding markets during the first half of the year delivered strong order levels and significantly increased contract activity in the Period. As expected, the recovery in Rail volumes continues to lag the other divisions. However, the Rail business has seen an improvement in enquiry levels and contract activity towards the end of the Period, which has continued into the third quarter.

Managing the headwinds caused as a result of the widely reported supply chain challenges in the construction sector continues to prove difficult, particularly with regard to the pricing and availability of cement, concrete, and steel. The impact is greatest in the General Piling division, where higher volumes of raw materials are typically required on contracts. Price increases have been reflected in tendering activity to recover the significant input cost inflation we are exposed to, although with some customer pricing mechanisms, there is a lag in recovery. The impact from a lack of availability of raw materials continues to be mitigated at an operational level as far as possible.

Labour availability and wage inflation are also presenting some challenges across the construction sector, with high demand for skilled employees, including the significant numbers of operational staff needed to meet the requirements of HS2. We are also experiencing some disruption from short-term employee unavailability, where our people have been required to self-isolate due to Covid-19 infection.

Despite these challenges, all divisions returned to profitability in the Period. Group operating profit improved to £2.3m (H1 FY2021: operating loss of £0.4m) which is also a material increase compared with the pre-pandemic comparator of H1 FY2020 which delivered an operating profit of £1.2m.

Cash and cash equivalents as at 31 October 2021 were £6.3m (30 April 2021: £8.5m). The decrease in cash reflects a normalisation of working capital, planned capital expenditure and a reduction of Group debt. The working capital increase is a result of higher activity levels and certain creditor payments made under shorter payment terms, to secure materials given the current supply chain challenges.

On the acquisition of ScrewFast Foundations Limited, loans of £0.8m were consolidated within Group debt. Where the terms of the loan arrangements allowed for repayment without penalty, these loans were fully repaid in the Period. At the Period end, £0.2m of loan debt remained on the balance sheet and will be repaid in future periods, in accordance with the loan agreements.

Net funds (excluding IFRS 16 property and vehicle lease liabilities) at 31 October 2021 were £3.5m (30 April 2021: £3.7m). Capital outstanding on hire purchase contracts reduced to £2.7m (30 April 2021: £4.0m).

The Group’s order book at 31 December 2021 increased to £39.1m (31 October 2021: £34.5m).

Market overview

The Group’s core markets have recovered strongly following the most severe effects of pandemic, which impacted the performance of all divisions in the previous financial year. The uncertainty caused by Brexit, which also impacted prior year activity levels, has largely abated, with the exception of some challenges and delays to cross-border deliveries of rig parts for routine maintenance.

The Group operates in the following three market segments:

- **Residential**, including private and social housebuilding and larger residential developments.

  Demand in the first half was very strong, with the Housing division operating at near capacity. The stamp duty holiday helped to drive significant housebuilding activity in the second half of FY2021 and the first half of the current financial year. However, enquiries and contract activity levels have remained high, despite the phasing out of the stamp duty holiday over the summer of 2021.

  The sector continues to offer growth opportunities, both in private housing and larger scale residential and retirement sectors. We remain confident that our enhanced range of ground improvement and piling capabilities complementing our modular foundation system, Smartfoot, will continue to be popular with both traditional housebuilders and emerging modular housebuilders, due to the benefits of reduced time, certainty of supply and cost and much reduced on-site resource levels.

- **Infrastructure** includes highways, railways, coastal and flooding, and power and energy segments.

  In highways, we successfully delivered schemes under both local authority frameworks, Highways England's regional delivery programme and its Smart Motorway's programme. The Group was recently appointed to deliver all types of piling and retaining structures for the National Highways Smart Motorway Programme as one of two primary providers to the SMP Alliance for a period of up to 10 years. We note the government's recent announcement to pause the Smart Motorway investment programme whilst 5 years' safety and economic data is collected, however, design work, live contracts and increased investment in emergency refuge areas are to continue, which continues to present significant opportunity for the Group and, in particular, ScrewFast.

  Recovery in the Rail sector has lagged other divisions in the Group, but encouragingly, enquiry levels and contract activity improved towards the end of the Period which has continued into the second half of the financial year. Work has started on the Group's first major electrification programme since 2018; a contract for piling and foundations for electrification of the Core Valley Lines, part of the South Wales Metro Transformation, which we expect to continue throughout 2022. The Government's Integrated Rail Plan sets out proposals to decarbonise the railway network through investment in electrification, and we therefore anticipate further opportunities over the medium and long term.

  The Group is also making progress in the power sector, particularly on substation and power infrastructure projects across National Grid and regional distribution networks, further strengthened by the capabilities brought in-house following the acquisition of ScrewFast.

- **Regional Construction** includes the general private and public sector building and developer-led markets across the UK.

  The regional construction market has remained highly competitive despite an increase in activity levels following the impacts of Covid-19 and Brexit. We have continued to secure and deliver high quality projects whilst also continuing to focus on contract execution and commercial improvement in our General Piling division. The industrial warehousing sector continues to provide significant opportunities for the Group's expanded range of integrated services, including ground improvement techniques as well as precast concrete and rotary piling operations. The Group has also had further success in winning larger schemes in the London region utilising its deep CFA technical expertise.

Operating structure

Our operational Group structure has remained consistent and is reported in three segments. ScrewFast Foundations Limited is reported within the Specialist Piling and Rail segment.

- **General Piling**: open site; larger projects; key techniques being large diameter rotary and CFA piling as well as larger precast driven piling.

- **Specialist Piling and Rail**: restricted access; rail mounted capability; helical piling and steel modular foundations (trading as ScrewFast Foundations); smaller rigs and engineering techniques, including soil nails, anchors, mini-piling and ground stabilisation projects.

- **Ground Engineering Services**: modular foundation solutions (e.g. Smartfoot); ground improvement and geotechnical services (trading as Strata Geotechnics).

General Piling

Revenue in the Period increased by 31% to £18.1m (H1 FY2021: £13.8m). The comparative period was impacted particularly during the first quarter when Covid-19 national lockdowns resulted in site closures. Market conditions remained highly competitive throughout the Period, however successful tender conversion improved towards the end of the previous financial year with higher activity levels across our end markets. Revenues delivered in the Period were slightly above pre-Covid levels (H1 FY2020: £17.7m).

Revenue was supported by further growth in rigid inclusions workload, a ground improvement technique which was recently added to the Group's capabilities. Rigid inclusions accounted for £3.7m of revenue in the Period.

General Piling was significantly impacted by the industry-wide supply chain challenges, particularly due to the higher raw material requirements of the division's contract works. Steel, concrete and cement products have been subject to material price inflation and availability challenges throughout the Period, resulting in contract margins coming under pressure. These challenges continue to be mitigated at an operational level as far as possible, but are not expected to abate in the coming months.

Despite the ongoing supply chain challenges and other impacts, including wage inflation, the increase in activity levels resulted in an improved operating profit of £898k for the Period (H1 FY2021: £163k).

Specialist Piling and Rail

Revenue in the Period increased by 74% to £22.1m (H1 2021: £12.7m). Excluding the first full six-month contribution from ScrewFast, revenue increased by 43% on an organic basis.

Specialist Piling revenues recovered rapidly after the first lockdown and the business unit has since operated at near-capacity utilisation levels. Investment in drill and grout ground stabilisation capability delivered strong revenue growth in the Period and activity levels on infrastructure projects have also continued positively, with notably high levels of work on rail station projects. Three new rigs have been added to the fleet in the Period in order to satisfy the strong demand for these services.

The acquisition of ScrewFast Foundations Limited on 1 April 2021 has further strengthened the Group's position in the Specialist Piling segment, particularly across infrastructure growth markets. The integration of ScrewFast into the wider Group is progressing well as our teams work more closely together, providing greater opportunity for cross-selling the Group's products and services. With regard to the recently announced pause to Smart Motorway programmes, ScrewFast is expected to continue with its design remits on all the new schemes, continue construction activities on the M6 junction 21a-26, and under the ownership of Van Elle, has developed a diversified pipeline of opportunities beyond highways to mitigate any impact which may be felt from delays. The business is performing in line with expectations at the time of acquisition.

Recovery in Rail activity levels generally lagged the other business units in the Period, but encouragingly, enquiries and contract activity improved towards the end of the Period, which is expected to continue through the second half of the financial year. This was assisted by further diversification of services to include ancillary civil engineering works alongside geotechnical works for signalling programmes, which have been deployed very successfully on the Group's work supporting the acclaimed re-opening of the Dartmoor line in November 2021. With the anticipated increase in demand, the acquisition of four further road rail rigs has been approved to expand capability in FY2023.

The strong growth seen in Specialist Piling, including the contribution from ScrewFast, resulted in operating profit increasing to £1,646k (H1 FY2021: £799k).

Ground Engineering Services

Revenue in the Period increased by 69% to £19.8m (H1 2021: £11.7m). The prior year period was also significantly impacted by the effect of Covid-19 on housebuilders' activity during the first lockdown. However, revenue in the Period represents growth of 17% over pre-Covid revenues of £16.9m in H1 FY2020.

Our Housing division delivers integrated ground improvement, piling and Smartfoot foundation beam solutions to UK housebuilders. After the gradual reopening of housebuilding sites following the first lockdown in April 2020, Housing reported revenue growth supported by the high levels of activity in the sector. The division has focussed on geographical expansion within the UK, and efficiency of operational delivery, resulting in an improved performance, both in revenue and gross margin. Further investment in our vibro rig capabilities delivered revenues of £1.9m in the Period (H1 FY2021: £0.9m).

Strata, our Geotechnical division, reported revenues of £3.0m (H1 FY2021: £2.2m). The division continued to make good progress in the infrastructure sector, including contracts delivered under the national Highways England ground investigation framework, and several projects in the rail sector - a target growth segment for Strata, which includes HS2 and the Core Valley Lines.

Increased activity levels and improved operational delivery has delivered an operating profit in the Period of £1,208k (H1 FY2021: operating loss of £110k). This represents growth of 50% compared to the pre-Covid operating profit in H1 FY2020 of £804k.

Strategy update

The Group continues to deliver against the three pillars of its strategic plan, which was announced at the end of FY2019:

	Strategy	**Update**
Phase 1: Stabilising and improving performance	Simplify the Group structure, improving leadership capability, strengthen commercial capability, cost reduction and efficiency improvements, safety and asset utilisation performance, and employee engagement activities.	Subject to ongoing continuous improvements, this phase is complete having restructured the business into five divisions and appointed a new, and now established, senior leadership team. A business improvement plan is established, supported by strengthened operational and functional specialists who are in post, to meet our growth needs and improve our internal processes.
Phase 2: Developing foundations for growth	Develop clear strategic plans for our core sectors of housing, infrastructure and regional construction, improve customer relationships and tendering activity, maximise our integrated solutions offering, broaden our range of products and services, and strengthen our balance sheet.	This phase is also substantially complete having increased our marketing and business development activity, expanded our bid pipeline and order book, diversified our range of services in ground improvement and rail, acquired ScrewFast, secured key strategic bids in highways and rail electrification, and strengthened our balance sheet during the course of negotiating the Covid-19 pandemic.
Phase 3: Establishing market leadership	Sustainable growth as the Group benefits from strategic actions taken in phases 1 and 2 and capitalises on opportunities presented by construction market recovery.	The Group remains on track to achieve its published medium term financial objectives, being: revenue growth of 5-10% per annum, underlying operating margins of 7-8% and return on capital employed of 15-20%.

ESG
The Group has continued to make progress on its strategic ESG activities. Leadership groups for sustainability and social initiatives are now embedded in the business and are developing frameworks and targets to track progress. We have also added a new role to the executive team in January 2022 with a primary responsibility for further development and delivery the Group's ESG agenda. A further update on sustainability targets will be reported in the published annual report for FY2022.

Dividend
The financial performance of the Group has improved significantly in the current reporting period, and accordingly the Board has confirmed its intention to reinstate dividend distributions, commencing with a final dividend at the time of the full year results for FY2022. No interim dividend is being declared at the time of these results.

Current trading and outlook
The exit rate from the end of the Period has carried positive trading momentum into the second half of the financial year, with a growing number of opportunities across all segments, including an increasing number of opportunities within the Group's higher margin product mix offerings.

Rail enquiries and contract activity levels increased towards the end of the Period, which has continued into the second half. Having undertaken ground investigation works since mid-2021, work commenced on a follow-on contract for piling and foundations for electrification of the Core Valley Lines as part of the South Wales Metro Transformation, which we expect to continue throughout 2022. The Core Valley Lines is expected to be the first of a new generation of electrification investment in the UK enabled by the Government's Integrated Rail Plan including its commitments to decarbonise the railway network. Other contract awards in the rail sector have resulted in high utilisation levels over the Christmas period and our confidence in future opportunities is underpinned by the investment in the third quarter in further specialised road/rail equipment to meet expected future demand.

Across the Group, we continue to experience challenges from supply chain issues, wage inflation, and short-term employee availability as a result of the impact of the Omicron variant of Covid-19. Whilst employee availability issues are expected to be a short-term impact only, supply chain issues and wage inflation are expected to persist for the remainder of the financial year and into FY2023.

The balance sheet remains strong with debt reduced further in the Period. Capital outstanding on hire purchase contracts reduced to £2.7m (30 April 2021: £4.0m). We continue to maintain a stable cash position and an undrawn debt facility of up to £11.0m. All capital expenditure in the Period has been funded from cash resources, which includes £1.5m invested in new rigs, and further commitments with delivery dates extending into FY2023.

The order book of £39.1m underpins the work to be delivered in the second half of the year. Improved levels of demand across the core markets are expected to remain strong for the remainder of the financial year and into FY2023 and accordingly, the Board anticipates that trading for the full year will be ahead of market expectations.

Mark Cutler
Chief Executive Officer
31 January 2022

Condensed consolidated statement of comprehensive income

	Note	**6 months to 31 Oct 2021 (unaudited) £'000**	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
Revenue	**3**	**60,061**	38,323	84,368
Cost of sales		**(42,967)**	(27,727)	(62,365)
Gross profit		**17,094**	10,596	22,003
Administrative expenses		**(14,819)**	(11,071)	(23,320)
Credit loss impairment charge		**(115)**	(82)	(81)
Other operating income		**125**	120	597
Operating profit / (loss)		**2,285**	(437)	(801)
Operating profit / (loss) before non-underlying items		**2,285**	(437)	(706)
Non underlying items	**4**	**-**	-	(95)
Operating profit / (loss)		**2,285**	(437)	(801)
Finance expense		**(368)**	(293)	(607)
Finance income		**-**	9	9
Profit / (loss) before tax		**1,917**	(721)	(1,399)
Income tax (cost) / credit		**(448)**	138	(13)
Profit / (loss) after tax and total comprehensive income/(loss) for the year attributable to shareholders of the parent		**1,469**	(583)	(1,412)
Earnings per share (pence)				
Basic	**5**	**1.4**	(0.5)	(1.3)
Diluted	**5**	**1.4**	(0.5)	(1.3)

All amounts relate to continuing operations. There was no other comprehensive income in either the current or preceding year.

Share based payments have been reclassified from 'non-underlying' to 'underlying' in the Period. The comparative periods have been restated to reflect this reclassification.

Condensed consolidated statement of financial position

	As at 31 Oct 2021 (unaudited) £'000	As at 31 Oct 2020 (unaudited) £'000	As at 30 Apr 2021 (audited) £'000
Non-current assets			
Property, plant and equipment	**38,276**	36,352	38,243
Investment property	**815**	829	820
Intangible assets	**3,720**	1,452	3,772
	42,811	38,633	42,835
Current assets			
Inventories	**4,148**	2,589	3,022
Trade and other receivables	**33,109**	19,535	32,038
Corporation tax receivable	**84**	-	84
Cash and cash equivalents	**6,344**	9,844	8,518
Assets classified as held for sale	**-**	683	-
	43,685	32,651	43,662
Total assets	**86,496**	71,284	86,497
Current liabilities			
Trade and other payables	**20,703**	15,525	20,833
Loans and borrowings	**49**	-	230
Lease liabilities	**2,723**	3,264	3,110
Provisions	**7,538**	341	7,635
	31,013	19,130	31,808
Non-current liabilities			
Loan and borrowings	**110**	-	582
Deferred consideration	**1,547**	-	1,521
Lease liabilities	**5,474**	5,963	6,307
Deferred tax	**2,742**	1,452	2,294
	9,873	7,415	10,704
Total liabilities	**40,886**	26,545	42,512
Net assets	**45,610**	44,739	43,985
Equity			
Share capital	**2,133**	2,133	2,133
Share premium	**8,633**	8,633	8,633
Other reserve	**5,807**	5,807	5,807
Retained earnings	**29,037**	28,166	27,412
Total equity	**45,610**	44,739	43,985

Condensed consolidated statement of cash flows

	6 months to 31 Oct 2021 (unaudited) £'000	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
Cash flows from operating activities			
Cash generated from operations	**2,559**	(756)	773
Income tax received / (paid)	**-**	872	1,408
Net cash generated from operating activities	**2,559**	116	2,181
Cash flows from investing activities			
Purchases of property, plant and equipment	**(2,203)**	(273)	(2,135)
Disposal of property, plant and equipment	**253**	206	899
Disposal of assets held for sale	**-**	-	700
Acquisition of subsidiary, net of cash acquired	**-**	-	(780)
Net cash absorbed in investing activities	**(1,950)**	(67)	(1,316)
Cash flows from financing activities			
Repayment of bank borrowings	**(654)**	-	(12)
Principal paid on lease liabilities	**(1,762)**	(2,109)	(3,930)
Interest paid on lease liabilities	**(314)**	(285)	(553)
Interest paid on loans and borrowings	**(53)**	(8)	(49)
Interest received	**-**	9	9
Net cash absorbed in financing activities	**(2,783)**	(2,393)	(4,535)
Net increase/(decrease) in cash and cash equivalents	**(2,174)**	(2,344)	(3,670)
Cash and cash equivalents at beginning of year	**8,518**	12,188	12,188
Cash and cash equivalents at end of year	**6,344**	9,844	8,518

Condensed consolidated statement of changes in equity

	Share Capital £'000	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2020 (audited)	**2,133**	**8,633**	**5,807**	**28,671**	**45,244**
Total comprehensive income	-	-	-	(583)	(583)
Share-based payment expense	-	-	-	78	78
Balance at 31 October 2020 (unaudited)	**2,133**	**8,633**	**5,807**	**28,166**	**44,739**
Total comprehensive income	-	-	-	(829)	(829)
Share-based payment expense	-	-	-	75	75
Balance at 30 April 2021 (audited)	**2,133**	**8,633**	**5,807**	**27,412**	**43,985**
Total comprehensive income	-	-	-	**1,469**	**1,469**
Share-based payment expense	-	-	-	**156**	**156**
Balance at 31 October 2021 (unaudited)	**2,133**	**8,633**	**5,807**	**29,037**	**45,610**

Notes to the condensed consolidated interim financial statements
For the six months ended 31 October 2021

1. Basis of preparation

The unaudited interim consolidated statement of Van Elle Holdings plc is for the six months ended 31 October 2021 and do not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. These condensed consolidated financial statements have been prepared in compliance with the recognition and measurement requirement of International Accounting Standards in conformity with the requirements of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Group's annual report. The unaudited interim consolidated statement has been prepared in accordance with the accounting policies that are expected to be applied in the report and accounts for the year ending 30 April 2022.

The comparative figures for the year ended 30 April 2021 do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006, but they have been derived from the audited financial statements for that year, which have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006 nor a reference to any matters which the auditor drew attention by way of emphasis of matter without qualifying their report.

Going Concern

As part of the going concern assessment for the year ended 30 April 2021 detailed forecasts were prepared. These forecasts reflected a continuation of the post Covid-19 recovery and demonstrated a healthy cash flow and headroom across the period to 31 August 2022. Reverse stress testing was also carried out and the scenarios in which cash resources were exhausted and further debt facilities were required were considered remote.

Strong activity levels seen in the last quarter of FY2021 have continued in H1 of FY2022 during which time the group has traded profitably. The Group’s order book has also grown in the period since 30 April 2021. A strong cash balance of £6.3m remains at the end of the period and whilst cash has reduced in the period, the Group reports a net funds position (excluding IFRS 16 property and vehicle lease liabilities) of £3.7m at the period end. HP liabilities have continued to reduce in the period with total HP liabilities of £2.7m at the period end (£4.0m at 31 April 2021). Three CBILS loans, acquired as part of the acquisition of ScrewFast Foundations Limited on 1 April 2021, were also repaid early in the period. Total loans outstanding at the period end were £0.2m (£0.8m at 31 April 2021). The £11m asset-based lending facility with ABN AMRO remains undrawn at the period end.

As part of the interim going concern assessment, forecasts for the 12 months ending January 2023 have been prepared which demonstrate that the Group is able to operate within its existing facilities and meet obligations as they fall due.

On this basis the Board consider the Group to have adequate resources to continue its operations for the foreseeable future. Accordingly, the Board continue to adopt the going concern basis in preparing the interim financial statements.

Accounting Policies

The accounting policies adopted in the preparation of the unaudited Group interim consolidated statement to 31 October 2021 are consistent with the policies applied by the Group in its consolidated financial statements as at, and for the year ended 30 April 2021.

Functional currency

The unaudited interim consolidated statements are presented in Sterling, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

2. Segment information

The Group evaluates segmental performance based on profit or loss from operations calculated in accordance with IFRS but excluding non-underlying items. Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. Head office central services costs including insurances are allocated to the segments based on levels of turnover. All turnover and operations are based in the UK.

Operating segments – 6 months to 31 October 2021

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	**18,067**	**22,140**	**19,790**	**64**	**60,061**
Other operating income	**-**	**-**	**-**	**125**	**125**
Operating profit	**898**	**1,646**	**1,208**	**(1,467)**	**2,285**
Finance expense	**-**	**-**	**-**	**(368)**	**(368)**
Profit before tax	**898**	**1,646**	**1,208**	**(1,835)**	**1,917**
Assets					
Property, plant and equipment (including right of use assets)	**8,285**	**12,852**	**8,300**	**8,839**	**38,276**
Intangible assets	**22**	**3,447**	**246**	**5**	**3,720**
Inventories	**1,691**	**1,323**	**1,116**	**18**	**4,148**
Reportable segment assets	**9,998**	**17,622**	**9,662**	**8,862**	**46,144**
Investment property	**-**	**-**	**-**	**815**	**815**
Trade and other receivables	**-**	**-**	**-**	**33,193**	**33,193**
Cash and cash equivalents	**-**	**-**	**-**	**6,344**	**6,344**
Total assets	**9,998**	**17,622**	**9,662**	**49,214**	**86,496**
Liabilities					
Trade and other payables	**-**	**-**	**-**	**20,703**	**20,703**
Provisions	**-**	**-**	**-**	**7,538**	**7,538**
Loans & borrowings	**-**	**-**	**-**	**158**	**158**
Deferred consideration	**-**	**-**	**-**	**1,547**	**1,547**
Lease liabilities	**-**	**-**	**-**	**8,197**	**8,197**
Deferred tax	**-**	**-**	**-**	**2,743**	**2,743**
Total liabilities	**-**	**-**	**-**	**40,886**	**40,886**
Other information					
Capital expenditure	**211**	**1,568**	**316**	**108**	**2,203**
Depreciation/amortisation	**571**	**956**	**592**	**462**	**2,581**

There are no individual customers accounting for more than 10% of Group revenue in either the current or preceding period.

Operating segments – 6 months to 31 October 2020

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	13,800	12,735	11,740	48	38,323
Other operating income	-	-	-	120	120
Operating profit	163	799	(110)	(1,289)	(437)
Finance expense	-	-	-	(293)	(293)
Finance income	-	-	-	9	9
Profit before tax	163	799	(110)	(1,573)	(721)
Assets					
Property, plant and equipment (including right of use assets)	8,628	10,699	7,234	9,791	36,352
Intangible assets	30	1,130	274	18	1,452
Inventories	1,084	643	847	15	2,589
Reportable segment assets	9,742	12,472	8,355	9,824	40,393
Investment property	-	-	-	829	829
Trade and other receivables	-	-	-	19,535	19,535
Cash and cash equivalents	-	-	-	9,844	9,844
Assets classified as held for sale	-	-	-	683	683
Total assets	9,742	12,472	8,355	40,715	71,284
Liabilities					
Trade and other payables	-	-	-	15,525	15,525
Provisions	-	-	-	341	341
Lease liabilities	-	-	-	9,227	9,227
Deferred tax	-	-	-	1,452	1,452
Total liabilities	-	-	-	26,545	26,545
Other information					
Capital expenditure	-	-	176	97	273
Depreciation/amortisation	559	794	482	500	2,335

There are no individual customers accounting for more than 10% of Group revenue in either the current or preceding period.

Operating segments – 12 months to 30 April 2021

	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	27,340	29,345	27,596	87	84,368
Other operating income	-	-	-	597	597
Underlying operating profit	295	1,035	247	(2,130)	(553)
Share-based payments	-	-	-	(153)	(153)
Other non-underlying items	-	-	-	(95)	(95)
Operating profit	295	1,035	247	(2,378)	(801)
Finance expense	-	-	-	(607)	(607)
Finance income	-	-	-	9	9
Profit before tax	295	1,035	247	(2,976)	(1,399)
Assets					
Property, plant and equipment (including right of use assets)	8,496	12,405	8,031	9,311	38,243
Intangible assets	26	3,476	262	8	3,772
Inventories	984	1,208	810	20	3,022
Reportable segment assets	9,506	17,089	9,103	9,339	45,037
Investment property	-	-	-	820	820
Trade and other receivables	-	-	-	32,122	32,122
Cash and cash equivalents	-	-	-	8,518	8,518
Total assets	9,506	17,089	9,103	50,799	86,497
Liabilities					
Trade and other payables	-	-	-	20,833	20,833
Provisions	-	-	-	7,635	7,635
Loans and borrowings	-	-	-	812	812
Deferred consideration	-	-	-	1,521	1,521
Lease liabilities	-	-	-	9,417	9,417
Deferred tax	-	-	-	2,294	2,294
Total liabilities	-	-	-	42,512	42,512
Other information					
Capital expenditure	96	1,154	2,231	203	3,685
Depreciation/amortisation	1,152	1,601	1,137	1,087	4,978

There are no individual customers accounting for more than 10% of Group revenue in either the current or preceding year.

3. Revenue from contracts with customers

Disaggregation of revenue – 6 months to 31 October 2021

End market	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	**5,420**	**3,678**	**16,636**	**-**	**25,734**
Infrastructure	**3,916**	**15,958**	**1,956**	**-**	**21,830**
Regional construction	**8,731**	**2,392**	**1,198**	**-**	**12,321**
Other	**-**	**112**	**-**	**64**	**176**
Total	**18,067**	**22,140**	**19,790**	**64**	**60,061**

Disaggregation of revenue – 6 months to 31 October 2020

End market	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	4,500	2,700	9,836	-	17,036
Infrastructure	3,824	8,655	1,170	-	13,649
Regional construction	5,454	1,380	732	-	7,566
Other	22	-	2	48	72
Total	13,800	12,735	11,740	48	38,323

Disaggregation of revenue – 12 months to 30 April 2021

End market	General Piling £'000	Specialist Piling & Rail £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	8,009	6,275	23,012	-	37,296
Infrastructure	6,765	19,302	2,396	-	28,463
Regional construction	12,602	3,768	2,112	-	18,482
Other	37	-	3	87	127
Total	27,413	29,345	27,523	87	84,368

Contract assets

	6 months to 31 Oct 2021 (unaudited) £'000	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
As at 1 May	**1,651**	1,258	1,258
Transfers from contract assets to trade receivables	**(1,651)**	(1,258)	(1,258)
Excess of revenue recognised over invoiced	**1,997**	2,179	1,651
Impairment of contract assets	**-**	-	-
As at 31 October / 30 April	**1,997**	2,179	1,651

Contract liabilities

	6 months to 31 Oct 2021 (unaudited) £'000	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
As at 1 May	**284**	228	228
Interest on contract liabilities	**-**	-	-
Contract liabilities recognised as revenue in the period	**(84)**	(28)	(28)
Deposits received in advance of performance	**49**	57	84
As at 31 October / 30 April	**249**	257	284

4. Other non-underlying items

	6 months to 31 Oct 2021 (unaudited) £'000	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
Exceptional costs	**-**	-	95

Exceptional costs for the year ending 31 April 2021 relate to the acquisition costs for the purchase of ScrewFast Foundations Limited on 1 April 2021.

5. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	6 months to 31 Oct 2021 (unaudited)	6 months to 31 Oct 2020 (unaudited)	12 months to 30 Apr 2021 (audited)
Basic weighted average number of shares	**106,667**	106,667	106,667

	£'000	£'000	£'000
Profit/(loss) for the period	**1,469**	(583)	(1,412)
Add back/(deduct):			
Non-underlying items	**-**	-	95
Tax effect of the above	**-**	-	-
Underlying Profit/(loss) for the period	**1,469**	(583)	(1,317)

	Pence	Pence	Pence
Earnings per share			
Basic	**1.4**	(0.5)	(1.3)
Diluted	**1.4**	(0.5)	(1.3)
Basic – excluding non-underlying items	**1.4**	(0.5)	(1.2)
Diluted – excluding non-underlying items	**1.4**	(0.5)	(1.2)

There is no dilutive effect of the share options as the performance conditions remain unsatisfied or the share price was below the exercise price.

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders and on 106,666,650 ordinary shares being the weighted average number of ordinary shares.

The underlying earnings per share is based on profit adjusted for non-underlying items, net of tax, and on the same weighted average number of shares used in the basic earnings per share calculation above. The Directors consider that this measure provides an additional indicator of the underlying performance of the Group.

6. Cash generated from operations

	6 months to 31 Oct 2021 (unaudited) £'000	6 months to 31 Oct 2020 (unaudited) £'000	12 months to 30 Apr 2021 (audited) £'000
Operating profit	**2,285**	(437)	(801)
Adjustments for:			
Depreciation of property, plant and equipment	**2,487**	2,269	4,844
Amortisation of intangible assets	**53**	66	125
Depreciation of investment property	**-**	-	9
(Profit)/loss on disposal of property, plant and equipment	**2**	11	(272)
Share-based payment expense	**156**	78	153
Operating cash flows before movement in working capital	**4,983**	1,987	4,058
(Increase)/decrease in inventories	**(1,126)**	113	869
(Increase)/decrease in trade and other receivables	**(1,071)**	(6,902)	(10,688)
(Decrease)/increase in trade and other payables	**(130)**	3,946	6,437
Increase/(decrease) in provisions	**(97)**	100	97
Cash generated from operations	**2,559**	(756)	773

7. Analysis of cash and cash equivalents and reconciliation to net debt

	As at 31 Oct 2021 (unaudited) £'000	As at 31 Oct 2020 (unaudited) £'000	As at 30 Apr 2021 (audited) £'000
Cash at bank	**6,303**	9,808	8,480
Cash in hand	**41**	36	38
Cash and cash equivalents	**6,344**	9,844	8,518
Loans and borrowings	**(159)**	-	(812)
Lease liabilities	**(8,197)**	(9,227)	(9,417)
Net funds/(debt)	**(2,012)**	617	(1,711)
Net funds/(debt) excl. IFRS 16 property and vehicle lease liabilities	**3,479**	4,547	3,703