



POWERING NATIONAL PRIORITIES WITH PROVEN FOUNDATIONS

ABOUT US

ENGINEERING EXCELLENCE FOR A STRONGER TOMORROW

As the UK's leading and most diverse geotechnical and ground engineering contractor, we play a pivotal role in transforming the nation's infrastructure.

We design and deliver optimal foundation techniques, providing safe and innovative solutions for infrastructure, residential, and construction projects across the country.

Through our expertise in piling, ground stabilisation, and geotechnical testing, combined with our commitment to innovation and excellence, we continue to strengthen and future-proof the built environment.

OUR VISION

To be the leading, most trusted provider of total foundation solutions.

OUR MISSION

To achieve perfect delivery on our projects.

OUR VALUES

Our values guide how we work every day, putting safety first, acting with integrity, supporting one another, and striving for excellence in everything we do.



Safety

Always put health and safety first.



Integrity

Open, honest, and straightforward, delivering on our promises.



Teamwork

A "can do" approach, working together to exceed customer expectations.



Excellence

Keen to impress our customers, always do a great job, and keep improving what we do.

Operational Highlights

- Resilient performance delivered against a backdrop of macroeconomic uncertainty and continued market headwinds.
- Revenue from continuing operations of £130.5m (FY2024: £139.1m), representing a 6% year-on-year decrease, demonstrating a robust performance given the challenges.
- Underlying operating profit of £5.5m (FY2024: £6.9m), underpinned by a strong performance in Specialist Piling and Rail, offset by weaker volumes in General Piling.
- Underlying operating margin of 4.2% (FY2024: 5.0%), reflecting lower activity levels partially mitigated by ongoing cost control initiatives.
- Underlying return on capital employed of 11.2% (FY2024: 13.6%), impacted by lower earnings but supported by ongoing efforts to optimise asset utilisation and capital discipline.
- Residential sector softness impacted volumes negatively, including significant delays to the Building Safety Act approvals process.
- The Canadian subsidiary, which is no longer considered core for the Group, is treated as a discontinued operation and the Board's strategic review is expected to conclude during FY2026.
- Successful acquisition of Albion Drilling in October 2024, significantly enhancing the Group's technical offering and expanding its footprint in Scotland, with a strong focus on energy sector growth.
- Disciplined capital management maintained resulting in a strong balance sheet with a bank facility of up to £8.0m to support and underpin organic growth as well as to fund bolt-on M&A opportunities.
- Proposed final dividend of 0.8 pence per share, maintaining a full year dividend of 1.2p (FY2024: 1.2p), reflecting the Board's confidence in the outlook and commitment to shareholder returns.

Financial Highlights

Revenue

£130.5m

2025	£130.5m
2024	£139.1m
2023	£148.7m

Underlying operating margin

4.2%

2025	4.2%
2024	5.0%
2023	3.9%

Underlying return on capital employed

11.2%

2025	11.2%
2024	13.6%
2023	12.2%

Non-financial Highlights

Headcount

693

2025	693
2024	639
2023	648

Underlying operating profit

£5.5m

2025	£5.5m
2024	£6.9m
2023	£5.8m

Statutory operating profit

£4.9m

2025	£4.9m
2024	£7.2m
2023	£5.9m

Net funds

£1.1m

2025	£1.1m
2024	£5.5m
2023	£7.5m

Apprentices and trainees

36

2025	36
2024	42
2023	34

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BUSINESS AT A GLANCE

AT THE HEART OF THE UK'S INFRASTRUCTURE TRANSFORMATION

Van Elle's integrated capabilities offer a comprehensive suite of solutions, ensuring efficiency and effectiveness across a wide range of projects. Operating through three key divisions: General Piling, Specialist Piling and Rail, and Ground Engineering Services, we serve diverse end markets, including residential, infrastructure, and regional construction.

With over 40 years of experience and more than 20,000 projects completed, we remain dedicated to delivering tailored, innovative solutions that meet the evolving needs of our clients and help shape the future of the built environment.

We report across three segments



GENERAL PILING

We provide a range of ground engineering and foundation solutions for open-site construction projects, delivering reliable and precise foundations across various sectors.

Revenue

£46.0m

Revenue share



Our Brands

Rock & Alluvium  



SPECIALIST PILING AND RAIL

We offer advanced piling and geotechnical solutions in operationally challenging environments, using specialist piling rigs and techniques to meet the needs of complex projects.

Revenue

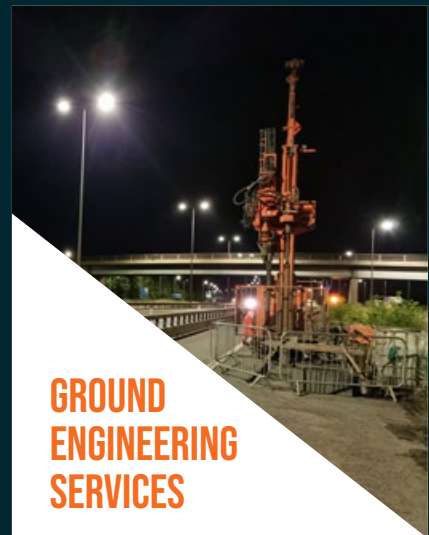
£46.1m

Revenue share



Our Brands

 **ScrewFast**
FOUNDATIONS  



GROUND ENGINEERING SERVICES

We deliver expert ground investigation services and modular foundation systems, providing innovative solutions that ensure stability and performance across various sectors, including housing and large-scale infrastructure.

Revenue

£38.1m

Revenue share



Our Brands


 **STRATA**
GEOTECHNICS 

Key

- Operational centres
- Head Office

Acquisition of Albion Drilling

Albion Drilling, based in Stirling, is a new acquisition that helps us expand our presence in Scotland.

 For more information on the **Albion acquisition and its rationale**, see **page 13**.



The UK's largest ground engineering contractor

Better coverage to capture market share, providing a consistent national service and the UK's best invested rig fleet.



Deep technical competence with unique capabilities

Expertise across 25 specialist techniques, in highly regulated operating environments.



Agile and mobilised for speed

Our geographic reach and rivalled assets allow us to deliver over 1,000 projects.

INVESTMENT CASE

GROUNDING IN STRENGTH, FOCUSED ON THE FUTURE



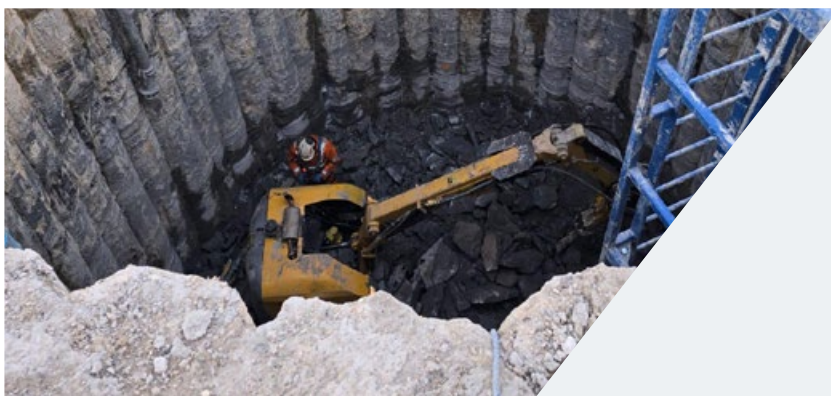
THE LEADING UK PLAYER

We are the UK's largest ground engineering contractor, offering the broadest range of specialist services with national coverage across all regions.



STRONG FINANCIAL POSITION

We have a strong balance sheet, low levels of debt, and an available funding facility of up to £8m.



CLEAR STRATEGY FOR GROWTH

Our medium-term growth plans target more than 10% compound annual revenue growth, driven by recovery in the housing and tall residential markets, increased infrastructure investment, and rising volumes in major rail projects.



ACQUISITIONS FOR BETTER POSITIONING

Strategic acquisitions remain a core element of our growth strategy, supporting both consolidation in the market and the broadening of our service offering.

- With over 150 rigs, we operate the largest and most advanced fleet in the country, delivering efficiency and quality across every project.
- Our diverse exposure across housing, infrastructure, energy, and construction markets allows us to benefit early from upside investment cycles, whilst mitigating against sub-sector headwinds.
- We hold leading positions in high-growth areas such as water, energy, and rail, and are one of only two national providers of modular foundation systems to the housing sector through our Smartfoot solution.
- Around 45% of our revenues now come from repeat business through customer frameworks, reflecting the strength and longevity of our client relationships.

Rigs

>150

ROCE Target

15-20%

- Our plant and machinery have a replacement cost in excess of £40m, reflecting a well-invested and efficient asset base.
- With significant liquidity headroom, we are well placed to support further growth, acquisitions, and capital investment.
- An institutional Shareholder base underpins our financial stability, whilst our progressive and well-covered dividend, yielding approximately 3%, reflects our commitment to delivering long-term Shareholder value.
- Our low-risk commercial model, operating as a specialist subcontractor, provides resilience through minimal exposure to typical construction sector risks, underpinned by an experienced and focused senior leadership team.

Dividend

1.2p

Revenue Growth Target

>10%

- We are focused on high-potential sectors such as water, energy, logistics, data centres, and industrial facilities, supported by the launch of new integrated civils capabilities.
- Our strategy includes further bolt-on acquisitions, along with the development of new customer partnerships and frameworks to diversify and strengthen our market position.
- We aim to improve our EBIT margin from 4% to between 6% and 7% in the medium term supported by scale-driven pricing advantages, a shift towards higher-margin infrastructure work, greater rig utilisation, and disciplined commercial governance.
- This underpins our goal to increase return on capital employed to between 15% and 20% in the medium term, driven by strict investment criteria and ongoing asset optimisation.

Partnership with Wood

£30m

Number of Strategic Partnerships

7

- The recent acquisition of Albion has enhanced our regional presence and extended our capability across key markets, aligning with our focus on high-growth sectors such as infrastructure, energy, and housing. Albion brings complementary technical expertise and long-standing client relationships, enabling us to offer greater value and more integrated solutions.
- We continue to assess selective bolt-on opportunities that support our ambition to scale efficiently, diversify, and reinforce our position as the UK's leading ground engineering specialist.

Albion Drilling Acquisition

£3.5m

Funding Facility

£8.0m

OUR YEAR IN BRIEF

We have a rich heritage in innovation, investment, growth, and awards. Here are some of the significant achievements of the last year.



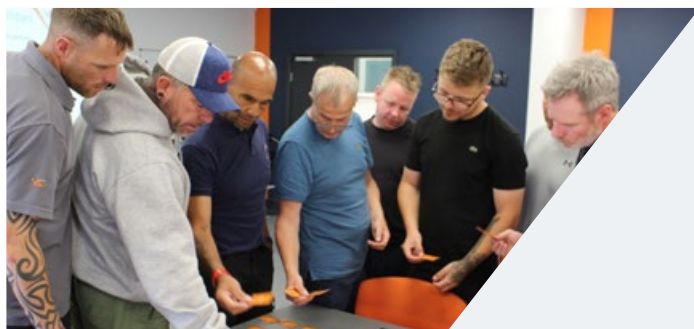
INDUSTRY ENGAGEMENT AND COLLABORATION



EXPANSION AND GROWTH



COMMUNITY ENGAGEMENT AND OUTREACH



EMPLOYEE RECOGNITION AND DEVELOPMENT



TECHNICAL ACHIEVEMENTS AND PROJECTS



- Hosted a World Quality Week event, attended by members of Galliford Try's Infrastructure team. The focus of the event was to discuss the importance of quality in construction and explore our approach to maintaining the highest standards.
 - Hosted the National Highways Ground Investigation Community Meeting, focused on achieving net zero by 2040.
 - Our Housing team attended the Barratt Homes West Scotland Annual Charity Dinner at the Hilton Hotel, Glasgow.
 - Van Elle Construction Training partnered with the Nottingham Skills Academy to offer valuable work experience and training opportunities for individuals seeking to re-enter the workforce, fostering industry collaboration and supporting skill development.
-
- Acquired several rigs, including RTG rigs and Llamada, to expand the Van Elle fleet.
 - ScrewFast expanded its operations with a larger fabrication facility near Kirkby-in-Ashfield HQ to meet growing demand in the energy and water sectors.
 - Expanded capacity at the Kirkby-in-Ashfield precast pile factory, increasing production by 30% with 24-hour manufacturing and low-carbon concrete, positioning the business for growing housing sector demand.
 - Upgraded the Van Elle Construction Training Centre with specialised training areas to support skill development for workers and supervisors.
-
- Claire Garrett, Ground Improvement Director, visited Victoria Park Infant School in Stretford during Science Week to share STEM expertise.
 - Hosted collaborative community clean-up events around our Head Office, highlighting our commitment to enhancing the Ashfield community.
 - Supported the Salvation Army's Christmas Present Appeal with over 120 donated presents, marking a record year of contributions.
 - Colleagues participated in the Travis Perkins Charity Football Match in support of the Alzheimer's Society.
-
- Launched the internal site supervisor course at our training centre, supported by CITB funding, addressing the need for formal supervisor training.
 - Launched the second cohort of Van Elle's Leadership Programme, designed to develop key leadership skills for future growth.
 - Introduced the "Seven Steps for Respect" campaign in celebration of National Inclusion Week.
 - Recognised outstanding individuals and flagship projects during the annual Van Elle People Awards.
 - Throughout the year, we have actively recognised and supported diverse awareness days and cultural holidays, fostering inclusivity and cultural appreciation within our business.
-
- Selected as a key delivery partner in Southern Renewals Enterprise's £1.4bn, 10-year building and civils minor works framework programme for Network Rail's Southern region, highlighting the Group's continued expansion and strategic growth.
 - Secured a significant contract with Keepmoat for the redevelopment of the former Boots site in Nottingham.
 - Signed an eight-year partnership with Wood Transmission & Distribution to deliver ground investigation, design, and construction for piling and foundations across multiple transmission schemes under Ofgem's ASTI programme.
 - Launched the new IMS (Information Management System), a central document library for easy access to Group documentation.
 - Our HSQE and IT teams were recognised for their award submission at the MPA Health and Safety Awards, highlighting their commitment to health, safety, quality, and environmental excellence.
 - Established a strategic collaboration with M&J Evans to work together nationally on a customer-led basis to offer a more efficient, joined-up delivery model for housebuilders.

CHAIR'S STATEMENT

RESILIENT PERFORMANCE IN A CHALLENGING MARKET



FRANK NELSON
Non-Executive Chair

Highlights

- A resilient performance despite a challenging macroeconomic backdrop and continued market softness
- The energy sector in Scotland is proving to be a significant area of opportunity for the Group
- The Group is strongly positioned to benefit from a market recovery
- Steps have been taken to streamline the Group's asset base and release capital from non-core assets
- A strong balance sheet with low levels of debt and access to a flexible borrowing facility of up to £8.0m
- A proposed final dividend of 0.8 pence per share to deliver full year dividends of 1.2p

Overview

The Group has delivered a resilient performance, in line with revised expectations, despite a challenging macroeconomic backdrop and continued softness across some of our core markets.

Activity levels improved towards the end of the first half, however this momentum was not sustained throughout the second half as market conditions deteriorated. Revenue was primarily impacted by project delays as customers deferred decisions in response to macroeconomic and sector-specific uncertainties.

While trading conditions were subdued by broader market issues, including the Building Safety Act delaying residential schemes in housing and the transition from CP6 to CP7 in rail, there is optimism that workflow pipelines are unblocking, with the Group well-placed to service these delayed opportunities.

As we had identified, the energy sector in Scotland is proving to be a significant area of opportunity and is expected to play an increasingly important role in the Group's growth over the medium term. Further detail is included in the Chief Executive's Report.

The Board are reviewing strategic options of the Canadian subsidiary, which is treated as a discontinued operation in these financial results. The Board's strategic review is expected to conclude during FY2026.

Looking ahead, the Board remains confident that Van Elle is strongly positioned to benefit from a market recovery. With a highly diversified service offering, comprehensive UK regional coverage and strong sector alignment, the Group is well placed to support accelerating activity in housing and infrastructure. As these markets recover and investment and positive sentiment begin to return, the Group operates early in the supply chain and therefore expects to benefit from early momentum, underpinned by a growing order book and robust pipeline of opportunities.

Capital structure and allocation

The Group continues to maintain a strong balance sheet, with low levels of debt and access to a flexible borrowing facility of up to £8.0m.

As part of our ongoing focus on maximising return on capital employed, the Group has taken proactive steps to streamline its asset base and release capital from non-core assets. During the second half of the year, the sale of underutilised freehold land and buildings generated £1.6m in cash proceeds.

Following the year end, the Group also completed the disposal of its transport fleet to WS Specialist Logistics, alongside entering into an outsourced transport services arrangement. This transaction generated a further £2.9m in cash and enables enhanced operational flexibility while reducing capital intensity. In light of these developments, the Group's borrowing facility was reduced from £11.0m to £8.0m in May 2025. The facility remains revolving in nature, secured against receivables and certain tangible assets and is committed through to September 2026.

As at 30 April 2025, net funds (excluding IFRS 16 lease liabilities) stood at £1.1m (30 April 2024: £5.5m). Cash flow movements during the year included:

THE ENERGY SECTOR IN SCOTLAND IS A SIGNIFICANT AREA OF OPPORTUNITY AND IS EXPECTED TO PLAY AN INCREASINGLY IMPORTANT ROLE IN THE GROUP'S GROWTH OVER THE MEDIUM TERM

- £3.4m in acquisition consideration;
- £1.3m in dividend payments;
- An increase in working capital, including delayed R&D tax credit receipts (received in full post year-end);
- A £2.4m outflow from the discontinued Canadian operation; and
- £5.9m of new debt drawn, comprising both facility usage and new hire purchase

The Group remains committed to investing in its market-leading fleet of over 150 rigs. Capital expenditure for the year totalled £5.0m (FY2024: £5.5m), with £3.6m funded from cash resources. Spend was modestly below expectations, primarily due to extended lead times on new rig deliveries and prudent capital management in light of ongoing market volatility.

The Board continues to evaluate selective bolt-on acquisition opportunities that are earnings accretive and strategically aligned with the Group's core capabilities. This disciplined approach ensures that future acquisitions will enhance the Group's long-term value and strengthen its market position.

Dividend

The Board remains committed to delivering sustainable shareholder returns, whilst maintaining a prudent and balanced approach to capital allocation. This reflects the Group's ongoing investment requirements, particularly in maintaining a market-leading fleet of rigs, as well as the strategic opportunities available to support long-term growth.

Following another year of profitable performance, the Board is pleased to recommend the payment of a final dividend of 0.8p per share (FY2024: 0.8p per share). If approved, the proposed FY2025 will be paid on 17 October 2025 to shareholders on the register as at the close of business on 3 October 2025. The shares will be marked ex-dividend on 2 October 2025.

An interim dividend of 0.4p per share (FY2024 interim dividend: 0.4p per share) was paid on 14 March 2025. The total dividend payable for FY2025 will therefore be 1.2p (FY2024: 1.2p).

Our people

We are committed to acting in a safe, sustainable, and responsible manner and recognise this is key to the long-term success of the business.

Health, safety, and wellbeing is our main priority, and we have made excellent progress in recent years to improve our safety performance. The RIDDOR Accident Frequency Rate (AFR) increased slightly to 0.12 in FY2025 (FY2024: zero).

On behalf of the Board, I would like to thank all our employees for their hard work and commitment over the past year, and during this period of challenging market conditions.

Board and governance

The Board's composition is reviewed regularly to ensure that we continue to have an appropriate mix of expertise and experience within the Board. There were no changes to the Board in the current year, which has provided a stable platform as we continue to deliver the Group's strategy.

In the previous year, a comprehensive internal performance review was completed, with an associated action plan developed to ensure continuous improvement of the Board's effectiveness.

I would like to extend my thanks to my Board colleagues for their significant contribution and commitment over the past year.

The Group is committed to the highest standards of corporate governance and prioritises effective shareholder communication and engagement. We continue to adopt the Quoted Companies Alliance Corporate Governance Code, complemented with other suitable governance measures appropriate for a group of our size.

Outlook

While market conditions remained challenging throughout FY2025 and into the early part of the new financial year, the Group is well-positioned to benefit from an anticipated recovery across several of its core sectors.

The medium-term outlook for our end markets is increasingly positive. In the housing sector a market recovery is expected, supported by recent government measures to accelerate Building Safety Act approvals, which would unlock a number of delayed residential schemes.

The energy sector continues to represent a significant long-term growth opportunity. Based on our assessment of targeted projects currently in the planning pipeline, we anticipate revenue in this sector could grow materially, expected to reach £40m a year by FY2027, with less than £5m revenues delivered in this sector in FY2025.

Alongside this improving market backdrop, the Group remains focused on disciplined capital allocation and actively reorienting the business toward higher-margin, higher-growth opportunities. This focus is expected to drive a progressive improvement in return on capital employed, supporting sustainable long-term value creation.

With a diversified service offering, a growing and high-quality order book, and exposure to structurally important sectors such as infrastructure, energy, and housing, the Group remains confident in its outlook and is well placed to capture emerging growth opportunities as activity levels recover.

FRANK NELSON
Non-Executive Chair

30 July 2025

MARKET OVERVIEW

THE UK GROUND ENGINEERING MARKETPLACE

Industries we operate in






INFRASTRUCTURE

A full range of geotechnical services to the highways, rail, energy, coastal, flooding, and utility sectors including market-leading on-track capabilities.

Revenue
£54.2m

Revenue share
42%

RESIDENTIAL

Full range of services for national and regional housebuilders, retirement homes and multi-storey residential properties, including ground investigation, ground improvement, and ground stabilisation, alongside piling and modular, precast concrete foundation systems.

Revenue
£52.0m

Revenue share
40%



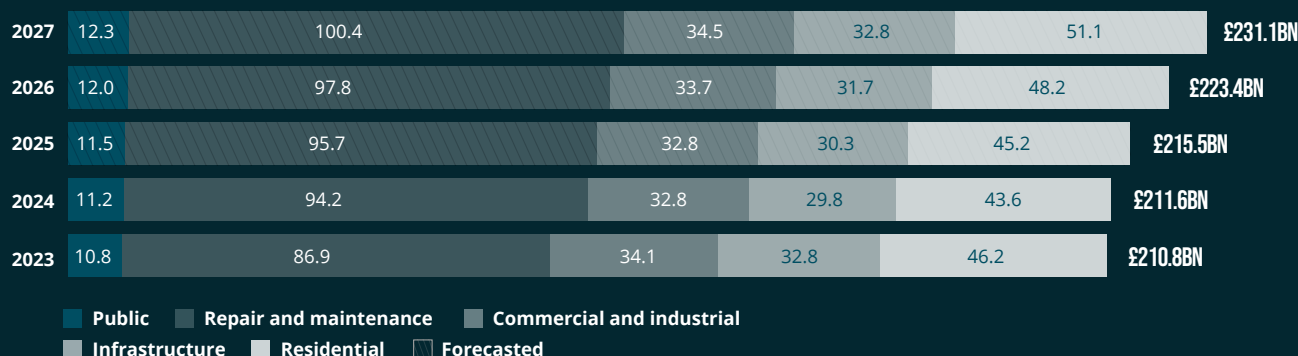

REGIONAL CONSTRUCTION

Foundation solutions for the commercial and industrial building markets including city centre specialisms and ground improvement and piling capabilities to the logistics sector.

Revenue
£23.8m

Revenue share
18%

Total UK construction output



Source: Construction Products Association – Construction Industry Forecasts 2025 – 2027, Spring 2025 Edition



INFRASTRUCTURE



Infrastructure accounted for 41.6% of the Group's revenue in FY2025, representing an increase from 39.4% in FY2024. The Group delivers specialist ground engineering services across key sectors including rail, highways, coastal and flood defence, energy, and utilities.

Looking ahead, infrastructure output is expected to grow through FY2026 and into FY2027. This outlook is supported by increased activity in the Group's targeted growth sectors, particularly Energy and Water, as well as a general uplift in enquiries, estimating activity, and work-winning efforts across the business.

The key drivers of the infrastructure sector remain consistent with earlier forecasts. There is continued commitment to major national projects, including HV substation works for HS2, where we are already supporting early-stage design development, alongside ongoing activity at Hinkley Point C and the Lower Thames Crossing, which is scheduled to begin construction in 2027.

In the energy sector, National Grid's RIIO-T3 investment programme (2026–2031) is set to nearly double the funding allocated during the previous regulatory period. This includes substantial investment in upgrading the existing transmission network, as well as accelerated construction to expand network capacity through the Accelerated Strategic Transmission Investment (ASTI) framework.

Similarly, SP Energy Networks plans to invest over three times the amount committed in the prior period. Their strategy focuses not only on enhancing the current infrastructure but also on creating additional capacity through the development of new transmission lines and substations.

Scottish and Southern Electricity Networks (SSEN) has also outlined a significant investment plan aimed at supporting the construction of new lines and associated infrastructure, reinforcing the sector's commitment to enabling a low-carbon, high-capacity energy future.

These projects are primarily focused on delivering new infrastructure to support the UK government's commitments to net zero and energy security. This includes the construction of new transmission lines and substations, as well as the maintenance, refurbishment, and extension of existing assets.

To meet these demands, there is a growing need for specialist contractors with the capability to deliver a broad range of services – including ground investigation, detailed design, and full construction delivery.

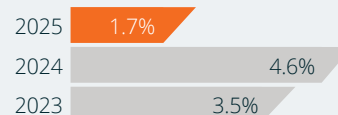
UK market 2024

-9.1%

Van Elle 2024/25

-1.1%

CPA growth forecast





INFRASTRUCTURE continued



Our response

In late 2024, Van Elle secured an eight-year framework agreement with Wood Group to deliver ground investigation, design development, final design, and construction services. This work supports the development of new overhead lines and associated infrastructure as part of Wood Group's contract with SSEN for the Accelerated Strategic Transmission Investment (ASTI) programme.

The project is now underway, and we are actively building on this experience to strengthen strategic relationships with key clients. This positions us to capitalise on further opportunities across a range of projects, particularly in Early Contractor Involvement (ECI) design development, ground investigation, detailed design, and construction delivery. We have also worked with MGroup on behalf of SSEN, providing ground investigation, design, and the construction of foundation solutions for two new overhead line towers, and are presently providing support and advice on retrofit foundation solutions for existing assets that require refurbishment.

Thanks to our broad range of capabilities, we are well-positioned to take a multi-disciplinary approach to large-scale infrastructure programmes that demand specialist expertise across various areas. Whilst our primary focus to date has been on the construction and maintenance of substations and overhead lines, we are also making strong progress in supporting and securing opportunities at High Voltage Direct Current (HVDC) locations. In addition, we anticipate further growth in the pumped storage hydro sector, where several projects are currently in the consent and development phases. Construction activity for these schemes is expected to begin from 2027, presenting significant opportunities for our continued involvement.

Whilst there is a strategic emphasis on the ASTI programmes due to their scale and national importance, investment continues in non-ASTI projects where the Group already maintains a strong presence. Our modular, standardised, and removable foundation solutions remain highly valued in substation environments and are increasingly being adopted for smaller-scale new build and refurbishment overhead line projects. These solutions provide a reliable and cost-effective option, which can be offered alongside the more traditional foundation solutions provided by the Group. This is further strengthened by our extensive pool of deployable assets and skilled personnel, enabling us to operate with agility and deliver multiple projects simultaneously across the UK.

We are currently engaged in a five-year trading agreement with Galliford Try, a key partner with representation on every major highways framework across the UK. This relationship provides us with access to a substantial pipeline of opportunities nationwide.

In addition, we have established strategic partnerships with several water sector framework contractors. These collaborations have been instrumental in proactively positioning us closer to ECI opportunities in this sector, including design development, ground investigation, surveying, and foundation construction.

CASE STUDY

ENERGY WITHIN INFRASTRUCTURE CASE STUDY

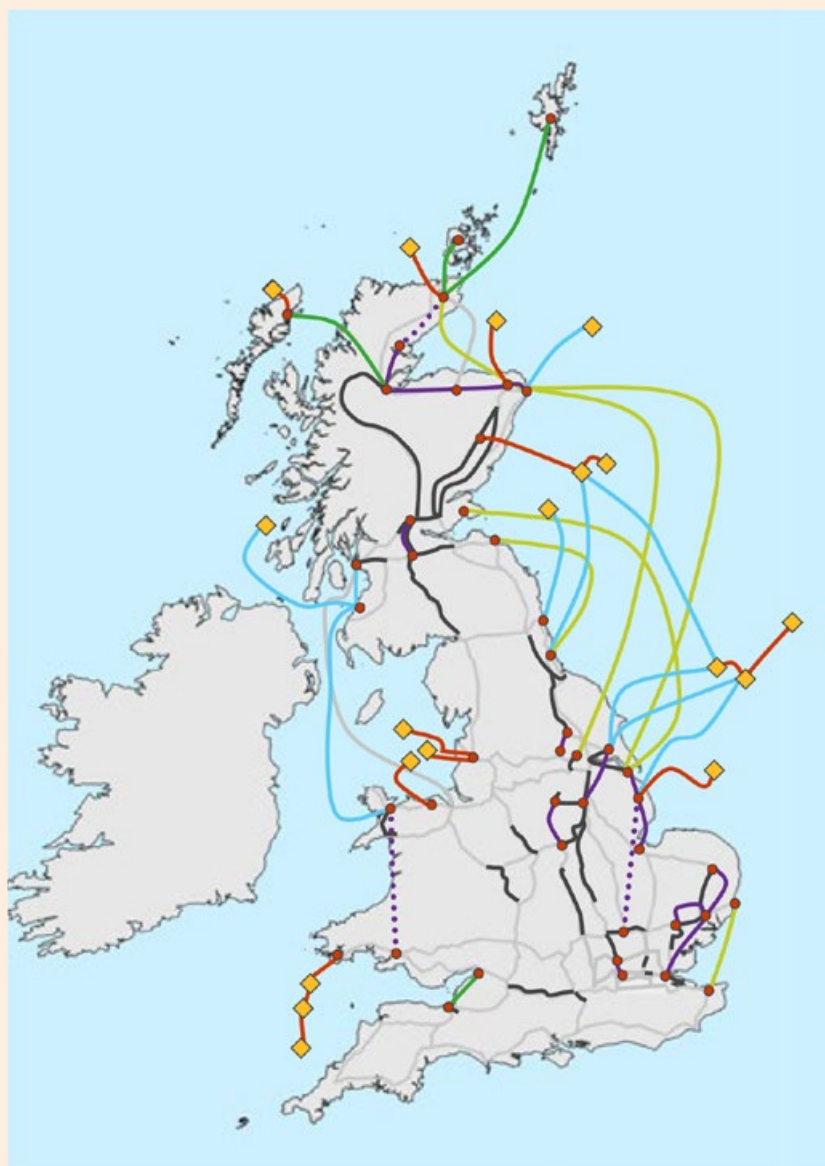
In October 2024, we completed the £3.5m acquisition of Albion Drilling, a specialist contractor based in Scotland. This strategic move has strengthened our operational footprint and customer base in a region where renewable energy development and grid connection activity are accelerating.

The acquisition enhances our capacity to deliver complex energy infrastructure projects, particularly those supporting onshore wind and grid upgrades.

The UK's transition to net zero is driving unprecedented investment in energy infrastructure, with National Grid forecasting over £50bn in upgrades to the electricity transmission network by 2035. This includes new substations, overhead lines and underground cables, all of which require extensive ground investigation, piling and geotechnical works.

As a specialist in these disciplines, Van Elle is well placed to benefit from the significant and sustained increase in demand across the sector.

To capitalise on this opportunity, we entered an eight-year £30m partnership with Wood during the year, aligned to a £200m targeted bid pipeline in transmission. This partnership enhances our visibility on major projects and reinforces our strategic focus on energy. As grid modernisation programmes scale up, we are well positioned to support the delivery of critical infrastructure and play a key role in enabling the UK's low carbon energy future.



Legend	
Existing network	—
Existing network upgrade	—
New onshore network infrastructure	—
New network need	...
New subsea network reinforcement	—
Other works	—
New offshore HVAC	—
New offshore HVDC	—
HND offshore wind farm	◆
Onshore substation to connect new infrastructure	●
All option routes and locations are for illustrative purposes only.	

Source: NGESO's Holistic Network Design



RESIDENTIAL



Major housebuilders continue to face the residual impact of weakened demand; however, signs of recovery have emerged over the past year, driven in part by falling interest rates and reduced borrowing costs. Although housing completions remained subdued into early 2025, recent months have seen a modest uptick in activity.

Most large developers have reported a gradual rebound, though annual completion volumes remain below pre-2022 levels. Meanwhile, housing associations and local authorities have maintained a focus on the maintenance and improvement of existing housing stock, rather than initiating new-build projects, a trend that has persisted throughout the past year.

The contraction in the housing market that began in 2023 has yet to fully reverse, but there are signs of improvement. House prices have stabilised and, in many regions, have begun to rise modestly, supported by a steady increase in buyer interest. By late 2025, further interest rate cuts by the Bank of England are anticipated, which would enhance mortgage affordability. This is expected to stimulate additional market activity and drive increased housing demand.

The housing sector has experienced notable consolidation, with several housebuilders pursuing mergers to achieve economies of scale, streamline operations, and strengthen their financial positions amid challenging market conditions. Whilst these strategic moves are expected to enhance long-term competitiveness, they have temporarily disrupted delivery schedules, leading to unforeseen delays across the supply chain.

Operational integrations and the realignment of project portfolios have also contributed to delays on certain schemes, as client management teams adjust planning and reallocate resources to reflect the new organisational structures.

Our response

The first quarter of FY2025 was relatively subdued, largely due to uncertainty in the lead-up to the General Election. However, activity rebounded strongly in Q2 and Q3, with a marked increase in project starts. Whilst Q4 has experienced a slowdown in new orders, there has been a notable rise in ECI for projects scheduled to commence in FY2026.

We are currently pursuing partnership agreements with selected clients and subcontractors, aiming to establish a more stable and mutually beneficial workflow. These partnerships will focus on delivering value-engineered solutions that enhance efficiency and long-term project outcomes.

The delay in the release of the Future Homes Standard (FHS) has made it challenging to forecast a consistent future workload. However, it is widely expected that once the standard is confirmed, there will be a surge in project starts as developers seek to commence builds under the current regulations before the new requirements take effect. This is likely to be followed by a quieter period as the industry adapts to the new standards.

The FHS will significantly impact housebuilders, who will need to adopt low-carbon technologies such as air or ground source heat pumps, triple glazing, and enhanced insulation. Compliance will also demand higher standards for ventilation and airtightness, as outlined in the updated Parts F and L of the Building Regulations.

These changes will likely increase build costs and require upskilling across the supply chain. Whilst this presents short-term challenges, it also offers opportunities for innovation and differentiation in a market increasingly focused on sustainability.

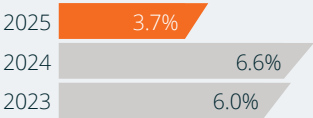
UK market 2024

-5.6%

Van Elle 2024/25

-9.1%

CPA growth forecast





REGIONAL CONSTRUCTION*



The London market, which is identified as a key focus for our Rock & Alluvium business, has proven challenging. Delays caused by the new Building Safety Regulations, particularly the backlog at Gateway 2, have significantly slowed the planning process; a situation widely reported in the press. Our Chief Operating Officer, in his role as Chair of the Federation of Piling Specialists (FPS), has been actively involved in high-level discussions with government ministers and industry leaders to find solutions. Whilst we are beginning to see signs of procedural improvement, we expect any increase in applications passing through the system to be gradual over the next 12 months.

Despite these challenges, we remain actively engaged with a strong pipeline of schemes for trusted, repeat clients, supporting areas such as early design development and planning submissions. When the planning backlog does begin to clear, we are well positioned to capitalise on the resulting opportunities.

Elsewhere, the data centre sector continues to see strong growth, helping to offset a slight reduction in logistics demand. These projects are typically larger and more technically complex, offering strong opportunities for our teams. General Piling has recently delivered a major scheme in Scotland for a cable manufacturing facility supporting the energy sector, and we have also commenced work on our first converter station, a large warehouse-style structure designed to house infrastructure connecting offshore wind to the national grid, following a lengthy Early Contractor Involvement (ECI) phase.

Although no energy-from-waste schemes were delivered during FY2025, we have seen a resurgence in opportunities toward the latter part of the year, with several prospects now targeted for construction in FY2026 and FY2027.

In the prisons sector, the Ministry of Justice's programme has continued following ISG's exit, and we are now working closely with two other Tier 1 contractors. Our teams have developed

and begun rolling out an innovative new foundation solution for security fencing, alongside more traditional piling packages for the associated buildings. Following an extended ECI period in FY2025, we are now preparing to commence our first multi-million-pound major piling scheme for a new prison, a significant milestone for the business.

Our response

Our strategy, consistent across all sectors, has focused on building more strategic, long-term partnerships with customers whose values and vision align with our own. Leveraging relationships across different sectors within these organisations has helped accelerate growth. A prime example is our partnership with Wates, established following the successful delivery of a battery gigafactory last year, which has since led to multiple opportunities in both the data centre sector and the prisons framework.

Our collaboration with Galliford Try continues to grow year on year, both in scale and scope. Strong engagement across their regional construction divisions, from Scotland to the South of England, has resulted in the successful delivery of a broad range of projects, including town centre regeneration schemes like Wigan Galleries, educational and university buildings, office developments, and Big Yellow storage facilities. We are also in advanced discussions with another major Tier 1 contractor to establish a similar trusted strategic partner model.

In parallel, we have continued to demonstrate the value we bring through innovation. Our off-site solutions, such as Screwfast's helical pile and grillage systems, as well as our precast pile and Smartfoot ground beam options, offer lower-carbon alternatives and enable faster programme delivery. These innovations, particularly well suited to the residential sector, are increasingly gaining traction in broader markets as our customers look for smarter, more sustainable construction solutions.

UK market 2024

-3.8%

Van Elle 2024/25

-9.3%

CPA growth forecast

2025	0.0%
2024	2.7%
2023	2.4%

*Comprises the Construction Products Association commercial and industrial sectors

BUSINESS MODEL

We leverage our well invested rig fleet, our technical expertise, and culture to provide full life cycle ground engineering services to our diverse customer base in order to deliver value for our stakeholders and society.

We leverage our key resources...

Our Network

Our network helps us build and leverage long term relationships to win new business and retain existing customers.

Our people

Our people are key to achieving strategic objectives and the long term vision of the business. They are a reflection of the company's values and purpose in the marketplace.

Our Stakeholders

Contribute to our value creation and also stand to benefit from our value creation.

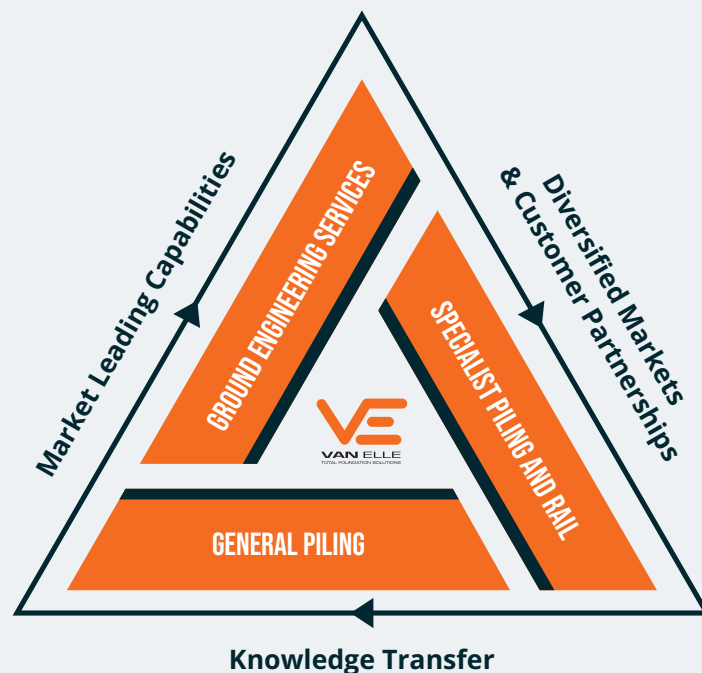
Our Fleet

More than 150 strong rig fleet, ensures we can take on and satisfactorily meet demands of multiple projects at the same time.

Our Partners

Collaborative approach and early involvement. Conscious of our impact on communities and the environment.

...To harness operational synergies within our businesses which...



Market leading capabilities

We offer end-to-end foundation solutions from site investigation through to design, piling, and offsite foundation systems. Our unique ability to blend specialist techniques helps us offer innovative hybrid solutions that are not easy to replicate. This depth in inhouse expertise improves our client value, project speed and quality.

Diversified Markets and Customer Partnerships

Our presence across housing, infrastructure, and regional construction markets insulates revenue during sector slowdowns. Our contract values are also protected and improved by our ability to provide complimentary services, as framework wins draw on multiple divisions, securing consistent work across the group.

Internal Knowledge Transfer

Our staff share best practice and technical insight across divisions. Innovations such as Smartfoot and ScrewFast helical piles are developed and applied group-wide. Our unified training and safety culture further drive continuous business improvement and operational consistency. While leadership forums ensure lessons and innovations flow freely between divisions.

...Translate to our distinct competitive advantages that help us...

Expertise and consistency

Over 40 years and 20,000+ projects have built a proven track record of delivering complex foundation solutions. We bring market-leading technical depth across piling, ground engineering, and rail geotechnics.

Our experienced, directly employed workforce ensures consistent quality, training, and safety standards across all sites. In-house R&D and proprietary systems (e.g. Smartfoot) embed innovation into standard delivery, giving clients consistent, engineered solutions.

Scale and geographic reach

As the UK's largest independent ground engineering specialist, we operate more than 150 rigs nationwide, enabling our ability to tackle high volumes and multiple concurrent sites. Our Nationwide depot network and regional teams support responsive delivery across housing, infrastructure, and regional construction projects. While our scale allows for centralised procurement, better plant utilisation, and resilience during market fluctuations.

Speed and agility

Our integrated model and in-house teams mean we can mobilise with pace and adapt to programme changes. The ability to draw on multiple divisions and reassign crews/equipment boosts our response times and avoids project delays. Our modular Screwfast systems and offsite manufacturing options like Smartfoot accelerate build programmes for housebuilders and developers.

Partnerships

Long-term relationships with tier-one contractors such as Galliford Try and national housebuilders support repeat business and framework wins. While our trusted delivery across multiple services positions Van Elle as a preferred partner on complex and multidisciplinary schemes. Early engagement through ground investigation and design allows Van Elle to act as a value-engineering collaborator, not just a contractor.

...Generate sustainable value for our stakeholders..

Our customers

- A focus on long-term strategic relationships
- Early contractor involvement to assist customers in designing the most innovative, value adding, cost effective and sustainable geotechnical solutions
- A broad range of geotechnical solutions including modern methods of construction with off-site and modular products

45% Recurring revenues

Our Shareholders

- Delivering profitable results and on track to achieve the Group's medium-term financial targets
- Robust balance sheet with low gearing and reinvestment in the business to support our growth strategy
- Operational flexibility leading to improving asset utilisation

1.2p Total recommended dividend

Our people

- Investment in career and technical training for personal growth
- Interesting and challenging careers in a diverse business that provides people with the opportunity to develop and reach their potential
- Opportunities in the local community

36 Apprentices and trainees

WHY DOES THIS MATTER?

Benefits to society

Safe building solutions

We enable critical infrastructure and housing, engineered with safety-first groundworks that protect lives and property.

Skilled job creation

We directly employ and train hundreds of specialists, supporting regional economies, preserving critical industry skills and providing career progression in construction.

Sustainable solutions

Through offsite systems, lower-carbon piling techniques, and innovation, we reduce environmental impact on the built environment.

Tax contributions

As a UK-based employer and business, we contribute materially to public finances through corporate, payroll, and indirect taxes.

STRATEGY

The Group's objective is to maintain and extend our position as the UK's largest and most diverse ground engineering contractor. We will do this in a sustainable way to ensure long-term benefits for all our stakeholders.



CONTINUOUS BUSINESS IMPROVEMENT

Overview

- Operational performance improvement
- Strengthened commercial approach, improved compliance and governance
- Overhead and cost efficiencies and strong cash position

Our Progress in FY2025

- Improved operational processes, increased digitisation of site records, and strengthened project management roles
- Commercial structure continued to be developed with updated processes for bidding and agreeing contract terms
- Cost reduction and cash preservation actions embedded
- Disposal of certain non-core assets in support of a robust balance sheet and improving ROCE

Outlook

There is an acute focus on careful working capital management and aligning the cost base to drive operating efficiencies to ensure the Group is well positioned ahead of market recovery.

Links to KPIs

1	2	3	4
6	7		

Links to Risks

1	2	3	4
6	10		



FOUNDATIONS FOR GROWTH

Priorities

- Investment in skills and depot/office facilities to support growth aspirations
- Deploying the best people and assets
- Simplified structure, improved leadership employee engagement and development
- Available debt facilities to support further growth, M&A and capital investment

Our Progress in FY2025

- Employee count increased to 693
- The first Leadership Development and Site Supervisor courses have successfully concluded with the second cohort having begun their training
- Development of the Kirkby offices to facilitate more divisions having the ability to work from head office, which has increased collaboration and synergies across the business
- Investment in our modular capability technologies
- Successful internal promotions throughout the business, leveraging in-house knowledge and a testament to the hard work of our people
- A strengthened leadership team

Outlook

The Group is strongly positioned to benefit from a market recovery with an expectation that the housing market will progressively improve throughout calendar year 2025, further progress in the energy and water markets, combined with the government's commitment to accelerate infrastructure spend and address the backlog of Building Safety Act approvals.

Links to KPIs

1	2
---	---

Links to Risks

2	3	7	8
---	---	---	---

KPI key

- | | |
|----------------------------------|-------------------------------------|
| 1 Revenue | 5 Return on capital employed |
| 2 Earnings per share | 6 Net funds |
| 3 Operating profit | 7 Leverage |
| 4 Operating profit margin | |

Risks key

- | | |
|---|---|
| 1 A rapid downturn in our markets | 6 Ineffective management of our contracts |
| 2 Failure to procure new contracts | 7 Failure to comply with health and safety and environmental legislation |
| 3 Loss of market share | 8 Not having the right skills to deliver |
| 4 Non-compliance with our Code of Business Conduct | 9 Cyber attack |
| 5 Product and/or solution failure | 10 Inability to finance our business |



DIVERSIFIED PORTFOLIO

Overview

- Raised brand profile and key customer development in target sectors
- Innovation focus and diversified specialist capabilities
- Become a trusted partner for key customers; increasingly involved in longer-term collaborative projects

Our Progress in FY2025

- Acquired Albion further extending the Group's technical capabilities
- Signed an 8-year partnering agreement with Wood Transmission & Distribution Limited ("Wood") to deliver ground investigation, design, and construction activities for piling and foundations across several transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme. The partnership is expected to be worth in excess of £30m to Van Elle over that period
- Named as a delivery partner for Network Rail's Southern region 10-year building and civils minor works framework
- Continued working closely with Galliford Try as part of the five year trading agreement
- R&D expenditure is c.10% of cost base with a strong track record of R&D tax claims

Outlook

The Groups numerous partnership agreements and framework appointments as well as increasing early contractor involvement provide a solid pipeline of opportunities across the depth of the Groups capabilities.

Links to KPIs

1

Links to Risks

1 2 3 5 8



SUSTAINABLE MARKET LEADERSHIP

Priorities

- Reduce our environmental and carbon impact to net zero by 2050
- Delivery of our medium-term financial KPIs
- Bolt-on acquisitions to strengthen end-to-end service offering

Our Progress in FY2025

- Key initiatives in place including maximisation of off-site techniques, low carbon construction products, renewable energy supply at Kirkby, and low-emission plant
- Acquisition of Albion, a strategically aligned bolt-on acquisition, which expands Van Elle's presence in Scotland and further extends the Group's technical capabilities

Outlook

Successful acquisitions in the period demonstrate the Group's ability to expand its end-to-end service offerings with further opportunities continuously being reviewed.

Links to KPIs

1 2 3 5 6

Links to Risks

2 3 4 7 9

KEY PERFORMANCE INDICATORS

RESILIENT FINANCIAL PERFORMANCE

All KPI's are quoted on continuing operations.

REVENUE

Statutory

2025	£130.5m
2024	£139.1m
2023	£148.7m

Why we use this as an indicator

Revenue and revenue growth provide a key insight into activity levels and growth across the business.

How this links to our strategy

Revenue tracking aligns with our strategic principle to create the Foundations of Growth, champion Sustainable Market Leadership and monitor our Diversified Portfolio goals to collaborate with partners in longer term projects.

Performance

Continuing revenue decreased by 6.2% in total across the year to £130.5m. The reduction in revenues was driven primarily by softer market conditions due to market uncertainties.

OPERATING PROFIT

Statutory

2025	£4.9m
2024	£7.2m
2023	£5.9m

Underlying

2025	£5.5m
2024	£6.9m
2023	£5.8m

Why we use this as an indicator

Operating profit provides a focused view of our core business performance, allowing management to assess operational effectiveness and efficiencies.

How this links to our strategy

This metric allows management to make informed strategic decisions as part of our Foundations for Growth.

Performance

Total operating profit and total underlying operating profit declined in FY2025 due to lower activity levels.

EARNINGS PER SHARE

Statutory

2025	2.9p
2024	5.0p
2023	4.4p

Underlying

2025	3.5p
2024	4.5p
2023	4.4p

Why we use this as an indicator

This KPI measures our after-tax reported earnings relative to the weighted average number of shares in issue and provides a monitor on how we are increasing Shareholder value.

How this links to our strategy

This metric is key to our strategic aim of Sustainable Market Leadership to provide the best Shareholder value.

Performance

The EPS reflects the movement in reported operating profits in the period as well as a small increase in the number of shares issued.

OPERATING PROFIT MARGIN

Statutory

2025	3.7%
2024	5.2%
2023	3.9%

Underlying

2025	4.2%
2024	5.0%
2023	3.9%

Why we use this as an indicator

Operating profit margin as a metric ensures that movements in our operating profit metric can be standardised across periods of differing activity.

How this links to our strategy

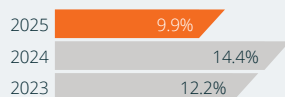
Operating profit margin ensures that our strategic goal of Continuous Business Improvement can be met, reviewing operational performance improvement, our strengthened commercial approach, and efficiencies made.

Performance

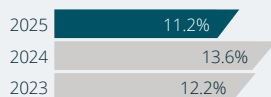
Operating profit margin has reduced in FY2025 due to lower activity levels and a relatively consistent overhead base. Overheads have remained flat year on year with cost reduction activity offsetting additional overheads absorbed into the Group following acquisitions in the current and previous financial years.

RETURN ON CAPITAL EMPLOYED

Statutory



Underlying



Why we use this as an indicator

Capital employed is taken to be average net assets excluding net funds (including IFRS16 property and vehicle lease liabilities) and earnings is taken as reported operating profit. This measure indicates the rate of return per pound invested in the operating assets of the business.

How this links to our strategy

Monitoring ROCE ensures that the Foundations for Growth initiatives to invest in skills and facilities and deploy the best people and assets are balanced against Continuous Business Improvement goals to optimise operational performance.

Performance

ROCE decreased in the period to given the reduced profitability in the year and the timing of the acquisition of Albion Drilling which contributed only six months of revenues and profits in the current year. During the year action has been taken to rationalise the Group's asset base in order to improve ROCE.

NET FUNDS

Statutory



Why we use this as an indicator

Net funds reflects the Group's total cash and cash equivalents less any borrowings, excluding IFRS 16 property and vehicle lease liabilities.

How this links to our strategy

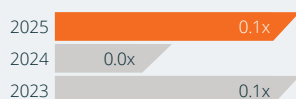
Strong net funds increases the Continuous Business Improvement of the Group to act upon opportunities that arise to develop our Sustainable Market Leadership.

Performance

Net funds have reduced in the current year due to ongoing investments by the Group, both by acquisition, and continual investment in our rigs. Assets held for sale at the year end have been sold shortly after the end of the period, injecting cash into the Group and reducing debt.

LEVERAGE

Statutory



Why we use this as an indicator

This KPI measures our total debt as a proportion of EBITDA, to assess internal investment against changes in activity.

How this links to our strategy

This metric allows the Group to balance its continuous business improvement goals to have strong debt facilities against debt reduction targets and a strong cash position to fund growth initiatives.

Performance

Leverage continues to be low however has marginally increased in the year with a draw down on the Group's asset backed lending facility and hire purchase debt taken on to fund acquisitions and investment in the Group's rig fleet.

CHIEF EXECUTIVE OFFICER'S REVIEW

WELL POSITIONED FOR FUTURE GROWTH



MARK CUTLER
Chief Executive Officer

Highlights

- Resilient financial performance whilst market conditions remained very challenging
- Revenue 6% below the prior year at £130.5m
- Underlying profit before tax for continuing operations of £5.3m and underlying operating margin of 4.2%
- Residential sector volumes were subdued throughout FY2025 and taller residential schemes were severely impacted by the Building Safety Act approvals process
- Energy sector frameworks have been developed with several key customers supporting a strong pipeline of opportunities
- The acquisition of Stirling-based Albion Drilling in October 2024 provides additional capacity and specialist capability in Scotland
- Improved operational efficiencies puts the Group in a stronger position to take advantage of the anticipated market recovery
- A significant milestone of two years without a reportable accident (RIDDOR) achieved in the period
- Canadian subsidiary under strategic review, expected to be concluded in FY26

Results

The Group delivered another resilient financial performance in FY2025 whilst market conditions remained very challenging across the sector with significant levels of uncertainty across the UK economy. In the piling industry, many businesses experienced lower volumes over recent months. Despite the softer market conditions, our revenue was only 6% below the prior year at £130.5m (FY2024: £139.1m).

In the residential sector, volumes were subdued throughout FY2025 as increased mortgage rates and general market uncertainty resulted in housebuilders commencing fewer project starts, particularly in the private housing market. Taller residential schemes were severely impacted by the Building Safety Act approvals process, which has caused significant delays to the commencement of numerous schemes, particularly in London.

In regional construction, similar market uncertainties have impacted investment, resulting in project delays throughout the year. The Group delivered several logistics hubs, data centres, commercial offices and industrial projects in the period and has now started its largest industrial project for several years at Forgemasters in Sheffield. Our outlook is positive in this sector as confidence starts to return during FY2026.

In infrastructure, UK rail revenues were impacted as the sector transitioned from CP6 into CP7, but were supported by our strong position on the TransPennine Route Upgrade project. In highways, works were completed very successfully on the Smart Motorways retrofit programme. Despite funding pressures and project delays, several major highways schemes were delivered in partnership with Galliford Try, with others in the pre-construction phase.

The Group is very well-positioned in the energy sector, where frameworks have been developed with several key customers supporting a very strong pipeline of opportunities, commencing primarily with ground investigation and design in FY2026, and foundation construction works commencing from FY2027 and beyond. Our broad capability is attractive to customers requiring a range of solutions to support the major energy sector projects. The acquisition of Stirling-based Albion Drilling in October 2024 provides additional capacity and specialist capability in Scotland, where many of the initial projects will commence across several investment streams, including Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme.

The Government's recent Spending Review and 10-year UK Infrastructure Strategy and pipeline give increased confidence of the infrastructure sector being a key driver of growth for Van Elle in the medium to long term.

The Group's Canadian rail subsidiary delivered revenue growth but has been impacted by further delays to the Toronto Metrolinx GO Expansion programme, which was the primary reason for entering the Canadian rail market. Whilst we have been awarded contracts across the broader rail sector in Ontario, we have not yet been able to deliver adequate volumes to achieve a profitable performance. The Canadian subsidiary is under strategic review, which is expected to be concluded during FY26.

VAN ELLE IS VERY WELL POSITIONED TO MAXIMISE OPPORTUNITIES WITH A LARGE SKILLED WORKFORCE AND A BROAD RANGE OF CAPABILITY TO DELIVER ON ALL GROUND ENGINEERING REQUIREMENTS

We have maintained a high focus on cost saving measures to manage the Group's cost base whilst the softer market conditions continue. Improved operational efficiencies puts the Group in a stronger position to take advantage of the anticipated market recovery.

The Group delivered underlying profit before tax for continuing operations of £5.3m (FY2024: £6.7m). Underlying operating margin was 4.2% (FY2024: 5.0%).

Balance sheet and net funds

The Group continues to maintain a strong balance sheet, low debt and significant liquidity headroom against its funding facility.

Net funds, excluding IFRS 16 property and vehicle lease liabilities, decreased to £1.1m at 30 April 2025 (30 April 2024: £5.5m). This reduction in net funds reflects cash outflows to support future growth, including £3.4m of consideration paid for acquisitions and capital expenditure of £5.0m, of which £3.6m was funded from cash reserves. To support these investment activities, the Group took on new debt of £5.9m in the year from a combination of a facility drawdown and new hire purchase contracts.

Working capital increased by £3.5m in the year, which includes the impact of £1.3m of delayed receipts for R&D tax claims (which were received after the year end) and the acquired balance sheet of Albion Drilling following the acquisition in October 2024. Aged

debtors remain within the normal historical range for the Group with no significant debt collection issues anticipated as at the year end.

Dividends of £1.3m were paid in the year.

Group net debt remains well within our target leverage threshold of less than 1.5 times EBITDA.

Health and safety

The health, safety, and well-being of our employees is our first priority. We have made excellent progress in recent years delivering a significantly improved safety culture, which is reflected in the Group's Health and Safety KPIs.

In February 2024 the Group achieved a significant milestone of two years without a reportable accident (RIDDOR). Across FY2025 our RIDDOR Accident Frequency Rate (AFR) per 100,000 hours worked was 0.12 (FY2024: zero).

Our health, safety, quality and environment managers are embedded within the operational teams and conduct regular internal audits of our health and safety procedures and site activities. This ensures that our safety procedures are comprehensive and helps to identify areas for improvement where necessary.

Market Leading Capabilities

We offer end-to-end foundation solutions from site investigation through to design, piling, and offsite foundation systems. Our unique ability to blend specialist techniques helps us offer innovative hybrid solutions that are not easy to replicate. This depth in inhouse expertise improves our client value, project speed and quality.

Number of different techniques

>25





THE GOVERNMENT'S 10-YEAR UK INFRASTRUCTURE STRATEGY AND PIPELINE GIVE INCREASED CONFIDENCE OF THE INFRASTRUCTURE SECTOR BEING A KEY DRIVER OF GROWTH FOR VAN ELLE IN THE MEDIUM TO LONG TERM.

People

Our people remain at the core of everything we do, and we are committed to attracting, developing, and retaining the talent needed to deliver safely and successfully across all areas of the business.

Our in-house training centre coordinates and delivers the Group's training needs. Following the successful launch of our Leadership Development Programme, a second cohort of future business leaders entered the programme in FY2025.

We also launched a bespoke site supervisor training programme to strengthen the leadership of our site management. The course was delivered to supervisors over three days, focused on practical, real-life scenarios to enhance supervisory skills, site safety, and management practices.

We are proud to maintain our commitment to early careers. The Group currently employs 36 apprentices, graduates under a formal development programme, and trainees.

Voluntary employee churn remained low at 13% (FY2024: 14%).

Strategy

Our medium-term financial KPIs (annual revenue growth of 5–10%, underlying operating margins of 6–7%, ROCE of 15–20% and leverage of less than 1.5 times EBITDA) are the Group's primary strategic objectives.

Key strategic highlights in the year, which position the Group well for FY2026 and beyond, include:

- Signed an eight-year partnering agreement with Wood Transmission & Distribution Limited to deliver ground investigation, design, and construction activities for piling and foundations across several transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme.
- Acquired Albion Drilling, expanding Van Elle's presence in Scotland and further extending the Group's technical capabilities.
- Investment in sheet piling/rigid inclusion rigs and expansion of our civils capability to strengthen our integrated offering.
- Completed a capacity expansion project at the precast factories at our headquarters in Kirkby-in-Ashfield. The expanded pile factory increases production capacity by over 30%, positioning the business well to benefit from the expected growing demand in the housing sector over the mid-term.
- Established a strategic collaboration with M&J Evans to work together nationally on a customer-led basis to offer a more efficient, joined-up delivery model for housebuilders.
- Increased focus on Group ROCE performance resulting in the disposal of non-core property and several aged rig assets. The Group also outsourced all HGV fleet activities after the financial year end.
- Settlement of a long-standing legacy contract dispute (from 2012) in June 2024, within the Group's insured limits of cover.

Sustainability and ESG

The Group has implemented a Sustainability Strategy, aligned with the UN Sustainable Development Goals ("SDGs") that are applicable to the business operations. We recognise that our core operations rely on energy-intensive materials such as cement and steel. These industries are moving fast and making significant progress in developing cleaner technology for their manufacturing and operational processes.

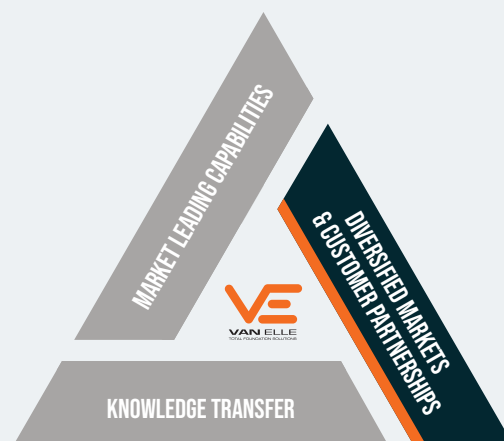


Diversified Markets & Customer Partnerships

Our presence across housing, infrastructure, and regional construction markets insulates revenue during sector slowdowns. Our contract values are also protected and improved by our ability to provide complimentary services, as framework wins draw on multiple divisions, securing consistent work across the group.

Number of partnerships

7



Our long-term net zero by 2050 commitment is supported in the medium term by a roadmap to 2030 which provides a clear strategic pathway to a 30% reduction in our greenhouse gas emissions.

Our people actively engage with local communities, reinforcing our dedication to creating social value and making a long-term positive impact. We also collaborate with schools, colleges and universities to raise awareness of careers in construction, engineering, and geotechnical services.

Markets

The Group operates in three market segments:

- **Residential** constituted 40% of Group revenues in the year (down from 41% in FY2024). Divisional teams deliver integrated piling and foundation systems for national and regional housebuilders, retirement homes, and multi-storey residential properties.

Residential sector revenues decreased to £52.0m in FY2025 (FY2024: £57.2m).

In new build housing, demand was very strong in the first quarter of the previous financial year, making for a difficult comparator this year. New building regulations introduced towards the end of Q1 FY2024, resulted in the acceleration of multiple housing projects and provided a one-off increase to prior year revenues.

Volumes were subdued throughout FY2025, where increased mortgage rates and general market uncertainty resulted in housebuilders commencing fewer projects, particularly in the private housing market. A proportion of this impact continues to be mitigated by the Group's balanced exposure to affordable and partnership housing customers, but overall activity levels were below prior year levels by approximately 2%.

Notwithstanding the current challenging market conditions, the outlook for housebuilding remains very strong in the UK, supported by government pledges to build 1.5 million new homes in the current parliament and to speed up the planning process. The speed of delivery of the offsite manufactured Smartfoot system means that the division is well-positioned to support faster build times with fewer resources during a widely

publicised skills shortage and to respond quickly as the market improves. Following some positive momentum towards the end of the first half of the financial year, order levels declined during the second half. However, the housing division is starting to see early signs of market improvement, and we are optimistic of sustained market improvement during FY2026.

The Group also delivers foundations for taller residential schemes, where the impact of the Building Safety Act has caused significant delays to the commencement of numerous schemes, particularly in London. Recent announcements by the government to recognise the issue and put processes in place to speed up decisions on new build schemes is encouraging.

During FY2025, we invested in our precast pile factory to expand capacity by over 30% and have further diversified our capabilities by offering in-situ beams. A collaboration with leading groundworker M&J Evans was also established to offer a joined-up service to major housebuilders



CHIEF EXECUTIVE OFFICER'S REVIEW continued

- **Infrastructure** constituted 42% of Group revenues in the year (up from 39% in FY2024). The segment includes specialist ground engineering services to the rail, highways, coastal and flooding, energy, and utility sectors.

UK Rail revenues were impacted as the sector transitioned from CP6 into CP7, but activity levels steadily improved in the second half, supported by our strong position on the TransPennine Route Upgrade project.

Planned works in CP7 include greater focus on climate-related activities including slope stabilisation and drainage improvements which are expected to benefit the Group during the peak of CP7 activity during FY2027 to FY2029.

In the energy sector, frameworks have been agreed with several key customers. We have a promising pipeline of opportunities, commencing primarily with design and ground investigation projects in FY2026, with major foundation activities commencing from FY2027 and beyond.

As previously announced, the Group has signed an eight-year partnering agreement with Wood Transmission & Distribution Limited to deliver ground investigation, design, and construction activities for piling and foundations across several energy transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme.

Further progress has been made in the water sector, where investment under AMP8 is committed to almost double compared to AMP7. Customer partnerships exist across several regions including the previously announced partnerships with Galliford Try and Volker Wessels. Design solutions have been developed based on the Group's ScrewFast system which modularises and standardises simple foundations for lower carbon and faster delivery compared to traditional methods.

Government spending in the highways sector continues to be subdued, with works now completed on the Smart Motorway programme. The Group is focusing on delivering mid-sized projects for selected Tier 1 contractors in this sector.

- **Regional Construction** constituted 18% of Group revenues (from 19% in FY2024). The Group delivers a full range of piling and ground improvement services to the commercial and industrial sectors, from private and public sector building and developer-led markets across the UK.

The regional construction market remained very competitive throughout the year, with work-winning being extremely price sensitive. With a backdrop of softer market conditions resulting in lower tender opportunities this year, revenue decreased by 9%, primarily due to fewer larger schemes delivered by the General Piling division.

Industrial markets covering factories, data centres, and warehousing continue to offer significant opportunity for the Group's range of piling and ground improvement services as market confidence returns.

Operating structure

Van Elle's operational structure has remained consistent and is reported in three segments:

- **General Piling:** open site; larger projects; key techniques being large diameter rotary, CFA piling, precast driven piling, rigid inclusions, and vibro stone columns.
- **Specialist Piling and Rail:** restricted access and low headroom piling; extensive rail mounted capability; helical piling and steel modular foundations (ScrewFast); sheet piling, soil nails, and anchors, mini-piling and ground stabilisation projects.
- **Ground Engineering Services:** driven and CFA piling for housebuilders, precast concrete modular foundations (Smartfoot); ground investigation and geotechnical services (Strata Geotechnics).

Rig fleet

The Group operates over 150 rigs, and we continue to invest in the fleet to ensure that our market-leading capability is maintained. Investment decisions prioritise high utilisation and high margin activities where possible.

Knowledge Transfer

Our staff share best practice and technical insight across divisions. Innovations such as Smartfoot and ScrewFast helical piles are developed and applied group-wide. Our unified training and safety culture further drive continuous business improvement and operational consistency. While leadership forums ensure lessons and innovations flow freely between divisions.

Headcount

693



CASE STUDY

ROCK & ALLUVIUM

With rising expectations around safety, regulatory compliance, and assured delivery, we are well positioned to lead the next phase of high-rise residential development in London.

The London residential high-rise sector is undergoing significant change, driven by increased demand and a more complex regulatory environment. The introduction of the Building Safety Regulator (BSR) has introduced stricter requirements for buildings over 18 metres, particularly during design and pre-construction.

Early demonstration of compliance is now essential for planning approval, with heightened expectations around technical assurance and early-stage involvement from specialist contractors.

Whilst the Building Safety Act has caused significant delays to the commencement of numerous schemes in FY2025, our 2023 acquisition of Rock & Alluvium strategically strengthens our ability to meet these new challenges as the government puts in place processes to speed up decisions on new build schemes.

With a proven track record in London and specialist expertise in ground engineering and CFA piling, Rock & Alluvium enhances our capacity to respond to the BSR's new framework.

By engaging early in project design and maintaining in-house delivery control, we can support safer, more compliant, and technically robust outcomes.

This integration enables us to engage earlier in the project life cycle, deliver design-led foundation solutions, and ensure greater certainty in programme delivery.

Rock & Alluvium's strong reputation with Tier 1 contractors further strengthens our presence in this competitive market.



Total capital expenditure in the year was £5.0m (excluding new IFRS 16 leases), of which £3.6m was funded from cash reserves, primarily relating to acquisition of new rigs and some additional investment in the Group's property.

The Group also acquired £2.4m of plant and equipment at fair value (excluding leased assets) as part of the acquisition of Albion Drilling.

Outlook

Van Elle remains in a very strong position to benefit from expected improvements in many of our end markets.

The outlook for UK housebuilding is very strong in the medium term, with the government pledging 1.5 million new homes in the current parliament. For high-rise developments, the recent announcements by the Government to address Building Safety Act delays are encouraging.

In construction we are seeing an increased level of confidence for industrial schemes including logistics, data centres, prisons, schools and hospitals.

In infrastructure, the government's recent Spending Review and 10-year UK Infrastructure Strategy and pipeline, give increased confidence for the sector to be a key driver of growth.

A key area of focus is the energy sector, where there are committed levels of investment and an expected national shortage of skills to deliver planned works in the UK. Van Elle is very well positioned to maximise the opportunity with a large skilled workforce and a broad range of capability to deliver on all ground engineering requirements. Revenues from the energy sector are

expected to reach £40m per annum from FY2027 for 5-10 years, potentially 20% of Group revenues, from less than 5% currently.

Growth in the Rail and Water sectors is also anticipated, as activity levels are expected to accelerate during the CP7 and AMP8 investment cycles.

Key to all the above are the growing number of strategic customer partnerships that the Group has created with its top 5 customers in each sector, supported by frameworks or trading agreements. As a further example, a strategic partnership with VolkerWessels UK has commenced, including the acquisition of the concrete piling assets of Volker Ground Engineering.

The order book has grown to £41.5m as at 30 April 2025 (30 April 2024: £35.1m) and increased further to £52.7m as at 30 June 2025 (30 June 2024: £35.3m).

With exposure to the UK housing and infrastructure markets, our future confidence is supported by an increasing high-quality order book, coupled with a strong pipeline of future opportunities in our key markets.

MARK CUTLER
Chief Executive Officer

30 July 2025

OPERATING REVIEW

GENERAL PILING

What we do

General Piling offers design and construction solutions for our larger rotary, CFA and driven piling projects that don't require restricted access specialist techniques, typically involving deeper and larger diameter piles and complex major project requirements. The division provides solutions under the Van Elle and Rock & Alluvium brands.

Year in review

Revenue decreased by 19% in the year to £46.0m (FY2024: £56.7m), representing 35% of Group revenues.

The General Piling division operates across all of the Group's market segments and has been impacted by weaker market conditions, with limited opportunities for larger scale projects.

Residential sector revenues decreased by 21% compared to the previous year which primarily reflects challenging market conditions in both new build housing and high-rise residential activity. The division has been materially impacted by the Building Safety Act, which has caused delays to start dates of taller residential schemes, significantly impacting profitability, particularly in the London market.

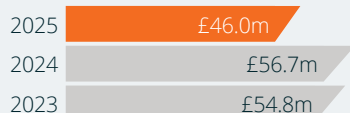
Infrastructure revenue decreased by 23%, primarily due to the previous year benefiting from a large energy-from-waste contract, contributing approximately £7m revenue in H1 FY2024.

The Regional Construction sector has been more broadly impacted by lower confidence in the UK building market and as a result continued to be highly competitive with minimal large-scale opportunities.

Underlying operating profit for the division decreased to £0.6m (FY2024: £5.2m).

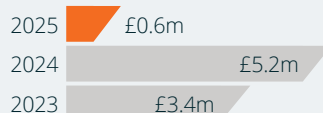
Revenue

£46.0m



Operating profit

£0.6m



Projects

341

SPECIALIST PILING AND RAIL

What we do

The Specialist Piling and Rail segment comprises the Specialist Piling and Rail divisions, which have closely aligned capabilities.

Specialist Piling provides a range of piling and other geotechnical solutions in operationally constrained environments such as inside existing buildings, under bridges and in tunnels and basements, as well as off-track rail environments. Additionally, we offer nails and anchors, drilling and grouting techniques and sheet piling for ground stabilisation projects required for large civil engineering and new-build residential schemes. The division also provides helical pile and steel and modular foundation solutions under the ScrewFast brand.

The Rail division specialises in on-track geotechnical operations across the UK's rail network.

Year in review

Revenue increased by 6% in the year to £46.1m (FY2024: £43.5m), representing 35% of Group revenues.

Specialist Piling activity levels increased by 6% compared to the previous year, reflecting completion of works on the Smart Motorway programme and stronger work-winning compared to a softer comparative period which was impacted by delays to highways work and a decrease in drill and grout activity. Contract margins remained strong due to the highly skilled nature of site works.

In the UK Rail sector, revenue was broadly flat compared to the previous year. The first half of the financial year saw subdued workload as the sector transitioned from CP6 into CP7 but second half activity levels recovered, supported by our operations on the TransPennine Route Upgrade project.

The medium and long-term outlook for the division's work in the infrastructure sector remains very encouraging, with significant growth opportunities in the high-voltage power sector supporting the development of the UK's electricity transmission networks, increased market share and spend as AMP8 in the water sector gains momentum, similar recovery in rail as CP7 spend levels normalise and stable revenues in highways as selected projects move towards construction.

Underlying operating profit for the division increased to £5.3m (FY2024: £2.6m).

Revenue

£46.1m

2025	£46.1m
2024	£43.9m
2023	£46.6m

Operating profit

£5.3m

2025	£5.3m
2024	£2.6m
2023	£2.2m

Projects

544



What we do

Ground Engineering Services comprises the Strata Geotechnics and Housing divisions.

Strata has expertise in drilling, sampling, analysing and reporting ground information to support follow-on design and construction activities.

The Housing division undertakes driven and CFA piling and precast modular foundations (Smartfoot and Smartdeck) for housebuilders.

Year in review

Revenue was broadly consistent with the previous year at £38.1m (FY2024: £38.3m), representing 29% of Group revenues.

Ground Engineering Services consists of the Group’s Housing division and Strata Geotechnics (‘Strata’). The Housing division delivers integrated piling and Smartfoot foundation beam solutions to UK housebuilders. Strata delivers ground investigation, testing and monitoring services.

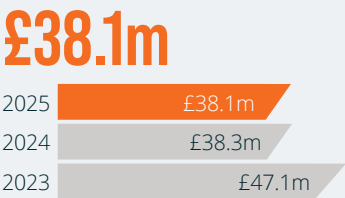
Housing division revenues decreased by approximately 2% compared to the previous year. Whilst the previous financial year was generally impacted by lower new build housing starts, the first quarter of FY2024 delivered very strong revenues (as housebuilders rushed to start projects before the legislation changed), before a decline in activity levels from the second quarter. The housing division is starting to see early signs of market improvement, and we are optimistic of sustained market improvement during FY2026.

Our diverse customer base, with additional exposure to partnership and affordable housing customers, where volumes were affected to a lesser extent, has partially mitigated the impact of the very soft private housebuilding market.

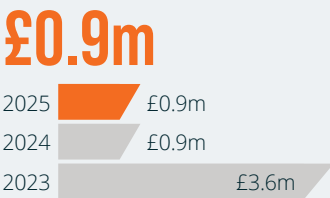
Following subdued activity levels in Strata during the first half of the financial year, strong progress was achieved in the second half with a significant increase in workload from the energy sector in Scotland. FY2025 revenue was slightly ahead of the prior year. Strata has a £30-40m pipeline of opportunities in the energy sector in Scotland over the next three years.

Underlying operating profit for the division was broadly consistent with prior year at £0.9m (FY2024: £0.9m).

Revenue



Operating profit




Projects


903



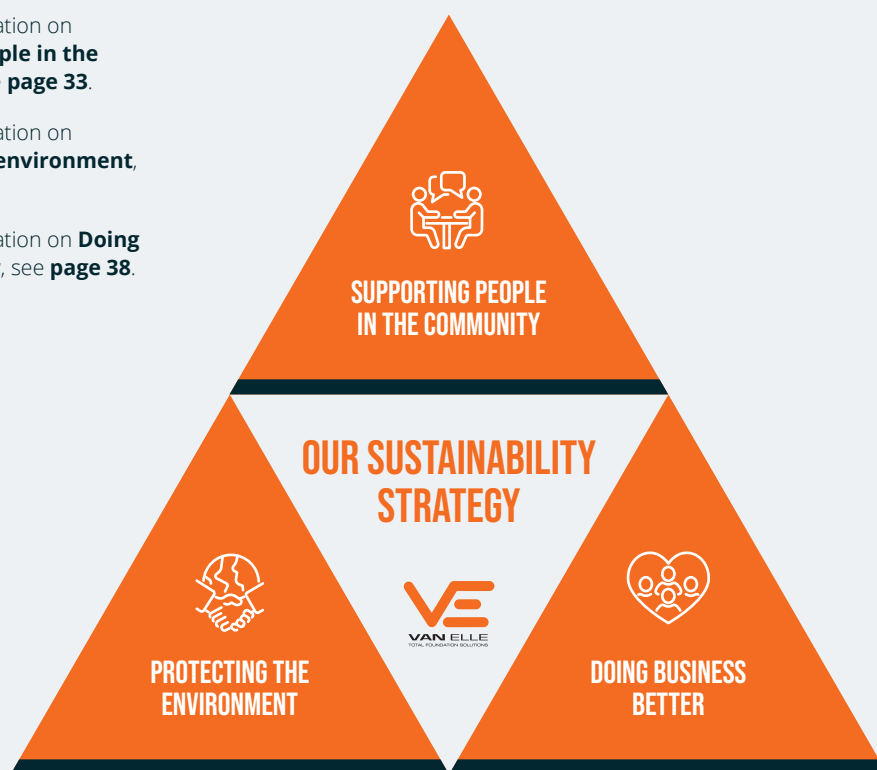
THE SPEED OF DELIVERY OF THE OFFSITE MANUFACTURED SMARTFOOT SYSTEM MEANS THAT THE DIVISION IS WELL-POSITIONED TO SUPPORT FASTER BUILD TIMES WITH FEWER RESOURCES DURING A WIDELY PUBLICISED SKILLS SHORTAGE AND TO RESPOND QUICKLY AS THE MARKET IMPROVES.

SUSTAINABILITY

 For more information on **Supporting people in the community**, see **page 33**.

 For more information on **Protecting the environment**, see **page 36**.

 For more information on **Doing business better**, see **page 38**.



We are committed to acting in a safe, sustainable and responsible manner and recognise this is key to the success and growth of the business and the delivery of our sustainability strategy. This work is beginning to yield benefits in terms of employee engagement, delivery of social value projects, and reduced carbon design and delivery innovations.

Executive summary

FY2025 marked an important year in Van Elle's sustainability journey, as we continued to embed climate-related considerations into our strategic planning, risk management, and daily operations, guided by the Climate-related Financial Disclosures (CFD) framework.

Our sustainability strategy, reviewed annually and aligned with the UN Sustainable Development Goals, is built on three strategic pillars, each based on a key advantage of a more sustainable business: *Supporting People and Communities*, *Doing Business Better*, and *Protecting the Environment*. Each pillar reflects our commitment to long-term value creation through environmental and social responsibility.

We made further progress toward our net zero by 2050 goal, following our decarbonisation roadmap, continuing emissions reporting, and integrating sustainability into our core business. Recent strategic acquisitions have expanded our technical capabilities and positioned us to support clients' transition needs more effectively. At the same time, we continued delivering against financial KPIs, proving that sustainability and profitability are mutually reinforcing.

Organisational resilience was enhanced through streamlined governance, skills development, and digital enablement. Our Sustainability Working Group (SWG) – a cross-functional

team chaired by senior leadership – met quarterly to review key climate issues and advise the Board. Climate risks and opportunities are fully integrated into our risk management framework, which combines top-down oversight with bottom-up operational input.

FY2025 also saw increased investment in low-carbon technologies and modern methods of construction, including low-carbon concrete, electric vehicles, and alternative foundation techniques. Our approach to Early Contractor Involvement (ECI) enabled us to influence sustainable design from the outset and improve infrastructure resilience, aligning with rising customer expectations.

We continue to monitor Scope 1 and 2 emissions across our operations and are developing robust Scope 3 tracking in collaboration with supply chain partners.

Looking ahead, climate-related risks such as extreme weather, regulatory pressures, and resource scarcity pose operational challenges. However, these are matched by opportunities in infrastructure resilience, ESG leadership, and innovation. With a strong foundation, integrated risk strategy, and shared purpose, Van Elle is well-positioned to adapt, lead, and grow in a lower-carbon, more sustainable future.

SUSTAINABILITY continued

SUPPORTING PEOPLE IN THE COMMUNITY



People

Health, safety, and wellbeing

At Van Elle, we are committed to continuously diversifying and enhancing our health and safety culture whilst deepening our understanding of environmental and sustainability requirements. We take pride in achieving a significant safety milestone: two years without a reportable accident (Feb 22 – Feb 24), even as we expand through acquisitions and increase our geographical footprint.

The health, safety, and wellbeing of our employees and contractors are our top priority. We meticulously implement all necessary precautions to protect our employees, fellow contractors, and site visitors. Our Head of Health and Safety is fostering an operations-led safety culture within the organisation and is focused on enhancing the Safety Team's competency, safety reporting, and improving the health and safety culture throughout the Group. This initiative is positively impacting the health and safety of our workforce, as evidenced by improvements across all key performance indicators throughout the year.

We aim to identify risks by implementing leading indicators, and careful review of lagging indicators, to foresee any trends and mitigate future potential hazards by involving our workforce in the creation of detailed risk assessment and method statements. We measure and monitor a balance of reactive and proactive KPIs. All health and safety incidents are recorded and reviewed at a senior level, and extensive safety alerts, toolbox talks, training, and employee briefings are held to refocus the business and continually address, reflect on lessons learnt, and improve performance, understanding behaviours and trends to aid in preventing recurrences.

Our health, safety, quality, and environment managers are embedded within the operational teams and conduct regular internal audits of our health and safety procedures and activities. This ensures our practices are comprehensive and helps identify areas for improvement. We realise the value of our employees, and as such, we prioritise their occupational health and safety above all else, ensuring that they remain medically fit whilst working with us producing excellent results. We are members of the Network Rail Plant Operations Scheme (POS) providers and our Chief Operating Officer has taken the lead of the Federation of Piling Specialists (FPS) as the Chairman and we are also active members of the British Drilling Association (BDA).

We encourage all of our employees to improve their professional career development and we see the value of having a highly trained and competent workforce. As such, we are an accredited CITB, NPORS and CPCPS training provider, delivering health and safety awareness, site supervisor safety training, and site management safety, as well as, plant and equipment training courses to our employees, contractors, and members of the public as and when required.

As an employer, we recognise the importance of mental health awareness and providing easy access to support when it is needed. Our in-house training department delivers mental health awareness courses and has trained mental health first aid staff in the offices and on site. We have set an objective to achieve a trained mental health first aid staff to employee ratio, in accordance with Mental Health First Aid England guidelines. We also operate an Employee Assistance Programme, through which employees and their immediate families can access confidential support services 24 hours a day, 7 days a week.

Health and safety KPIs

Category	FY2023	FY2024	FY2025
Average No. Employees	648	639	693
Observations (Hazards, Near Miss, Feedback Reports)	1,948	2,046	2,114
Environmental Incident	2	4	0
Minor Injury	27	30	24
< 7-Day Lost Time Injury	5	4	4
>7 Day Lost Time Injury (RIDDOR Reportable)	2	0	1
Specified Injury (RIDDOR Reportable)	2	0	1
Dangerous Occurrence (RIDDOR Reportable)	0	1	0
Fatal	0	0	0
RIDDOR Accident Incident Rate (AIR) / 1000 employees	6.22	0.00	3.17
RIDDOR Accident Frequency Rate (AFR) / 100,000 hours	0.19	0.00	0.12

Our safety golden rules

Always

- 1 Make sure you are fit for work.
- 2 STOP if anything changes.
- 3 Ensure exclusion zones are in place around all plant machinery.
- 4 Have a daily briefing and diligently follow the method statement, lifting plan, or permit.

Never

- 1 Use plant or equipment that is unfit for purpose.
- 2 Stand in a position of potential danger.
- 3 Walk by and ignore a hazard or unsafe act.
- 4 Undertake a task for which you are not trained or competent.

SUPPORTING PEOPLE IN THE COMMUNITY



Building a skilled, diverse, and inclusive workforce

In FY2025, we continued to invest in building a skilled, diverse, and future-ready workforce. Our people remain at the core of everything we do, and we remain committed to attracting, developing, and retaining the talent needed to deliver safely and successfully across all areas of our business. We recognise that diversity drives innovation, collaboration, and better outcomes, both on site and across our business functions.

Following the successful launch of our Leadership Development Programme in FY2022, we welcomed a second cohort in FY2025. This intake demonstrated our ongoing commitment to diversity, with 29% of participants being women. The programme continues to focus on upskilling internal talent, and several participants have already progressed into broader leadership roles. We remain dedicated to increasing gender diversity in leadership and will continue to focus on improving this representation in the years ahead.

We also launched our Site Supervisor Programme to strengthen the leadership capabilities of our site management teams. The programme targets 90 supervisors and is delivered in monthly three-day cohorts. To date, nine cohorts have been completed, focusing on practical, real-life scenarios to enhance supervisory skills, site safety, and management practices. This initiative highlights our ongoing commitment to developing leadership within our workforce.

Our commitment to early careers remains a key focus. As active members of The 5% Club, we have continued to expand our “earn and learn” opportunities through apprenticeships, graduate schemes, and sponsored placements across the business. As of April 2025, 6% of our workforce were in earn-and-learn roles, demonstrating our sustained commitment to building long-term career pathways.

In addition, we have strengthened our outreach efforts by actively engaging with local schools, colleges, and universities, attending career events, and promoting the diverse opportunities within the construction sector. This ongoing engagement helps us connect with a wider talent pool and build a future-ready workforce.

Our commitment to a skilled, diverse, and inclusive workforce ensures we are not only future-ready and resilient but also aligned with our clients’ values and the evolving expectations of the industry.

To ensure all employees feel supported and valued, our Equality, Diversity, and Inclusion (EDI) working group continued to deliver against our strategic action plan. Key priorities included embedding inclusive leadership practices and reviewing policies to ensure alignment with our values and launching the Respect Campaign. This initiative, introduced during National Inclusion Week 2024, aims to foster a workplace culture of mutual respect and understanding by outlining clear behavioural expectations and empowering colleagues to uphold these standards. We remain focused on creating a workplace that is free from discrimination and harassment, and where everyone feels a sense of belonging.

Through these efforts, we are developing the skills and leadership we need for the future, whilst creating a more inclusive and sustainable workforce for the long term.

Engagement

We are proud to have maintained our Investors in People Silver accreditation, recognising our commitment to high performance through excellent people management, continuous improvement, and a culture of empowerment and trust.

Engaging and supporting our people remained a top priority throughout FY2025, as we recognise that an engaged workforce is essential to our continued success, safety, and culture. This year, we built on our engagement efforts with a combination of communication, recognition, development, and wellbeing initiatives aimed at strengthening connection and alignment across the business.

Supporting the wellbeing of our people continued to be a key focus. We provided access to mental health first aiders, Employee Assistance Programme (EAP) services, and ran dedicated campaigns focused on stress awareness, overall wellbeing, and physical health. Our EDI working group also played an important role in fostering inclusive engagement, ensuring that every voice is heard and respected.

To improve communication, we introduced a monthly newsletter specifically for our site-based employees, designed to provide tailored updates, highlight key initiatives, and share relevant information. We also continued with regular updates and toolbox talks for these teams. These efforts, informed by employee feedback, helped build trust and reinforce business priorities.

People KPIs

Category	
Voluntary attrition rate	12.7%
Number of apprentices and trainees	36

Supporting local communities

This year, we continued to engage meaningfully with local communities, reinforcing our dedication to creating social value and long-term positive impact. Leveraging our extensive industry knowledge, we aim to leave a lasting legacy through education, engagement, and community support.

We continue to encourage all employees to participate in community projects, with a Group-wide goal for each individual to dedicate at least two hours annually to volunteering. Our teams took part in a variety of initiatives focused on improving both local environments and the quality of life for individuals. Activities included litter picking, gardening, and renovating community centres. These efforts reflect our ongoing mission to give back to the areas where we work and live, ensuring that our contributions benefit both people and the planet.

We continue to collaborate with schools, colleges, and universities to raise awareness of careers in construction, engineering, and geotechnical services. Through school visits and educational partnerships, we help promote these career paths, offer work experience opportunities, and inspire young people to pursue careers in our industry.

Each year, we support a chosen “charity of the year.” In 2025, we selected the Children’s Brain Tumour Research Centre (CBTRC). Since 1997, CBTRC has led research to improve diagnosis and develop safer, more effective treatments for childhood brain tumours, including clinical trials and global collaborations. Alongside salary sacrifice schemes, we encouraged employees to participate in fundraising initiatives, raising over £11,000 for the charity. This demonstrates our ongoing commitment to supporting important causes beyond the workplace.

SUSTAINABILITY IN ACTION

SUPPORTING FUTURE TALENT AND PROMOTING DIVERSITY ACROSS OUR INDUSTRY

At Van Elle, we are dedicated to inspiring the next generation of professionals. We actively support key events such as World Engineering Day, Women in Science, National Careers Week, National Apprenticeship Week, and Women in Engineering, highlighting the diverse career opportunities within construction and engineering.

During National Careers Week, we showcased various roles across the business and highlighted multiple generations of employees who have built careers with us. National Apprenticeship Week emphasised apprenticeships as a valuable route to professional development.

We also support Women in Engineering and Women in Science, promoting gender diversity by showcasing female role models and encouraging more young women to pursue careers in our industry.

These efforts contribute to a more inclusive, skilled, and diverse workforce, inspiring the next generation to explore rewarding careers across our sector.

SUSTAINABILITY IN ACTION

PROMOTING RAILWAY SAFETY WITH SCOUTS

As part of our commitment to community engagement and social responsibility, Van Elle delivered a Rail Safety Talk to the 1st Ripley Scout Group Cubs, focusing on the Cubs’ Personal Safety badge.

With our expertise in the railway industry, we understand the importance of safety in this environment. The Cubs (aged 8–10.5) were educated on the dangers of railways through an interactive session, where they learned about train speeds and the importance of never trespassing on railway infrastructure. One key activity involved the Cubs attempting to run at the speed of a train, helping them understand the incredible speed and quietness of approaching trains.

The session was well received, with fantastic feedback from both the Cubs and their parents. By engaging in activities like this, we aim to create a safer, more informed community and foster a sense of responsibility amongst the younger generation.



PROTECTING THE ENVIRONMENT



Policies

The Board recognises its responsibility for establishing responsible and sustainable business practices, ensuring the safeguarding of both the environment and stakeholders. We have several established policies in place that underpin our operations to support our sustainable and responsible approach. These include anti-bribery and corruption, health and safety, environmental protection, sustainable development, quality assurance, anti-fraud and tax evasion, equality, diversity and inclusion, training and development, whistleblowing, and modern slavery. Regular training on key policies is undertaken by all employees to support compliance with high standards of business conduct.

Sustainability strategy

Van Elle has implemented a sustainability strategy, aligned with the UN Sustainable Development Goals ("SDGs") that are applicable to the business operations. We recognise that our core operations rely on energy-intensive materials such as cement and steel. These industries are moving fast and making significant progress in developing cleaner technology for their manufacturing and operational processes.

Our objective is to be at the forefront of developments, spearheading the move to a low carbon construction industry. We are aware that our manufacturing and on-site operations have an impact on the generation of greenhouse gas (GHG) emissions, mainly due to requirements for fossil fuels and carbon intensive materials. We understand we must act now to start reducing our GHG emissions, which will also bring opportunities for innovation and efficiency across the Group, hence we have shown a commitment to net zero and are building a strategic plan to decarbonise our operations. This strategic plan includes goals, targets, performance indicators, and responsible leads. We aim to measure our strategy against the indicators yearly so we can monitor our performance and identify improvement measures.

Our long-term net zero by 2050 commitment is supported in the medium term by a roadmap to 2030 which provides a clear strategic pathway to a 30% reduction in our greenhouse gas emissions from a 2020 baseline.

We record and report our Scope 1 and 2 emissions and have gathered an inventory of the sources contributing to our direct and indirect carbon emissions according to the GHG Protocol. The main footprint of our operations results from fuel consumption for our plant and fleet (>95%). Within our Scope 1 emissions, our plant fuel consumption represents around 80% of our carbon emissions compared to our fleet-related emissions. Our Scope 2 emissions represent less than 5% of our carbon footprint.

The Federation of Piling Specialists (FPS) Sustainability Charter is a summary of the key actions the governing body has committed to on behalf of its members. FPS member audits are now based on this charter, and the results are collated and anonymously reported back to its members on an annual basis. A key driver of the sustainability charter is that for all projects over £1m we are required to provide Scope 1, 2, and 3 emission data to the FPS. This has prepared us well for the capture and reporting of Scope 3 emissions once this becomes mandatory.

We are actively engaging with our supply partners to understand the GHG emissions arising from the materials and services with which they provide us. We acknowledge that to achieve our net zero commitment, we need to identify and monitor the emissions

of our suppliers. Since 2022 we have implemented a strong focus on sustainable procurement practices by continuously monitoring suppliers against responsible sourcing standards. We have also implemented a new process to register suppliers, which includes a sustainability scoring system.

Additionally, we are engaging with our suppliers and have provided lunch-and-learn sessions and open days to promote sustainable practices and technology that will benefit Group operations and support our ultimate net zero goal. Furthermore, we will implement the ISO 20400 for Sustainable Procurement across the business to ensure all our procurement practices are aligned to international standards.

As fuel consumption is the main contributor to our Scope 1 emissions, we have a strong focus on assessing transitional ways to reduce emissions whilst technology is developed to reach reduction targets. Our company car scheme now includes more hybrid and electric cars, which gives employees options to choose from lower emissions vehicles. In addition, our Head Office and Plant Operational Base has installed electric chargers for employee use.

Emissions reduction against our Scope 2 figure has been achieved by a new purchase agreement for grid electricity from 100% renewable sources. The electricity supplied is certified under the Renewable Energy Guarantees of Origin ("REGO") scheme which provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

In addition, we are ESOS phase 2 compliant, currently drafting our phase 3 compliance submission, and are in the process of achieving ISO 50001 Energy Management certification.

We understand that estimating GHG emissions at the design stage of the projects is key to reducing the overall carbon footprint of a project. Estimators, designers, and engineers use carbon tool calculators such as the EFCF-DFI Carbon Calculator for projects so we are able to identify in which stage of the operations we can introduce best available practice or technology to reduce the associated GHG emissions.

Collaborative practice is vital to our business. We have systems in place to ensure we work responsibly to minimise any environmental impact that may occur within the local communities in which we work. Additionally, we take every opportunity to add social value to our activities, building a positive legacy in the areas surrounding our projects, and understand that working in partnership with communities can deliver lasting benefits for our stakeholders. Community engagement is aligned with our Trusted Partnership and Perfect Delivery mission. We recognise that a robust sustainability strategy is increasingly important to our customers and stakeholders.

Customer requirements and expectations around sustainability are progressively more important and carry a higher weighting in the bidding process; therefore key to our sustainability strategy is engagement with and participation in innovation projects with stakeholders. We are trialling battery-powered electric tools as opposed to fuel-powered tools in the aim to include more sustainable equipment in our operations. We are also involved in the trial of low carbon concrete (i.e., graphene admixtures) in our precast operations. Our near-term roadmap to 2030 includes involvement in trials of hybrid machinery and fleet such as hydrogen/diesel or hydrogen alone where technology is available.

SUSTAINABILITY IN ACTION

Reducing carbon

This year, Van Elle developed and deployed a new range of modular, standardised foundation solutions for water treatment facilities.

Designed to support structures like vessels, filters, pump stations, kiosks, pipe bridges, and tanks, these systems significantly reduce on-site construction time, improve safety, and lower carbon emissions.

Manufactured off-site to BS EN1090 standards, the solutions remove the need for traditional concrete foundations. This eliminates excavation, reinforcement, concrete pours, and long curing times, whilst also reducing waste and plant movements.

Installation is carried out using standard tracked excavators, removing the need for piling rigs and most temporary works.

In one example, replacing a traditional concrete piled foundation with a modular steel grillage supported by helical piles reduced tCO₂e by 41%. Across an entire site, the carbon savings are even greater. In typical applications, Van Elle's system can reduce carbon emissions by up to 70%.

These solutions not only support carbon reduction goals but also create programme savings, improve safety, and enable faster, more sustainable delivery at scale.



DOING BUSINESS BETTER



FY2025 marked a pivotal year in our journey toward long-term sustainability, resilience, and responsible growth. Guided by our commitment to the Climate-related Financial Disclosures (CFD) framework, we have continued to embed climate-related considerations into our strategic decision-making, risk management, and operational execution. This year's disclosure reflects our progress across four core strategic pillars, offering a comprehensive overview of the ways in which we manage our sustainability responsibilities, and details our sustainability performance for the period.

Our sustainability objectives are aligned with our business model, which is based on four core pillars:

- Continuous business improvement
- Foundations for growth
- Diversified portfolio
- Sustainable market leadership

Continuous Business Improvement

In an increasingly complex and fast-changing business environment, continuous business improvement is essential. In FY2025, we delivered meaningful improvements in operational performance through process optimisation, digital enablement, and enhanced supply chain resilience. Our strengthened commercial approach has enabled us to better anticipate customer needs, respond to market dynamics, and capture new opportunities.

We have also made significant progress in improving compliance and governance, ensuring that our climate-related disclosures, risk assessments, and internal controls meet the highest standards of integrity and accountability. Cost efficiency and overhead reduction initiatives have contributed to improved margins, which, in combination, position us to respond effectively to both climate-related risks and broader economic uncertainties.

Foundations for Growth

We have laid strong foundations to support our long-term growth aspirations by investing in the skills, infrastructure, and leadership needed to thrive in a rapidly evolving market. FY2025 saw the expansion of our training and development programmes, with a focus on equipping our people with the capabilities required to lead in a low-carbon, digitally enabled economy. We also invested in modernising our facilities to improve operational efficiency and environmental performance.

Organisational simplification has been a key enabler of foundation for growth and focus. By streamlining our structure and clarifying accountabilities, we have improved decision-making and responsiveness. Enhanced leadership development and employee engagement initiatives have fostered a more inclusive, empowered, and purpose-driven culture. These efforts are critical to attracting and retaining top talent, and to ensuring that our workforce is aligned with our sustainability goals.

Diversified Portfolio

Our diversified portfolio is a key source of resilience and competitive advantage. In FY2025, we raised our brand profile and deepened relationships with key customers in our target sectors, positioning ourselves as a trusted partner in delivering long-term, sustainable value. Our innovation agenda has focused on developing differentiated, climate-aligned solutions that address the evolving needs of our clients and communities.

We have laid robust foundations for future growth by investing in our brand, expanding our specialist capabilities, and pursuing strategic acquisitions that align with our sustainability objectives. Our enhanced brand profile reflects our evolving identity as a forward-thinking, climate-conscious organisation. We have deepened our expertise in key areas such as low-carbon technologies, sustainable supply chains, and data-driven environmental analytics. These capabilities are critical to supporting our clients' transition journeys and positioning us as a partner of choice in a rapidly changing market. Additionally, we have continued to invest in our people, equipping them with the skills and tools needed to thrive in a low-carbon economy.

Sustainable Market Leadership

Our ambition to lead in sustainable markets is grounded in a clear long-term vision: to achieve net zero carbon emissions by 2050. In FY2025, we made significant strides toward this goal by accelerating our decarbonisation roadmap, investing in low-carbon technologies, and enhancing transparency in our emissions reporting. We have implemented targeted initiatives to reduce our environmental footprint across operations, supply chains, and customer solutions, whilst also engaging stakeholders in collaborative climate action.

Recent strategic acquisitions have strengthened our end-to-end service offering, enabling us to deliver more integrated, sustainable solutions to our customers. These acquisitions not only expand our technical capabilities but also reinforce our ability to support clients in their own transition journeys, and provide a pipeline of future opportunities. Our continued delivery against medium-term financial KPIs – such as revenue growth, margin improvement, and return on capital – demonstrates that sustainability and financial performance are not mutually exclusive, but rather mutually reinforcing.

Looking ahead

As we reflect on FY2025, we are proud of the progress we have made, but we are also clear about the challenges that lie ahead. The transition to a net zero economy will require continued innovation, investment, and collaboration. We remain committed to aligning our strategy with the climate-related financial disclosure framework and holding ourselves accountable to ambitious sustainability targets.

Our four strategic pillars, Sustainable Market Leadership, Foundations for Growth, Continuous Business Improvement, and a Diversified Portfolio, provide a clear roadmap for navigating this transition. They reflect our belief that sustainability is not a separate agenda, but a core driver of long-term value creation. With a strong foundation, a clear direction, and a shared sense of purpose, we are confident in our ability to lead, adapt, and grow in a changing world.

SUSTAINABILITY IN ACTION

INVESTING IN LEADERSHIP FOR A STRONGER FUTURE

In 2024, we launched the second cohort of our Leadership Development Programme, building on the success of the first group in 2022. This 18-month initiative is designed to equip current and future leaders with the practical skills and confidence needed to thrive in the construction industry.

The programme focuses on core leadership competencies such as communication, problem-solving, and decision-making, with additional training in coaching, negotiation, and conflict resolution. By fostering a strong and diverse leadership pipeline, we're investing in our people's long-term growth and strengthening our organisational resilience.

SUSTAINABILITY IN ACTION

BUILDING STRONGER LEADERSHIP THROUGH OUR ONGOING SITE SUPERVISOR PROGRAMME

To strengthen site leadership and improve management practices, we launched our Site Supervisor Programme to support the professional development of our site teams. The initiative addresses a recognised gap in formal training for those stepping into supervisory roles.

Backed by CITB funding, the programme targets 90 supervisors across the business and is delivered in monthly three-day blocks with ten participants per cohort. Developed with input from operational leads, Directors, and HSE teams, the training is highly practical and scenario-based, focusing on real-world challenges and responsibilities.

This ongoing, structured learning approach replaces traditional on-the-job development with a consistent framework, helping to enhance site safety, standardise leadership skills, and build stronger management capability across the business.



CLIMATE-RELATED FINANCIAL DISCLOSURES (CFD)

We are committed to compliance with the new climate-related financial disclosure requirements, providing our stakeholders with transparent information on climate-related risks and opportunities that are relevant to our business.

Our strategy focuses on improving our operations as well as the positive impact we can have on our clients, supply chain, and the communities we work in to minimise our carbon footprint and promote more sustainable living.

The Group has made some disclosures that are only partially consistent with the disclosure requirements as the Group continues to develop its sustainability strategy and roadmap to net zero. The Group will continue to draw upon technical guidance to further strengthen its disclosures in future years as our journey progresses.

The following table summarises our disclosures:

Disclosures	
Governance	
(a) Describe the Board's oversight of climate-related risks and opportunities.	<p>Climate-related risks and opportunities are reviewed by the Board in quarterly strategy sessions, and are updated in the risk review of the annual report.</p> <p>At Van Elle, the Board maintains overall accountability for setting the strategic direction and oversight of the Environmental, Social, and Governance (ESG) agenda. The Chief Executive Officer holds ultimate responsibility for the execution of the ESG strategy and delegates the management of ESG matters, including climate-related risks and opportunities, to the Sustainability Working Group (SWG).</p> <p>The SWG was established to drive the delivery of our sustainability commitments and ensure comprehensive oversight of progress across the business. Comprising representatives from all departments within the Group, the SWG reflects a diverse and engaged cross-section of our workforce, united by a shared passion for sustainability. Chaired by a member of the Executive Leadership Team, the Group plays a key role in evaluating the implementation of our sustainability values and ensuring Van Elle remains at the forefront of environmental and social responsibility within the construction industry.</p> <p>The SWG meets quarterly, ahead of each Board meeting, to review and discuss key sustainability topics. These include ongoing projects, emerging risks and opportunities, and evolving legislative and reporting requirements. Insights and outcomes from these discussions are integrated into the Group's risk and opportunity register, ensuring alignment with strategic priorities and regulatory expectations.</p> <p>A cornerstone of our sustainability strategy is the accurate measurement and reporting of GHG emissions. The SWG plays a central role in exploring ideas and solutions to enhance both the reduction and precise calculation of climate-related greenhouse gas (GHG) emissions, whilst also monitoring industry trends and benchmarks. Scope 1 and Scope 2 emissions are currently tracked using emissions calculators and are consolidated by the Group's departments. Scope 3 emissions, which encompass indirect impacts, are to be monitored through collaboration with our supply chain and insights from the wider industry, following a rebasement process.</p> <p>The outcomes of the SWG meetings are formally minuted and reported to the Board through the Executive Team sponsor. Notable contributions from the SWG in recent years include the integration of Scope 1 and 2 emissions impact assessments into all capital expenditure (CapEx) reviews. Additionally, the SWG has had input into the evaluation of potential acquisitions, looking at areas such as sustainability performance and alignment with our sustainability strategy.</p>

Disclosures

Governance

(b) Describe management's role in assessing and managing climate-related risks and opportunities.

We remain committed to the Federation of Piling Specialists (FPS) Sustainability Charter, which outlines the key sustainability actions endorsed by the governing body on behalf of its members. A designated representative from Van Elle attends the FPS Sustainability Working Group on a quarterly basis and reports key updates and insights back to our internal SWG. Compliance with the Charter is assessed through FPS member audits, with results collated and monitored by the FPS. For all projects exceeding £1m in value, we are required to submit Scope 1, 2, and 3 emissions data to the FPS. Additionally, all Scope 1 and 2 emissions are reported to the FPS on a quarterly basis.

We continue to actively participate as gold-level members of the Supply Chain Sustainability School – an industry-leading platform for knowledge sharing and collaboration focused on advancing a sustainable built environment. The School offers a comprehensive library of resources covering a wide range of sustainability topics, all designed to support continuous professional development (CPD). This valuable learning package is accessible to all employees, empowering individuals across the business to take ownership of sustainability initiatives and embed best practices into their daily work.

Weekly divisional meetings include a dedicated sustainability agenda item to foster awareness and action on climate-related opportunities. This initiative aims to encourage teams to identify and propose innovative, environmentally conscious business ideas that align with our broader sustainability goals. Each proposal will be evaluated for its potential impact and feasibility, with promising cases escalated to the SWG for further review and potential implementation. By embedding sustainability into our regular discussions, we aim to cultivate a culture of environmental responsibility and strategic thinking across all divisions.

Strategy

(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Our sustainability strategy is reviewed and refreshed annually, and is grounded in the principles of the United Nations Sustainable Development Goals (SDGs), established in 2015. This framework guides our long term vision, and ensures alignment with global sustainability priorities. The strategy addresses both emerging risks and evolving opportunities, reflecting our commitment to responsible growth and environmental stewardship. Currently identified risks and opportunities include:

Risks

- Lack of investor appetite for business without a clear ESG strategy.
- Increased focus on ESG by our customers could result in loss of market share if ESG is not prioritised.
- Acquisition of assets which deliver carbon output reduction are likely to be more expensive.
- Delivering carbon reduction requires significant internal resources and higher spend.
- Business interruption due to increased chance of extreme climate events.
- Stagnation of product offerings and lack of innovation could result in lost market share.
- Investment in plant needed to meet NRMM regulations.

Opportunities

- Increased spend by our customers on infrastructure resilience to combat the effects of extreme climate events.
- Leading on ESG is likely to be attractive to investors and customers.
- Increased focus on efficiency and waste reduction in the business leading to cost savings.
- Investment in more efficient and advanced plant will make us more attractive to customers and provide higher returns.
- Our actions around climate-related matters enable us to uncover new solutions and innovations to enable us to be ahead of our competitors.

Our sustainability strategy is purposefully crafted to proactively assess and address the potential impacts of sustainability factors, including climate-related risks, on our business operations. This forward-looking approach enables us to identify challenges early, seize emerging opportunities, and build long-term resilience across our organisation.

CLIMATE-RELATED FINANCIAL DISCLOSURES (CFD) continued

Disclosures

Strategy

(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Identifying and evaluating climate-related risks and opportunities has driven our business to take proactive steps in managing, mitigating, and reducing potential threats, whilst also leveraging opportunities for innovation and growth. As a publicly listed company, we continue to observe increasing expectations from institutional investors for robust ESG performance and tangible climate action. In response, every department across the organisation is actively championing low-carbon solutions for our customers, with strategic guidance and support from the SWG. Our approach to foundation design and delivery is evolving, with a growing emphasis on modern methods of construction and sustainable alternatives. This includes increased adoption of lower-carbon foundation techniques such as Vibro Stone Columns and Rigid Inclusions, as well as the use of low-carbon concrete alternatives like GGBS cement replacements and graphene-enhanced additives.

Early Contractor Involvement (ECI) in major infrastructure projects is playing a pivotal role in enhancing the efficiency and sustainability of design and delivery processes. This collaborative approach not only helps futureproof critical infrastructure but also supports the evolving expectations of government-backed clients for greener, more resilient solutions. By strengthening client relationships through ECI, we are better positioned to manage risks and unlock new opportunities related to sustainability and GHG emissions reduction. Internally, there is a growing momentum amongst our employees, as reflected in feedback to the SWG and during our recent Sustainability Open Day. Colleagues across the business are increasingly looking to us to lead on sustainability and are actively engaging in working groups and initiatives where they can contribute personally. Initiatives such as the continued rollout of electric vehicles across all levels of our company car scheme, along with the installation of EV charging points at multiple sites, have been especially well received.

The business' financial planning strategy – covering both short-term operations and long-term growth – integrates the potential effects of investing in carbon reduction initiatives. Capital investments in plant and facilities are progressively directed toward sustainability, emphasising low-emission technologies and solutions that minimise environmental impact. This shift reflects a broader commitment to aligning financial decisions with environmental responsibility and long-term resilience.

Sustainability-driven business improvement ideas are actively encouraged from all areas of the organisation. These ideas are evaluated and prioritised by the Business Improvement Manager, who curates a shortlist of the most impactful initiatives. Selected projects are then assigned to dedicated leads and progress is reviewed regularly.

(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.

We have identified a number of risks and opportunities stemming from a variety of climate-related scenarios, including a 2°C or lower scenario. These include both acute and chronic risks and opportunities.

Acute risks to the business include extreme weather events such as heatwaves, cold snaps, flooding, droughts, and storms, as well as disruptions to power and communication networks, water shortages and quality concerns, and infrastructure failures including track buckling, structural degradation, and subsidence. Beyond these climate-related threats, we are also proactively planning for other ESG-related disruptions, including industrial action and potential future pandemics.

These acute risks also present strategic opportunities, particularly in relation to infrastructure failure. Given that track, road, and power distribution renewals already form a core part of our business, the heightened vulnerability of these assets is likely to drive increased investment from our customers, creating further demand for our services.

Chronic risks associated with climate-related scenarios include resource scarcity, shortages in skilled labour, and rising costs of materials, fuel, and essential services. Additionally, businesses face increasing financial pressure to comply with more stringent climate regulations. There are also growing costs linked to providing appropriate PPE, training, and safety equipment for the workforce, as well as the need to adapt operations in response to fundamental changes in transportation processes.

There are several strategies in place to mitigate these chronic risks. A strong emphasis on staff retention, combined with ongoing education and development, helps address the shortage of skilled workers whilst fostering a culture of innovation and adaptability. The typically short lead-in times for most of our contracts allow us to incorporate supply chain fluctuations into our pricing models, enabling proactive management of severe cost variations.

For longer-term projects, we implement contractual safeguards that protect the business from price volatility whilst still delivering cutting-edge and flexible solutions to our clients. Strengthening client relationships also enhances visibility of upcoming work, supporting more accurate forecasting of procurement needs. Additionally, deepening our partnerships with key suppliers builds resilience during periods of material or service shortages and helps buffer against sharp cost increases.

Disclosures

Risk management

(a) Describe the organisation's processes for identifying and assessing climate-related risks.

Risk within the business is managed through a dual approach: a top-down oversight from the Board via the Audit and Risk Committee, and a bottom-up input from operational delivery and business-as-usual teams. High-level risks are actively monitored by the Audit and Risk Committee, which evaluates the effectiveness of the Group's risk management systems, controls, and procedures.

Regular consultation between the Audit and Risk Committee and operational teams ensures alignment and consistency across all business divisions. The Group also employs an IEMA-accredited Quality Manager and Assistant Quality Manager, who are responsible for identifying and managing environmental risks and opportunities. These roles report to the SWG through the HSQE Manager, ensuring environmental considerations are integrated into the broader risk management strategy.

The identification of climate-related risks is led by the SWG, which brings together subject matter experts from across the organisation. The SWG ensures a consistent and coordinated approach to climate risk management across all business functions and levels.

Industry best practices, including guidance from bodies such as the Federation of Piling Specialists (FPS) and key customers, are integrated into the Group's strategy through the SWG. The Board reviews the SWG's work on a quarterly basis, with its findings directly informing budget planning, capital investment decisions, and the strategic direction of supply chain partnerships.

(b) Describe the organisation's processes for managing climate-related risks.

Our risk management framework provides a robust and effective approach to identifying, prioritising, and managing risks across the business. The Group operates through a divisional structure for project delivery, supported by centralised services such as procurement, HSQE, plant, and transport.

Each divisional and functional manager is responsible for managing sustainability risks within their day-to-day operations, following processes aligned with those used for safety and quality management. Risks are recorded within our Integrated Management System using approved method statements, risk registers, and Inspection and Test Plans (ITPs), and are subject to regular progress reviews.

This process is supported by the Quality Manager and the SWG, and is underpinned by the deployment of competent personnel and effective supervision.

(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Environmental risk management is fully embedded within our overarching risk management strategy, rather than treated as a separate process. It is routinely reviewed by the business-as-usual team, with support from the SWG and the Quality Manager. This integrated approach ensures that risks identified through our sustainability strategy, the SWG, and specific project-related environmental assessments are systematically incorporated into our risk identification, evaluation, and management processes.

An annual formal review of Group-wide risks is conducted by the Finance Director and the Commercial Director, with outcomes documented in the Group's annual report. Additionally, a comprehensive review of the Integrated Management System is carried out each year to ensure alignment with the latest information and continued compliance with our ISO accreditations.

Audit procedures have also been updated to include the review of climate-related risks within the Group's policies and operational processes.

CLIMATE-RELATED FINANCIAL DISCLOSURES (CFD) continued

Disclosures

Metrics and Targets

(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with the Group's strategy and risk management process.

We are targeting reductions in our Scope 1 and 2 greenhouse gas emissions against a 2020 baseline. This baseline has informed the development of our CO₂ reduction roadmap through to 2030, aligning with our long-term commitment to achieving net zero emissions by 2050.

(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.

We have maintained our position in Absolute Tonnes Equivalent CO₂e per £m of Revenue as our Group intensity measurement. Looking forwards, we have a number of initiatives to reduce our emissions, with a particular focus on Scope 3, which we foresee as the area where we will see the largest reduction in emissions, enabling us to both meet our targets and better protect the environment. This year has been the first full year of our electric vehicle charging points at our Head Office, used by guests and staff that have opted for electric company cars, to promote lower emission travel, however there has been a small resulting increase in our electricity usage.

GHG emissions from:	Tonnes of CO ₂ e 2025	Tonnes of CO ₂ e 2024
Scope 1 – combustion of gas and fuel for transport and rig operation	8,094	8,567
Scope 2 – purchase of electricity	292	242
Total CO ₂ e emissions	8,386	8,809
Intensity measurements:	2025	2024
Absolute tonnes equivalent CO ₂ e per £m of revenue	63	63
Energy usage from:	2025	2024
Scope 1	32,279	34,053
Scope 2	1,411	1,168
Total	33,690	35,221

We have taken the decision to re-baseline our GHG emissions on FY2024. This is due to a number of recent acquisitions and geographical expansion of the business, as well as the sale of our Heavy Goods Haulage fleet. The new baseline, which will include our Scope 3 emissions for the first time, will set us on a strong course for meeting our 30% reduction by 2030 commitment. We are currently setting up our processes to accurately measure our Scope 3 emissions, working closely with our supply chain to gather carbon data on the products we use. We are re-committing to SBTi as a result of re-baselining the Group emissions and will be validating our targets in FY2026.

(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

We continue to monitor and record our Scope 1 and 2 emissions and are actively pursuing solutions, including in collaboration with our supply partners, to minimise our Scope 3 emissions.

In addition, we have mapped out our net zero journey. This is shared across the business via the intranet and notice boards in our offices. The sustainability section of our website includes this roadmap and current performance against our sustainability plan and commitments. Members of the SWG, supporting documents, and meeting minutes are also available here.

We have aligned our vision with the United Nations Sustainable Development Goals, and these metrics inform our strategy towards this goal. Our focus on Doing Business Better supports SDG 17 (Partnerships for the Goals), whilst our commitment to Supporting People and Communities aligns with goals such as SDG 3 (Good Health and Wellbeing) and SDG 8 (Decent Work and Economic Growth). Meanwhile, our efforts in Protecting the Environment directly contribute to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). By integrating these goals into our operations, we ensure our strategy not only drives business success but also contributes meaningfully to global sustainable development.



THIS YEAR HAS BEEN THE FIRST FULL YEAR OF OUR ELECTRIC VEHICLE CHARGING POINTS AT OUR HEAD OFFICE, USED BY GUESTS AND STAFF THAT HAVE OPTED FOR ELECTRIC COMPANY CARS, TO PROMOTE LOWER EMISSION TRAVEL.

Source: Image from Natural Resources Wales following completion of grouting works.

SECTION 172/ENGAGING WITH OUR STAKEHOLDERS

HOW WE ENGAGE WITH OUR STAKEHOLDERS

In performing their duty under S172(1) of the Companies Act 2006, the Board ensures that the impact on our stakeholders is carefully considered by management when formulating all proposals requiring Board approval.

Our approach to stakeholder engagement

Stakeholder	Key concerns	Engagement
Shareholders	<ul style="list-style-type: none"> Group performance Strategic objectives Corporate governance Environmental, social and governance performance Share price 	<ul style="list-style-type: none"> A comprehensive investor relations programme ensures regular meetings are held between major Shareholders and the Executive Directors Investor roadshows are held at the time of interim and final results Presentation of the interim and final results, as well as other significant events are held via Investor Meet Company for potential institutional and retail investors Regular trading updates including updates for significant events are made throughout the year The Annual General Meeting provides an opportunity for Shareholders to meet with the Board and ask questions
Employees	<ul style="list-style-type: none"> Health and safety Engagement and development Diversity Leadership 	<ul style="list-style-type: none"> The Board receives and reviews monthly health and safety performance reports Annual performance appraisals, which include a personal development review, are undertaken for all staff during the year The Group operates a leadership development programme with a structured programme of development for the cohort of employees with potential to be future business leaders The Group leadership team conducts periodic Group-wide briefings to share key information with employees A monthly Company newsletter "Grounded" is issued to keep employees well informed An annual employee engagement survey is used to collate employee views and drive change Regular senior manager site visits are conducted to understand the experience of on-site operational staff All whistleblowing reports and grievances are investigated, and appropriate changes implemented to help prevent reoccurrence
Customers	<ul style="list-style-type: none"> Customer engagement Quality and service level Innovative contract delivery 	<ul style="list-style-type: none"> Regular meetings are held between senior management and key customers to develop long-term relationships Managers undertake site visits regularly to manage quality and service levels on ongoing contracts Customer experience scores are reported internally and used as part of lessons learned sessions to drive continual improvement Teams work collaboratively with customers to develop design solutions that enable customers' aspirations to be fulfilled
Suppliers	<ul style="list-style-type: none"> Strong supplier relationships Continuity of supply Financial strength and stability 	<ul style="list-style-type: none"> Regular review meetings are held between senior management and key suppliers to discuss relevant topics, such as pricing, supply continuity, and service levels Focus is placed on developing key strategic supplier partnerships The Group's funding structure and balance sheet strength is kept under constant review to ensure suppliers are paid in accordance with agreed terms and to ensure sufficient working capital management throughout the supply chain
Community	<ul style="list-style-type: none"> Health and safety Contribution to the community Sustainability 	<ul style="list-style-type: none"> A significant apprenticeship scheme is embedded within the organisation as the Group aims to have 5% of our total staff employed as graduates, apprentices or trainees The Group aims to recruit locally, retain a skilled local workforce and build relationships with local community organisations The Group supports a different local charity each year based on employee nominations Employees engage in various community events including litter picking, delivering STEM sessions in schools, and donating goods to local community groups

Stakeholder	Key concerns	Engagement
Government and regulatory/ industry bodies	<ul style="list-style-type: none"> Compliance with laws and regulations Upholding appropriate corporate governance 	<ul style="list-style-type: none"> The Group adopts the Quoted Companies Alliance Corporate Governance Code (the "QCA code") and operates policies to ensure compliance with the code Clear and effective policies are in place to help prevent wrongdoing, including whistleblowing, bribery and corruption, anti-fraud and tax evasion, financial crime, and modern slavery, with training provided where appropriate Regular meetings are held with tax advisers to discuss tax compliance, HMRC correspondence, and other relevant issues pertinent to the Group's finances and tax position The Group is a member of several relevant sector associations including the Federation of Piling Specialists, which provide forums to understand changes in relevant legislation and standards

Directors' s172 statement

The Board of Directors considers that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1) (a–f) of the Act) in the decisions they have taken during the year ended 30 April 2025.

In making this statement, the Directors, having regard for longer-term considerations of Shareholders and the environment, have taken into account the following:

- the likely consequences of any decisions 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 as between members of the Company.

Shareholder engagement events

Date	Event	Date	Event
May 2024	Trading update for FY2024	December 2024	Trading update for FY2025 H1
July 2024	FY2024 annual report and final results announcement with investor roadshow and Investor Meet Company presentation	January 2025	Announcement of partnering agreement for delivery of electricity transmission schemes
July 2024	Announcement of significant housing sector award and strategic collaboration	January 2025	FY2025 interim results investor roadshow and Investor Meet Company presentation
August 2024	Announcement of framework delivery partnership in the rail sector	May 2025	Announcement of sale of haulage fleet and partnership with transport provider
September 2024	Annual General Meeting and trading update	June 2025	Trading update for FY2025
September 2024	Presentation at MelloMonday	July 2025	Announced strategic partnership with VolkerWessels UK
October 2024	Announcement of Albion Drilling Holdings acquisition	July 2025	FY2025 annual report and final results announcement with investor roadshow and Investor Meet Company presentation

SECTION 172/ENGAGING WITH OUR STAKEHOLDERS continued

Key decisions

Board and Committee activities are organised throughout the year to address the matters reserved for the Board. An overview of the Board's principal decisions during the year, including how the Board has considered the factors set out in section 172 of the Companies Act 2006 ("the Act"), is set out below.

Setting the annual Group budget and subsequent forecasts

Actions taken

- Reviewed and approved Group budgets for FY2025 and high-level profit and cash forecasts for the following 12 months

Key stakeholder groups considered

- In reviewing the budget and subsequent forecasts, the Board considered the impact on all stakeholders
- Setting the budget identified key areas of focus for the Group providing development opportunities for employees
- In setting the budget, the Board also gave consideration to customers and identified opportunities to develop customer relationships and improve service delivery and efficiency
- In setting the budget, consideration was given to suppliers around payments ensuring that there was clarity around when payments would be made to allow suppliers to effectively manage working capital

Acquisition of Albion Drilling Holdings Ltd

Actions taken

- On 28 October 2024 the Group acquired 100% of Albion Drilling Holdings Ltd, a close-proximity blasting, drilling, and geotechnical engineering business based in Scotland

Key stakeholder groups considered

- The Board considered the level of value creation for Shareholders as a result of the acquisition, in particular due to:
 - The presence within Scotland where there are significant energy opportunities and where Albion Drilling has established relationships with customers that are key to the delivery of the energy infrastructure transformation
 - The ability to cross sell Van Elle solutions through Albion's existing customer base
- In agreeing the consideration payable, the Board ensured a fair price was paid in order to deliver the best returns for Shareholders
- The Board considered the impact on the workforce as a whole and the potential development opportunities for key employees of both Albion and Van Elle
- Consideration was given to improving customer experience by offering a more diversified product offering to Albion Drilling's existing customers

Strategic review of the Group's Canadian subsidiary

Actions taken

- Review of the ongoing performance and future of the Canadian subsidiary, Van Elle Canada Inc.

Key stakeholder groups considered

- The value of investment and potential opportunities within Canada has been considered widely by the Board given the delay to several key projects for which the entity was initially set up to deliver
- Consideration was given to the level of value creation for Shareholders and improving customer experience by offering a more diversified product offering including installation of rail track and maintenance of track

Review of strategic growth opportunities via merger or acquisition

Actions taken

- The Board has considered several opportunities for transformational growth and bolt-on acquisitions throughout the year

Key stakeholder groups considered

- In reviewing opportunities for growth, the Board has considered the need to deliver enhanced Shareholder value with a focus on those opportunities which are low risk, complementary to the existing business, and value enhancing
- The impact of growth opportunities on employees, including enhanced development opportunities, has been considered. Where appropriate, management input has been sought on review of opportunities
- Consideration has been given to improving customer experience by offering a more diversified product offering

RISK MANAGEMENT AND PRINCIPAL RISKS

Mitigating risk to deliver increasing Shareholder value

Risk management framework

The Board is responsible for setting the Group's risk appetite and ensuring that appropriate risk management systems are in place. The Board reviews our principal risks throughout the year as part of its normal agenda, adopting an integrated approach to risk management by regularly discussing our principal risks.

In addition, once a year, the Board formally assesses our principal risks, taking the strength of our control systems and our appetite for risk into account.

How we identify risk

Our risk management process has been built to identify, evaluate, analyse, and mitigate significant risks to the achievement of our strategy. Our risk identification processes seek to identify risks from both a top-down strategic perspective and a bottom-up local operating company perspective.

The principal risks and uncertainties identified by management, and how they are being managed, are set out opposite. These risks are not intended to be an exhaustive analysis of all risks that may arise in the ordinary course of business or otherwise.

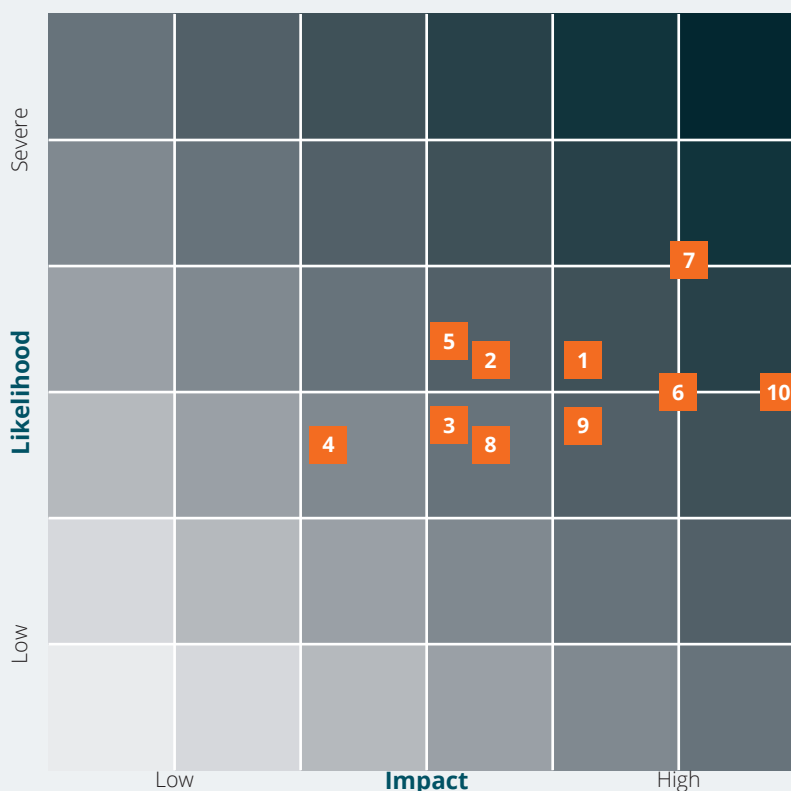
Reviewing our risk register

The risk registers of each division, together with the Group risk register, are updated and reported to the Audit and Risk Committee to ensure that adequate information in relation to risk management matters is available to the Board and to allow Board members the opportunity to challenge and review the risks identified and to consider in detail the various impacts of the risks and the mitigations in place.

Risk Management Framework

The Board	
The Audit and Risk Committee	
Executive Directors	Non-Executive Directors
Executive Committee	
Divisional Directors	
Operational Managers	Commercial Managers

Risk Heat Map



- | | |
|---|---|
| 1 A rapid downturn in our markets | 7 Failure to comply with health and safety and environmental legislation |
| 2 Failure to procure new contracts | 8 Not having the right skills to deliver |
| 3 Loss of market share | 9 Cyber attack |
| 4 Non-compliance with our Code of Business Conduct | 10 Inability to finance our business |
| 5 Product and/or solution failure | |
| 6 Ineffective management of our contracts | |

Market Risks

1 A rapid downturn in our markets

Inability to maintain a sustainable level of financial performance throughout the construction industry market cycle, which grows more than many other industries during periods of economic expansion and falls harder than many other industries when the economy contracts.

Failure of a key client resulting in market volatility.

Potential impact

Failure to continue in operation or to meet our liabilities.

Mitigation

- Diversification of our markets, both in terms of geography and market segment.
- Focus on longer-term partnerships and building on existing client relationships.
- Debt facility of up to £8m provides headroom for us to withstand a downturn in markets.
- Regular review of market conditions and forward indicators to assess whether any action is required to flex the cost base.

Change ↔

Link to Strategy 

Strategic Risks

2 Failure to procure new contracts

Failure to continue to win and retain contracts on satisfactory terms and conditions in our existing and new target markets if competition increases, customer requirements change, or demand reduces due to general adverse economic conditions.

Potential impact

Failure to achieve targets for revenue, profits, and return on capital employed.

Mitigation

- Continually analysing our existing and target markets to ensure we understand the opportunities that they offer.
- Focused customer engagement earlier in the design process to ensure our solutions are embedded into the design.
- Review of potential bolt-on acquisitions to expand the product offering and differentiate ourselves further from competitors.
- Structured bid review process throughout the Group with well-defined selectivity criteria, designed to ensure we take on contracts only where we understand and can manage the risks involved.
- Agreement of framework arrangements where possible providing increased certainty over future revenues.

Change ↔

Link to Strategy 

3 Loss of market share

Inability to achieve sustainable growth, whether through acquisitions, new products, new geographies, or industry-specific solutions.

Potential impact

Failure to achieve targets for revenue, profits, and return on capital employed.

Mitigation

- Continually seeking to differentiate our offering through service quality, value for money, and innovation.
- A business development team focusing on our customers' requirements and understanding our competitors.
- Reviewing acquisition opportunities where they may be favoured over organic growth.
- Implementing annual efficiency and improvement programmes to help us remain competitive.
- Focused on refining strategic client relationships in all sectors.

Change ↔

Link to Strategy 

Strategic Risks continued

4 Non-compliance with our Code of Business Conduct

Not maintaining high standards of ethics and compliance in conducting our business or failing to meet local or regulatory requirements.

Potential impact

Loss of the trust of our customers, suppliers, and other stakeholders with consequent adverse effects on our ability to deliver against our strategy and business objectives.

Substantial damage to our brand and/or large financial penalties.

Mitigation

- Having clear policies and procedures in respect of ethics, integrity, regulatory requirements, and contract management.
- Maintaining training programmes to ensure our people fully understand these policies and requirements.
- Operating and encouraging the use of anti-bribery and corruption and whistleblowing policies.
- Clear communication of our values.

Change ↔

Link to Strategy



Operational Risks

5 Product and/or solution failure

Failure of our product and/or solution to achieve the required standard.

Potential impact

Financial loss (including warranty claims) and consequent damage to our brand reputation.

Mitigation

- Continuing to enhance our technological and operational capabilities through investment in our product teams, project managers, and engineering capabilities.
- We maintain comprehensive insurance cover including adequate PI cover and clear terms of business with customers and suppliers.
- We manufacture our products in an ISO 1101 quality environment, and all have CE approval.

Change ↔

Link to Strategy



6 Ineffective management of our contracts

Failure to manage our contracts to ensure that they are delivered on time and to budget.

Potential impact

Failure to achieve the margins, profits and cash flows we expect from contracts.

Mitigation

- Ensuring we understand all our risks through the bid appraisal process, application of clear contractual terms, and robust policies and processes to manage and monitor contract performance.
- Ensuring we have high-quality people delivering projects.
- Our Perfect Delivery Concept establishes the criteria to achieve effective first-class solutions and service for our clients.
- Clear delegation of authority with established contract approval levels.

Change ↔

Link to Strategy



KPI key

↔ Unchanged

NEW New risk

Strategy key

Sustainable market leadership

Foundations for growth

Continuous business improvement

Diversified portfolio

Operational Risks continued

7 Failure to comply with health and safety and environmental legislation

A fatality or serious injury to an employee or member of the public through a failure to maintain high standards of safety and quality.

Potential impact

Loss of employee, customer, supplier, and partner confidence, and damage to our brand reputation in an area that we regard as a top priority.

Mitigation

- A Board-led commitment to achieve zero accidents.
- Visible management commitment with safety tours, safety audits, and safety action groups.
- Implementing management systems that conform to Occupational Health and Safety Assessment Systems (ISO 9001, ISO 14001, and ISO 45001).
- Extensive mandatory employee training programmes.
- A strengthened HSQE team in recent years.

Change ↔

Link to Strategy  

8 Not having the right skills to deliver

Inability to attract, retain and develop excellent people to create a high-quality, vibrant, diverse, and flexible workforce.

Potential impact

Failure to maintain satisfactory performance in respect of our current contracts and failure to deliver our strategy and business targets for growth.

Mitigation

- Continuing to develop and implement leadership, personal development, and employee engagement programmes that encourage and support all our people to achieve their full potential.
- Pre-employment checks ensure we have the right people in the right roles.
- Competitive remuneration packages, including a Group-wide bonus scheme, and additional employee incentives ensure we can attract and retain talent.

Change ↔

Link to Strategy  

9 Cyber attack

A cyber/hacking attack could temporarily impact the ability of the IT systems to operate.

Potential impact

A cyber/hacking attack could impact the ability to procure materials and consumables to fulfil contract performance. A data breach could have significant financial consequences for the Group.

Mitigation

- Robust IT systems and processes maintained to mitigate the threat of a cyber attack.
- Cyber insurance in place from 1 May 2023.
- Various actions undertaken to improve defences against a cyber attack including: cyber accreditations, removal of external storage devices, improved email filters, improved firewalls, cybersecurity and phishing training rollout, and multi-factor authentication introduced.

Change ↔

Link to Strategy 

Financial Risks

10 Inability to finance our business

Loss of access to the financing facilities necessary to fund the business.

Potential impact

Failure to continue in business or to meet our liabilities.

Mitigation

- Debt facility of up to £8m provides headroom for us to withstand a downturn in markets. Extension of debt facility to 2026 agreed in FY2024.

Change ↔

Link to Strategy 

KPI key

↔ Unchanged NEW New risk

Strategy key

 Sustainable market leadership  Foundations for growth  Continuous business improvement  Diversified portfolio

CHIEF FINANCIAL OFFICER'S STATEMENT



GRAEME CAMPBELL
Chief Financial Officer

Highlights

- Continuing revenues reduced 6.1% on the previous year due to softer market conditions
- Residential and regional construction sectors have been impacted by lower levels of demand and project delays throughout the period
- Infrastructure spend remained subdued in highways and rail throughout the period
- Underlying operating margin of 4.2%
- Acquisition of Albion Drilling in October 2024 contributed to the Groups result in H2
- The Group invested £5.0m in capital over the course of the year
- Debt taken in the period to support capital investment including acquisition payments
- Debt facility of up to £8.0m available
- Action taken throughout the year to rationalise the Group's asset base in order to improve ROCE

Financial review

Revenue

Continuing revenue in the year to 30 April 2025 was below the previous financial year, down 6.1% in total. The reduction in revenues was driven primarily by softer market conditions due to market uncertainties. The residential and regional construction sectors have been impacted by lower levels of demand and project delays throughout the financial year. A strong end to the previous financial year resulted in a greater decline in H2 than H1 although total revenues were relatively balanced across the two halves of the year despite the traditionally low volume winter months within H2.

The Group's Canadian rail subsidiary delivered revenue growth during the year but has been impacted by further delays to the Toronto Metrolinx GO Expansion programme. As such, strategic options are under review and the Canadian operation is treated as a discontinued operation in the financial results. The results of the Canadian operation are not included in this financial review.

	2025 £'000	2024 £'000	Change %	2025 %	2024 %
H1	65,163	68,210	(4.5)	49.9	49.0
H2	65,302	70,867	(7.9)	50.1	51.0
Revenue	130,465	139,077	(6.2)	100.0	100.0

The Group tracks enquiries and activity levels by market sector, which helps to identify trends and target our activities into growth areas. The mix of revenue by end markets is shown below:

	2025 £'000	2024 £'000	Change %	2025 %	2024 %
Residential	52,000	57,197	(9.1)	39.9	41.1
Infrastructure	54,236	54,820	(1.1)	41.6	39.4
Regional construction	23,761	26,202	(9.3)	18.2	18.8
Other	468	858	(45.5)	0.3	0.7
Revenue	130,465	139,077	(6.2)	100.0	100.0

Residential

Volumes were subdued throughout FY2025, where increased mortgage rates and general market uncertainty resulted in housebuilders commencing fewer projects, particularly in the private housing market. Taller residential schemes were severely impacted by the Building Safety Act approvals process, which has caused significant delays to the commencement of numerous schemes, particularly in London.

Infrastructure

Government spending in the highways sector continues to be subdued, with works now completed on the Smart Motorway programme. UK Rail revenues have been impacted as the sector transitioned from CP6 into CP7, but activity levels steadily improved in the second half, supported by our strong position on the TransPennine Route Upgrade project. In the energy sector, frameworks have been agreed with several key customers. The Group has signed an eight-year partnering agreement with Wood Transmission & Distribution Limited to deliver ground investigation, design and construction activities for piling and foundations across several energy transmission schemes as part of Ofgem's Accelerated Strategic Transmission Investment (ASTI) programme. There is a pipeline of opportunities, commencing primarily with

design and ground investigation projects in FY2026, with major foundation activities commencing from FY2027 and beyond. Further progress has also been made in the water sector, where investment under AMP8 is committed to almost double compared to AMP7.

Regional construction

The regional construction market remained very competitive throughout the year, with work-winning being extremely price sensitive. With a backdrop of softer market conditions tender opportunities reduced in the year.

The mix of revenue by operating segment is shown below:

	2025 £'000	2024 £'000	Change %	2025 %	2024 %
General Piling	46,027	56,686	(18.8)	35.3	40.8
Specialist Piling and Rail	46,099	43,469	6.1	35.3	31.3
Ground Engineering Services	38,138	38,317	(0.5)	29.2	27.6
Head Office	201	605	(66.8)	0.2	0.3
Revenue	130,465	139,077	(6.2)	100.0	100.0

The General Piling division operates across all of the Group's market segments and has been impacted by weaker market conditions, with limited opportunities for larger scale projects. The previous year benefitted from a large energy-from-waste contract, contributing approximately £7m revenue in H1 of FY2024. The division has been materially impacted by the Building Safety Act in FY2025, which has caused delays to start dates of taller residential schemes. This has largely impacted the Group's London operations which reported a loss before tax of £1.6m in the year.

Specialist Piling activity levels increased compared to the previous year, reflecting completion of works on the Smart Motorway programme and stronger work-winning compared to a softer comparative period which was impacted by delays to highways work and a decrease in drill and grout activity. In the UK Rail sector, revenue was broadly flat compared to the previous year. The first half of the financial year saw subdued workload as the sector transitioned from CP6 into CP7 but second half activity levels recovered, supported by our operations on the TransPennine Route Upgrade project.

Ground Engineering Services consists of the Group's Housing division and Strata Geotechnics ('Strata'). Housing division revenues decreased by approximately 2% compared to the previous year as volumes continued to be subdued throughout the period. Our diverse customer base, with additional exposure to partnership and affordable housing customers, where volumes were affected to a lesser extent, has partially mitigated the impact of the very soft private housebuilding market. Following subdued activity levels in Strata during the first half of the financial year, strong progress was achieved in the second half with a significant increase in workload from the energy sector in Scotland.

Head office revenues relate to the provision of training services delivered through the training facility located at Kirkby-in-Ashfield.

Operating profit

Total operating profit and total underlying operating profit declined in FY2025 due to lower activity levels. Gross margin improved by 0.7% in FY2025 to 31.0% (FY2024: 30.3%). This improvement is predominately due to mix with subdued housing volumes where margins are typically at the lower end of the Group's margin range and increased volumes in the Group's more specialist activities which achieve a higher margin rate. Administrative expenses were consistent year on year. The Group's underlying operating profit includes income from R&D tax credits of £2,450,000 (FY2024: £3,259,000).

On an underlying basis the Group reports an operating margin of 4.2% (FY2024: 5.0%).

	2025 £'000	2024 £'000
Operating profit	4,875	7,233
Operating margin	3.7%	5.2%
Underlying operating profit	5,487	6,900
Underlying operating margin	4.2%	5.0%

Alternative performance measures

The Group presents alternative performance measures (APMs), which are not defined or specified under the requirements of IFRS. The Group believes that these APMs provide depth and understanding to the users of the financial statements to allow for further assessment of the underlying performance of the Group and comparability from one year to the next.

The Board believes that the underlying performance measures for operating profit, profit before tax and EPS, stated before the adjustment for non-underlying items give a clearer indication of the actual performance of the business.

The Group's non-underlying items in FY2025 include £86,000 of fees associated with the acquisition of Albion Drilling on 28 October 2024 as well as £410,000 of contingent deferred consideration in relation to the acquisition. A condition of the deferred consideration requires the sellers to remain in employment during the deferred consideration period and as such this has been treated as remuneration and recognised as a non-underlying cost in the profit and loss. Management restructure costs of £116,000, being the remaining costs incurred in the restructure programme which commenced at the end of FY2024 are also classified as non-underlying.

The Group's non-underlying items in FY2024 include £228,000 of fees associated with the acquisition of Rock & Alluvium on 30 November 2023, a health and safety penalty of £250,000 in relation to the fatality of a third party haulier following the failure of a Van Elle piling rig in April 2021, management restructure costs of £83,000 being the initial costs incurred for a restructure programme which commenced at the end of FY2024, research and development credits of £894,000 relating to FY2022 and FY2023 which are considered one-off in nature, and a credit of £149,000 for interest received on a protracted legal settlement that was concluded after the year end.

CHIEF FINANCIAL OFFICER'S STATEMENT continued



DURING THE YEAR ACTION HAS BEEN TAKEN TO RATIONALISE THE GROUP'S ASSET BASE IN ORDER TO IMPROVE RETURN ON CAPITAL EMPLOYED

Net finance costs

Net finance costs were £227,000 in the current year (2024: £237,000). Finance costs relate to interest on hire purchase agreements and interest on property and vehicle lease liabilities classified under IFRS 16. In FY2025 net finance costs include £186,000 of interest received on cash balances (2024: £102,000).

Taxation

The effective tax rate in the year is 32.0% (2024: 25.7%). The increased effective tax rate in the current financial year is as a result of the deferred contingent consideration charged to the p&l as remuneration which is not tax deductible together with an under provision in the previous year.

Dividends

An interim dividend of 0.4p (2024: 0.4p) was paid on 14 March 2025. The Board is recommending a final dividend of 0.8p (2024: 0.8p) taking the total dividend payable for the year to 1.2p (2024: 1.2p).

Subject to approval at the Annual General Meeting on Thursday 25 September, the recommended final dividend will be paid on 17 October 2025 to shareholders on the share register as at 3 October 2025. The associated ex-dividend date will be 2 October 2025.

Earnings per share

Underlying continuing basic earnings per share was 3.5p (2023: 4.5p), based on an underlying continuing profit before tax of £5,260,000 (2024: £6,662,000). Continuing basic earnings per share was 2.9p (2023: 5.0p).

Underlying continuing diluted earnings per share was 3.5p (2023: 4.5p) following vesting of a grant of options made under the Group's LTIP scheme in 2020 during the previous financial year. Continuing diluted earnings per share was 2.9p (2023: 4.9p).

Balance sheet

	2025 £'000	2024 £'000
Fixed assets (including intangible assets)	41,421	46,662
Assets held for sale net of associated liabilities	5,557	-
Net working capital	17,024	13,584
Net funds/(debt)	(3,983)	623
Deferred consideration	-	(2,120)
Taxation and provisions	(5,569)	(5,342)
Net assets	54,450	53,407

Net assets increased by £1.1m to £54.5m (2024: £53.4m). Underlying ROCE decreased in the period to 11.2% at 30 April 2025 (2024: 13.6%) given the reduced profitability in the year and the timing of the acquisition of Albion Drilling which contributed only six months of revenues and profits in the current year.

The Group invested £5.0m in capital over the course of the year, of which £3.6m was funded from cash resources. Investment included the purchase of a rig to support further rigid inclusions growth, a capability which has experienced growing demand in recent years and a rig to replace the aged but highly utilised rigs within the General Piling division to support deep CFA piling. The acquisition of Albion Drilling added £1.5m of fixed assets, net of outstanding lease liabilities, to the Group's balance sheet including 17 rigs.

Overall, the Group's fixed assets have reduced by £5.3m since 30 April 2024. During the year action has been taken to rationalise the Group's asset base in order to improve ROCE. In March 2025 the Group sold its old head office site and adjacent land for a total of £1.6m realising a profit on disposal of £0.4m. Immediately following the year end on 7 May the Group sold its entire heavy haulage fleet and outsourced its transport services function to WS Specialist Logistics Limited for total consideration of £2.9m removing £2.5m of assets from the balance sheet. The transport assets as well as the assets and liabilities of the Canadian operation including £2.3m of fixed assets are classified as held for sale at 30 April 2025.

Working capital (defined as inventories, trade and other receivables, trade and other payables and provisions) increased to £17.0m (2024: £13.6m), of which £0.5m was introduced on the acquisition of Albion Drilling. This increase includes £1.3m of delayed receipts for R&D tax claims, relating to FY2023, which were received after the year end. Aged debtors remain within the normal historical range for the Group with no significant debt collection issues anticipated as at the year end.

During the year a longstanding legal claim with a customer regarding the consequences of failures in piling work was settled at £7.0m. The claim was covered by the Company's professional indemnity insurance and was settled within the insurance cap. The associated liability and insurance recoverable have been released in the current financial year.

Net funds

	2025 £'000	2024 £'000
Cash and cash equivalents	7,204	6,002
Loans and borrowings	(4,444)	-
Lease liabilities	(6,743)	(5,379)
Net (debt)/funds	(3,983)	623
Net funds excluding IFRS 16 property and vehicle lease liabilities	1,087	5,481

Net funds have reduced during the year to a net debt position of £4.0m as at 30 April 2025 (2023: net funds of £0.6m). Whilst total cash and cash equivalents increased to £7.2m as at 30 April 2025 (2024: £6.0m) the Group has taken on new debt of £5.9m in the year from a combination of facility drawdown and new hire purchase contracts to support future growth, including £3.4m of consideration paid for acquisitions and capital expenditure of £5.0m.

Hire purchase debt as at 30 April 2025 totals £3.0m (2024: £0.4m) of which £1.4m is disclosed as loans and borrowings and £1.6m is disclosed as lease liabilities. The acquisition of Albion Drilling added £0.6m of lease liabilities to the Group's balance sheet during the year. New hire purchase contracts taken during the year are scheduled to expire in 2028.

The Group's asset backed lending facility, secured against the Group's receivables and certain tangible assets was drawn by £3.0m as at 30 April 2025. Immediately following the sale of the Group's transport fleet in May 2025 £1.5m was repaid and the total facility was reduced from £11m to £8m. There are no financial covenants associated with the facility which is due to expire in September 2026.

The Group's lease liabilities include £5.1m of IFRS 16 property and vehicle lease liabilities (2024: £4.9m). During the year, one of the Group's long lease liabilities (and associated right of use assets) has been restated following a detailed review of the lease terms. The lease liability associated with this agreement has reduced by £1.3m and this has been processed as a prior year adjustment.

Cash flow

	2025 £'000	2024 £'000
Operating cash flows before working capital	12,461	14,676
Working capital movements (including provisions)	(4,526)	(4,430)
Net cash generated from continuing operating activities	7,935	10,246
Net cash absorbed in discontinued operating activities	(2,169)	(1,641)
Net cash generated from operating activities	5,766	8,605
Investing activities - continuing operations	(4,626)	(6,540)
Financing activities - continuing operations	472	(4,904)
Investing activities - discontinued operations	(197)	(44)
Financing activities - discontinued operations	(33)	-
Reclassification to held for sale	(180)	-
Net (decrease)/increase in cash	1,202	(2,883)

Operating cash flows of £7.9m have primarily been used to repay outstanding debt, fund capital expenditure, acquisition consideration payments and dividends. Dividend payments were £1.3m in the year.

Working capital cash flows exclude the impact of working capital introduced on the acquisition of Albion Drilling.

The cashflow impact from the discontinued operation in Canada is an outflow of £2.4m due to revenue growth resulting in working capital investment and reported losses.

The Group paid the final remaining consideration of £2.1m for the acquisition of Rock & Alluvium in November 2024 and paid consideration, net of cash received, of £1.3m for the acquisition of Albion Drilling in October 2024.

Cash flows from investing activities includes £2.4m of disposal proceeds as the Group rationalises its asset base with the sale of excess equipment and property during the year.

GRAEME CAMPBELL
Chief Financial Officer
30 July 2025

BOARD OF DIRECTORS



FRANK NELSON
Non-Executive Chair



Mr Nelson has over 30 years' experience in the Infrastructure, Housebuilding and Energy sectors. He is a qualified accountant and has recently held positions as Senior Independent Director of HICL, Eurocell, and McCarthy and Stone. He was also Chair of a PE-backed contractor/developer.



MARK CUTLER
Chief Executive Officer

Mr Cutler was appointed to the Board in August 2018. A graduate of Imperial College London, Mr Cutler is a chartered civil engineer with over 30 years' experience in the infrastructure, construction and utility sectors, having held various senior leadership roles with major UK contractors. Mr Cutler joined Tarmac Construction (later Carillion) as a graduate in 1990, working on several major civil engineering projects, leaving in 2005 to join Morgan Sindall as the Managing Director of its Infrastructure division. In 2010, he became Chief Executive of privately owned water sector specialist Barhale. In 2014, he joined Balfour Beatty, initially to lead its portfolio of UK regional civil engineering and construction businesses and latterly, before joining Van Elle, was Managing Director of the Balfour Beatty VINCI joint venture for High Speed 2.



GRAEME CAMPBELL
Chief Financial Officer

Mr Campbell was appointed Chief Financial Officer in February 2020. Mr Campbell qualified as a Chartered Accountant in 2000 and was previously the Group Financial Controller of Severfield plc, the UK's market-leading structural steel company. Mr Campbell has spent his career in finance across a range of industrial businesses, including latterly as Group Chief Financial Officer and Company Secretary for ASX-listed international engineering services business Engenco.



DAVID HURCOMB
Independent
Non-Executive Director



Mr Hurcomb has enjoyed a successful career across the UK's construction sector, holding executive positions with companies including NG Bailey Group Limited, Carillion plc, Balfour Beatty plc and Mansell Plc.




CHARLES ST JOHN
Non-Executive Director



Mr St John is a Chartered Accountant and has held many board-level positions spanning over 30 years. This experience covers a range of industries, including within the UK building products and services sectors. Until 2012, Mr St John was a Partner at the private equity firm Cognetas and its predecessor firms, with significant involvement in the growth and development of its investee companies. Mr St John is currently Non-Executive Director of Clareant Lending Holdco Limited, Capstone Foster Care Limited and Caroola Group Ltd.

Key

- A** Audit and Risk Committee
- N** Nomination Committee
- R** Remuneration Committee
-  Committee Chair

CORPORATE GOVERNANCE STATEMENT

The Company adopts the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") on the basis that the Board considers this to be the corporate governance code most suited to the size, risks, complexity, and operations of the business.

The Board is ultimately responsible for the Company's strategic aims and long-term success; it seeks to achieve this by ensuring that the right financial resources and talent are in place to deliver the Company's strategy. Our culture is fundamental to the successful delivery of our strategic objectives. The Board assesses and monitors the culture with specific reference to employees and their engagement during Board meetings, as well as periodic discussions on the Group's vision and values.

Board composition and operation

The QCA Code requires that the boards of AIM companies have an appropriate balance between executive and non-executive directors, of which at least 2 should be independent.

The Board currently comprises 2 Executive and 3 Non-Executive Directors, 1 of whom is the Chair. The Non-Executive Directors are considered independent of the Company and, other than their fees and shareholdings as set out on pages 72 to 73, have no other financial or contractual interest in the Company.

There is a clear division of responsibilities between the Chair and the Chief Executive Officer. The role of the Chair is to manage the Board in the best interests of its stakeholders, to ensure that Shareholders' views are communicated to the Board, and to be responsible for ensuring the Board's integrity and effectiveness.

The role of the Chief Executive Officer is to manage the Group's operations on a day-to-day basis, to ensure that Board decisions are implemented effectively and to develop and propose the Group's strategy to the Board. The Group's business model and strategy are described in detail in the strategic report.

The strategy is closely monitored by the Board through reporting and discussion at Board meetings, including periodic reviews as part of the wider Board meeting agenda. Specific strategy updates are also held periodically with the senior management team. Progress on strategic actions are reviewed in the context of market developments and financial targets are kept under close review to ensure capital resources are directed to growth areas.

The Board is satisfied that it has a balanced composition, with relevant sector and public market skills and expertise, details of which can be seen in the biographies on pages 58 to 59. Directors maintain their expertise through attending relevant training and networking events, and through ongoing experiences in other organisations.

The Board controls the Group by delegating day-to-day responsibility to the Executive and operational management teams. Certain matters are specifically reserved for decision only by the Board of Directors. These matters were reviewed and amended as considered appropriate during the previous year and fall under the general headings of: strategy and management; structure and capital; financial reporting; internal controls; contracts; Shareholder communication; Board membership; Executive remuneration; delegation of authority; corporate governance matters; and Group policies.

The Board held formal Board meetings 10 times during the year. Board meetings are conducted to a set agenda with a pack of comprehensive briefing papers circulated to all Directors prior to each scheduled meeting. The Board also met on an ad hoc basis several times during the year to discuss various matters. The discussions of these more informal meetings are minuted in

line with Board meetings. Directors are able, if necessary, to take independent professional advice in the furtherance of their duties at the Company's expense.

Board Committees

The Board has delegated specific responsibilities to the Audit and Risk, Remuneration, and Nomination Committees. All Board Committees have their own terms of reference, which are published on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee comprises all Non-Executive Directors and is chaired by Charles St John. The Committee's primary responsibilities include monitoring internal controls, reviewing the key risks of the organisation, ensuring that the financial performance of the Group is properly measured and reported, and overseeing the relationship with the Group's Auditor.

The Audit and Risk Committee met on 3 occasions during the year. Further details on the work and responsibilities of the Audit and Risk Committee are shown on pages 62 to 64.

Nomination Committee

The Nomination Committee comprises all Non-Executive Directors and is chaired by Frank Nelson. The Committee's primary responsibilities include assessing the size, structure, and composition of the Board, succession planning for Directors and other senior executives, and identifying and nominating candidates to fill Board vacancies, together with leading the process for such appointments.

One Committee meeting was held during the year. The Committee comprises all members of the main Board and duties of the Committee in respect of evaluation of the composition of the Board and succession planning for Directors and other senior executives have been fulfilled by discussion at Board meetings. Further details on the work and responsibilities of the Nomination Committee are shown on page 65.

Remuneration Committee

The Remuneration Committee comprises all Non-Executive Directors and is chaired by David Hurcomb. The Committee is primarily responsible for determining the contractual terms, remuneration, and other benefits of the Executive Directors and the Chair of the Board.

The Committee met on 3 occasions during the year. The Remuneration Committee report is set out on pages 66 and 67.

Directors

Each of the Directors is subject to election by the Shareholders at the first Annual General Meeting after their appointment. Thereafter, all Directors are subject to retirement by rotation in accordance with the Articles of Association. The service contracts of Executive Directors require 6 months' notice.

The Non-Executive Directors have received appointment letters setting out their terms of appointment. All Non-Executive Directors are appointed for an initial period of 3 years, continuing thereafter subject to not less than 3 months' notice.

The appointment of new Non-Executive Directors to the Board is considered by all Board members.

The risk management framework is presented on pages 50 to 53 and sets out how the Board identifies, assesses, and takes mitigating action to manage risk.

The Group's organisational structure has clear lines of responsibility with operational and financial responsibility for operating segments delegated to the Chief Operating Officer and operational Directors.

The Group's risk management programme, which assesses key risks and the required internal controls that are delegated to Directors and managers within the Group, is reviewed regularly to ensure that it continues to meet the Board's requirements.

In determining whether the Group and Company annual consolidated financial statements can be prepared on a going concern basis, the Board considered all factors likely to affect its future performance and financial position, including cash flows, liquidity position, borrowing facilities, and the risks and uncertainties relating to its business activities.

A detailed forecast has been prepared for the period to 31 December 2026, which demonstrates healthy cash flow and liquidity headroom across the period to 31 December 2026. Reverse stress testing has been carried out and the Board is satisfied that the scenarios in which the level of trading is such that the Group experiences a cash outflow of such a level that further debt facilities would be required are remote.

[illegible]

■ Attended meetings
 ■ Not due to attend

Based on this review, the Directors conclude that the Group and Company are able to operate within the level of their current financial resources for a period of at least 12 months from the date of approving the financial statements. The full statement in respect of going concern is included in note 2 to the consolidated financial statements.

The annual report and accounts include certain statements that are forward-looking statements. These statements appear in several places throughout the strategic report and include statements regarding the Group's intentions, beliefs, or current expectations and those of its officers, Directors, and employees concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, and strategies of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

The CEO and CFO are the key contacts for Shareholders on any matters relating to the Group, its governance, and investor relations. There is a programme of scheduled meetings with institutional investors, certain private Shareholders, and analysts, following full and half-year results announcements. Presentations are also hosted through the digital platform Investor Meet Company, which allows all Shareholders or other interested parties to attend. These meetings provide the CEO and CFO the opportunity to update Shareholders on the Group's performance and future strategy.

Additionally, the Chair and Non-Executive Directors make themselves available to meet with Shareholders as necessary.

The Annual General Meeting (“AGM”) allows the Board to communicate with all investors, institutional or private, and provides Shareholders the opportunity to ask questions and raise issues, as well as formally vote on resolutions circulated to Shareholders in the Notice of AGM prior to the AGM. Copies of the Notice of AGM are also published on the Company website.

Details of the Group's corporate governance policies can be found at: www.van-elle.co.uk/corporate-governance/.

The Board approved the corporate governance report on 29 July 2025.

By order of the Board

GRAEME CAMPBELL
Chief Financial Officer

30 July 2025

AUDIT AND RISK COMMITTEE REPORT



CHARLES ST JOHN
Chair of the Audit
and Risk Committee

Activities during the year

The following matters were considered at the Committee meetings held during the year:

Financial statements and reports:

- Reviewed the interim results announcement, preliminary final results announcement, and the annual report and accounts
- Reviewed reports from the external Auditor
- Reviewed management representation letters, going concern reviews, and significant areas of accounting estimates and judgements
- Considered the output of a third-party review on revenue recognition ahead of interim results announcement
- Reported to the Board on the appropriateness of accounting policies and practices

Risk management:

- Reviewed the risk register, which identifies the Group's key risk areas, the probability of these risks occurring, and the impact they would have on the Group.
- Ensured that updates to the Group's main governance policies were submitted and approved by the Board

External audit and non-audit work:

- Agreed the terms of engagement and fees to be paid to the external Auditor
- Reviewed and agreed the scope and methodology of the audit work to be undertaken by the external Auditor
- Reviewed the relationship with the external Auditor including its independence, objectivity, and effectiveness
- Reviewed non-audit fees paid to the external Auditor

Compliance:

- Met with the external Auditor without Executive management being present

Dear Shareholder,

I am pleased to present the report on the activities of the Audit and Risk Committee for the year. The report provides details of the key matters considered by the Committee, and an explanation of how the Committee has obtained assurance on the integrity of the annual report.

Role and responsibilities

The primary function of the Committee is to assist the Board in fulfilling its responsibilities regarding the integrity of financial reporting, audit, risk management, and internal controls.

This comprises:

- Assessing and advising the Board on the internal financial, operational, and compliance controls
- Monitoring and reviewing the Group's accounting policies and significant accounting judgements
- Reviewing the annual and interim financial statements and any public financial announcements and advising the Board on whether the annual report and accounts are fair, balanced, and understandable
- Monitoring and reviewing the adequacy and effectiveness of the risk management systems and processes
- Overseeing the Group's procedures for its employees to raise concerns through its whistleblowing policy

In relation to the external audit, the Committee is responsible for:

- Approving the appointment of the external Auditor, including the terms of engagement and fees
- Considering the scope of work to be undertaken by the external Auditor and reviewing the results of that work
- Reviewing and monitoring the independence of the external Auditor and approving its provision of non-audit services; and monitoring and reviewing the effectiveness of the external Auditor

Membership and attendance

The Quoted Companies Alliance Corporate Governance Code recommends that all members of an audit committee be non-executive directors, independent in character and judgement, and free from any relationship or circumstances that may, could or would, be likely to, or appear to, affect their judgement, and that 1 such member has recent and relevant financial experience.

MEETING ATTENDANCE

Director

Charles St John (Chair)	■ ■ ■
Frank Nelson	■ ■ ■
David Hurcomb	■ ■ ■
Mark Cutler*	■ ■ ■
Graeme Campbell*	■ ■ ■

■ Attended meetings

■ Not due to attend

*Attended by invitation

Accordingly, the Committee comprises all Non-Executive Directors, with the Chair, as a Chartered Accountant, having recent and relevant financial and accounting experience. Committee meetings are also attended by the Chief Executive Officer and Chief Financial Officer by invitation.

The external Auditor is invited to attend certain meetings to report to the Committee, primarily on the planning and outcome of the audit. The Company Secretary acts as Secretary to the Committee.

Other members of management may be invited to attend meetings depending on the matters under discussion. The Committee Chair meets periodically with the external Auditor with no members of management present. The Committee held 3 meetings during the reporting period.

External audit

The Committee approves the appointment and remuneration of the Group's external Auditor and satisfies itself that it maintains its independence. The external Auditor is permitted to provide non-audit services that are not, and are not perceived to be, in conflict with auditor independence, providing it has the skill, competence, and integrity to carry out the work and it is the most appropriate adviser to undertake such work in the best interests of the Group. All assignments are monitored by the Committee. Details of services provided by, and fees payable to, the Auditor are shown in note 9 of the consolidated financial statements. Rotation of the audit partner took place in the year ended 30 April 2022.

Whilst the Committee has not adopted a formal policy in respect of rotation of the external Auditor, one of its principal duties is to make recommendations to the Board in relation to the appointment of the external Auditor. Various factors are considered by the Committee in this respect including the quality of the reports provided to the Committee, the level of service provided and the level of understanding of the Group's business.

The Committee also remains satisfied that the services provided by BDO LLP are appropriate and comparable to other audit firms' pricing. However, given that BDO has been the Company's external Auditor for 14 years, the provision of external audit services will be kept under close review over the coming reporting periods.

Internal audit

The Group does not have a formal internal audit function. A schedule of controls reviews, targeted based on risk, is maintained. Throughout the year, the finance function performs targeted reviews and visits to operations as well as high-level reviews of key finance processes and controls in accordance with the schedule of controls reviews.

This approach is considered appropriate and proportionate given the size of the business and the extensive work performed by the external Auditor; however, the need to establish a separate independent internal audit function is kept under review.

Internal controls and risk management

The Board is responsible for the effectiveness of the Group's internal control systems, which have been designed and implemented to meet the requirements of the Group and the risks to which it is exposed.

The Group has a robust risk management process that follows a sequence of risk identification, assessment of probability and impact, and assigns an owner to manage mitigation activities and controls. The Group risk register and the methodology applied were the subject of review by senior management and updated to reflect new and developing areas that might impact business

strategy. The Committee reviews the Group risk register each year to assess the actions being taken by senior management to monitor and mitigate the risks. The Group's principal risks and uncertainties are described on pages 50 to 53.

The following key elements comprise the internal control environment, which has been designed to identify, evaluate, and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- An appropriate organisational structure with clear lines of responsibility
- An experienced and qualified finance function, which regularly assesses the risks facing the Group
- A comprehensive annual strategic and business planning process
- Systems of control procedures and delegated authorities, which operate within defined guidelines, and approval limits for capital and operating expenditure and other key business transactions and decisions
- A robust financial control, budgeting, and rolling forecast system, which includes regular monitoring, variance analysis, and key performance indicator reviews
- Procedures by which the consolidated financial statements are prepared, which are monitored and maintained using internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards
- Established policies and procedures setting out expected standards of integrity and ethical standards, which reinforce the need for all employees to adhere to all legal and regulatory requirements

Significant accounting matters

The Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements.

The Committee reviews accounting papers prepared by management, which provide details on the main financial reporting judgements. The Committee also reviews reports by the external Auditor on the full-year results, which highlight any issues arising from the work undertaken. Areas of audit and accounting risk reviewed by the Committee included:

- Revenue recognition – the Group's policy on revenue recognition, detailed in note 3 to the consolidated financial statements, is in accordance with IFRS 15. The Committee has reviewed the estimates and judgements applied by management and is satisfied with management's conclusions
- The carrying value of trade receivables and contract assets – the Group holds material trade receivable balances and contract asset balances, and the calculations of provisions for impairment are estimates of future events and, therefore, uncertain. The Group has continued to purchase trade credit insurance in the year, which provides additional protection against the risk of bad debts. The Committee has reviewed the current year provisions (including the application of IFRS 9) against trade receivables and contract asset balances and is satisfied with management's conclusions that the provisioning levels are appropriate

AUDIT AND RISK COMMITTEE REPORT continued

- Provisions for legal and other claims – the Group holds material provisions in respect of legal and other claims. The Group carries insurance and any reimbursements, where material and virtually certain, are treated as separate assets. The calculations of the provisions contain management estimates and judgement on the likely outcome of the claims. The Committee has reviewed the estimates and judgements applied by management and is satisfied with management's conclusions
- The carrying value of intangible items – the carrying value of goodwill has been tested for impairment. This testing includes sensitivities of future forecast performance, discount rates used, and other key assumptions. The Committee has reviewed the estimates and judgements applied by management and is satisfied with management's conclusion that no impairment is required
- Acquisition of Albion Drilling – the goodwill and other intangibles on the acquisition of Albion is based on the fair value of the assets and liabilities at the date of acquisition. The Committee has reviewed the estimates and judgements applied by management in the calculation of goodwill and is satisfied with management's conclusions

Going concern

In determining whether the Group and Company annual consolidated financial statements can be prepared on a going concern basis, the Board considered all factors likely to affect its future performance and financial position, including cash flows, liquidity position, borrowing facilities, and the risks and uncertainties relating to its business activities.

A detailed forecast has been prepared for the period to 31 December 2026, which demonstrates healthy cash flow and liquidity headroom across the period to 31 December 2026. Reverse stress testing has been carried out and the Board is satisfied that the scenarios in which the level of trading is such that the Group experiences a cash outflow of such a level that further debt facilities would be required are remote.

Based on this review, the Directors conclude that the Group and Company are able to operate within the level of their current financial resources for a period of at least 12 months from the date of approving the financial statements. The full statement in respect of going concern is included in note 2 to the consolidated financial statements.

CHARLES ST JOHN

Chair of the Audit and Risk Committee

30 July 2025



NOMINATION COMMITTEE REPORT



FRANK NELSON
Chair of the
Nomination Committee

2025 Key activities:

- Reviewed the Committee's terms of reference
- Evaluated the balance of skills, experience, independence, diversity, and knowledge on the Board
- Succession planning for the Executive Directors and the senior management team
- Reviewed requirements for the re-election of Directors at the Annual General Meeting
- Reviewed the Committee's report in the annual report and accounts and recommended approval to the Board

MEETING ATTENDANCE

Director	
Frank Nelson (Chair)	■
David Hurcomb	■
Charles St John	■
Mark Cutler*	■
Graeme Campbell*	■

■ Attended meetings

■ Not due to attend

*Attended by invitation

On behalf of the Nomination Committee, I am pleased to present our report for the financial year ended 30 April 2025.

Role and responsibilities

The key responsibilities of the Committee are:

- Assessing whether the size, structure, and composition of the Board (including its skills, knowledge, experience, independence, and diversity, including gender diversity) continue to meet the Group's business and strategic needs
- Examining succession planning for Directors and other senior executives, and for the key roles of Chair of the Board and Chief Executive Officer
- Identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise, together with leading the process for such appointments

Membership and attendance

The Code recommends that the members of a nomination committee should be independent non-executive directors. The Company complies with this Code recommendation. By invitation, the meetings of the Committee may be attended by the Chief Executive Officer and the Chief Financial Officer. The Chair of the Board normally chairs the Committee, except where it is dealing with their own reappointment or replacement. In this instance, the Committee is chaired by another Non-Executive Director nominated as sub-committee Chair. The Company Secretary acts as the Secretary to the Committee.

The Board composition has remained unchanged since July 2020, which has provided a good level of stability for the Company. One Committee meeting was held during the year. The duties of the Committee, in respect of evaluation of the composition of the Board and succession planning for Directors and other senior executives, have been fulfilled by discussion at Board meetings. The Committee comprises all members of the main Board.

Election of Directors

On the recommendation of the Committee, and in line with the Company's Articles of Association, Directors stand for re-election at the Annual General Meeting. The Committee considers that the performance of each of the Directors standing for election at the Annual General Meeting continues to be effective and each demonstrates commitment to their role.

Corporate governance

The Committee's terms of reference are available on the Group's website (www.van-elle.co.uk). The terms of reference were reviewed during the year, with no changes to report.

FRANK NELSON

Chair of the Nomination Committee

30 July 2025

REMUNERATION COMMITTEE REPORT



DAVID HURCOMB
Chair of the
Remuneration Committee

Activities during the year

Matters considered and decisions reached by the Committee during the year included:

- Reviewed and approved Executive Director and senior management team salaries, including inflationary pay increases processed in June 2025
- Reviewed and approved payments to Executive Directors and senior management under the FY2024 Annual Bonus Plan
- Reviewed and approved the parameters of the FY2025 Annual Bonus Plan, including performance measures and targets for the Executive Directors and senior management team
- Reviewed and approved the outcome of the performance conditions for the LTIP grant in September 2021
- Considered and approved LTIP awards to the Executive Directors and key employees

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the current financial year.

Role and responsibilities

The Committee's role is to recommend to the Board a strategy and framework for the remuneration of Executive Directors and the senior management team. The framework should be designed to attract and retain leaders who are appropriately incentivised to deliver the Company's strategic business priorities, aligned with the interests of Shareholders and thus promote the long-term success of the Company.

The Committee's main responsibilities are:

- Establishing and maintaining formal and transparent procedures for developing the policy on Executive remuneration, fixing the remuneration packages of individual Directors, and monitoring and reporting on them
- Determining the remuneration of the Executive Directors
- Monitoring and making recommendations in respect of remuneration for senior management who report directly to the Chief Executive Officer
- Approving the targets and level of awards for any long-term incentive arrangements
- Approving the outcome of long-term incentive awards
- Determining the level of fees for the Chair of the Board
- Selecting and appointing external advisers to the Committee

Membership and attendance

The Committee comprises all independent Non-Executive Directors. By invitation, the meetings of the Committee may be attended by the Chief Executive Officer and Chief Financial Officer. The Chair of the Committee acts as Chair for all matters except where it is dealing with their own remuneration. The Company Secretary acts as the Secretary to the Committee.

The Committee plans to meet formally at least twice a year and at such other times as necessary. The Committee met 3 times during the year.

MEETING ATTENDANCE

Director		
David Hurcomb (Chair)		■ ■ ■
Frank Nelson		■ ■ ■
Charles St John		■ ■ ■
Mark Cutler*		■ ■ ■
Graeme Campbell*		■ ■ ■

■ Attended meetings ■ Not due to attend * Attended by invitation.

Annual bonus scheme outcomes

The Group's annual bonus scheme is assessed on a total group basis (both continuing and discontinued operations), and therefore all numbers referenced during the Remuneration Committee's review have been assessed on that basis.

In FY2024, performance declined as a result of challenging market conditions resulting in a decline in revenue of 6.2% to £139.5m and a decline in underlying operating profit of £0.3m to £5.5m. The result represented a resilient performance in a very challenging year with results delivered in line with market consensus. The Committee approved the payment of annual bonuses in line with the scheme rules. Executive Director bonuses were paid in September 2024.

In FY2025, revenue declined by a further 6.2% to £130.5m as challenging market conditions continued. Underlying operating profit (including discontinued operations) reduced by £1.7m to £3.8m. As a result, the bonus targets were not achieved and no bonus is payable for the FY2025 year.

2025 salary review

Salary increases of approximately 2% awarded during the year in line with inflation at time of award have been made to staff at lower grades, with increases for more senior employees deferred until June 2025.

All Executive and Non-Executive Directors were awarded salary increases in line with all other employees at 2% on 01 June 2025.

Long-term incentives

The Group operates an LTIP, CSOP, and SAYE scheme.

During the year, the LTIP grant made in September 2021 lapsed. The scheme had a 3-year vesting period and targets based 50% on total shareholder return and 50% on return on capital employed in FY2024 which were not met.

An issue of LTIP awards was made on 2 and 19 September 2024 to Executive Directors and Key Management Personnel. This grant of awards has targets based 50% on total shareholder return and 50% on return on capital employed in FY2026 for Executive Directors and 100% PBT for Key Management Personnel with a 3-year vesting period.

An additional LTIP award was made on 7 November 2024 to Key Management Personnel of Albion Drilling following the acquisition of the companies. This grant has awards based on Gross Margin targets in FY2025, FY2026, and FY2027.

No award of options was made under the Group's CSOP scheme during the year and no vested options under previous grant of CSOP awards were exercised during the year.

The current SAYE scheme commenced on 1 April 2023 and has a 3-year vesting period. No further grant of options was made under this scheme during the year.

The Group established the Van Elle Holding plc Employee Benefit Trust during the prior year, an off-shore trust established for the purpose of purchasing shares to issue to employees on exercise of vested share options. No contribution was made to the trust during FY2025 (2024: £482,000). The Trust held 1,264,772 shares as at 30 April 2025 (2024: 1,150,000).

Remuneration report

As an AIM-listed entity, the Company is not required to fully apply the Listing Rules of the Financial Conduct Authority or the BIS Directors' Remuneration Reporting Regulations and hence is not required to present a Board report on remuneration in accordance with those rules. Nevertheless, the Board considers it appropriate for the Company to provide Shareholders with information in respect of Executive remuneration that follows the spirit of the Regulations and will include some details of the Directors' remuneration policy and the annual report on remuneration, which together form the Directors' remuneration report.

DAVID HURCOMB

Chair of the Remuneration Committee

30 July 2025



DIRECTORS' REMUNERATION POLICY

Introduction

The Committee considers the remuneration policy annually to ensure that it remains aligned with the business' needs and is appropriately positioned relative to the market. We use target performance to estimate the total potential reward and benchmark it against reward packages paid within the sector.

Principles adopted

The principles adopted, taken from the Association of British Insurers ("ABI"), are as follows:

- Remuneration structures should be appropriate to the specific business, efficient, and cost effective in delivery
- Complexity is discouraged in favour of simple and understandable remuneration structures
- Remuneration structures should seek to align Executive and Shareholder interests including through a meaningful level of personal shareholding
- Remuneration structures should promote long-term focus through features such as deferral and measuring performance over the long term
- Structures should include performance adjustments (malus) and/or clawback provisions
- Pay should be aligned to long-term sustainable success and the desired corporate culture throughout the organisation
- The Remuneration Committee ensures that rewards properly reflect business performance

Balancing short and long-term remuneration

Based on our view of current market practice and the principles of our remuneration policy, we have established the remuneration policy set out in this report. Fixed annual elements, including salary, pension, and benefits, are to recognise the status of our Executives and to ensure current and future market competitiveness.

The short and long-term incentives are to motivate and reward them for making Van Elle Holdings plc successful on a sustainable basis. The shareholding linkage cements the relationship between the Executive Directors' personal returns and those of Company investors. Long-term incentives, in the form of conditional share awards, are granted annually and Executive Directors are expected to retain vested shares (after they have paid income tax and National Insurance contributions in respect of the awards) until they have met their shareholding requirement.

The Committee reserves discretion to flex the weighting of annual bonus KPIs from year to year to ensure that the Executive Directors are incentivised to drive performance through the Company's core strategic objectives.

Performance measures and targets

The performance measures used in the annual conditional share awards include total shareholder return and return on capital employed targets. The annual bonus scheme performance measures are profit before tax, interim and year-end cash and cash equivalents, and performance against personal objectives.

The Committee has selected these performance conditions because they are central to the Company's overall strategy and are key metrics used by the Executive Directors to oversee the operation of the business. The performance targets are determined annually by the Committee following consultation with the Audit and Risk Committee and are typically set at a level that is above the level of the Company's forecasts.

Differences in remuneration policy for all employees

All employees of the Company are entitled to base salary, benefits, and a pension. An employee bonus scheme is reviewed annually. The maximum opportunity available is based on the seniority and responsibility of the role.

The Committee has regard to pay structures across the wider Group when setting the remuneration policy for Executive Directors. The Committee considers the general basic salary increase for the broader workforce when determining the annual salary review for the Executive Directors.

Overall, the remuneration policy for the Executive Directors is more heavily weighted towards performance-related pay than for other employees. The level of performance-related pay varies within the Group by grade of employee and is calculated by reference to the specific responsibilities of each role as appropriate.

Statement of consideration of employment conditions elsewhere in the Group

The Remuneration Committee invites the Chief Executive Officer to present on the proposals for salary increases for the employee population generally and on any other changes to remuneration policy within the Company. The Committee limits any salary increase for the Executive Directors to the inflationary increase available to employees unless there has been a change in role or alignment to market levels.

The Chief Executive Officer consults with the Committee on the KPIs for Executive Directors' bonuses and the extent to which these should be cascaded to other employees. The Committee approves the overall annual bonus cost to the Company each year. The Committee has oversight over the grant of all LTIP, CSOP, and SAYE awards across the Company.

Future policy table

The individual elements of the future remuneration policy are summarised below:

How the element supports our strategic objectives	Operation of the element	Maximum potential value and payment at threshold	Performance metrics used, weighting, and time period applicable
Base salary			
To recognise status and responsibility to deliver strategy.	Base salary is paid in 12 equal monthly instalments during the year. Salaries are reviewed annually, and any changes are effective from 01 January in the financial year.	Increases only for inflation and in line with other employees unless there is a change in role or responsibility, or alignment required to market levels.	None.
Benefits			
To provide benefits consistent with the role.	The Company pays the cost of providing the benefits monthly, or as required, for one-off events such as receiving financial advice.	Cost of independent financial advice, car allowance, and medical insurance, and other benefits from time to time.	None.
Annual bonus			
To ensure a market competitive package and link total cash reward to achievement of Company business objectives.	Annual bonuses are paid following sign off of the financial statements for the year-end to which they relate. A clawback facility will apply under which part, or all, of the cash and deferred bonus can be recovered if there is a restatement of the financial accounts or the individual is terminated for misconduct.	Maximum bonus potential: 100% of salary for the CEO and 80% for the CFO. Maximum bonus potential for Senior Management is between 30% and 60%. There is no minimum payment at threshold performance.	Reported profit before tax and interim and year end cash and cash equivalents. Performance is measured over the financial year. The Committee has discretion to vary the weighting of these metrics over the life of this remuneration policy.
Pension			
To provide funding for retirement.	Defined contribution scheme. Monthly contributions.	3–10% of salary.	None.
Long Term Incentive Plan (“LTIP”)			
To augment Shareholder alignment by providing Executive Directors with longer-term interests in shares.	Annual grants of conditional share awards based on the achievement of return on capital employed and total shareholder return targets. A clawback facility is in operation under which parts, or the whole, of the LTIP award can be recovered if there is a restatement of the financial statements or the individual is dismissed for cause.	To augment Shareholder alignment by providing Executive Directors with longer-term interests in shares. Maximum grant permitted is 100% of salary. Grant size is determined by reference to achievement of set targets (50% based on TSR and 50% based on ROCE). Vesting is dependent on service and performance conditions. 25% vests at threshold performance.	Service and performance conditions must be met over a 3-year period. Example – 2024 LTIP plan: TSR: 25% vesting if TSR ranked at median within comparator group. 100% vesting if TSR ranked in upper quartile. ROCE: 25% vesting if ROCE in FY2027 exceeds 16%. 50% vesting if ROCE in FY2027 exceeds 18%. 100% vesting if ROCE in FY2027 exceeds 20%. The Committee has discretion to vary the weighting of performance metrics over the life of this remuneration policy.

Approach to recruitment remuneration

The Committee will aim to set a new Executive Directors' remuneration package in line with the remuneration policy approved by Shareholders.

In arriving at a total package and in considering value for each element of the package, the Committee will consider the skills and experience of a candidate and the market value for a candidate of that experience, as well as the importance of securing the preferred candidate.

Where it is necessary to "buy out" an individual's awards from a previous employer, the Committee will seek to match the expected value of the awards by granting awards that vest over a time frame like those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up.

Policy on Directors leaving the Group

The Committee must satisfy any contractual obligations agreed with the Executive Director. This is dependent on the contractual obligations not being in contradiction with the remuneration policy set out in this report.

If an Executive Director's employment is terminated, in the absence of a breach of service agreement by the Director, the Company may, although it is not obliged to, terminate the Director's employment immediately by payment of an amount equal to base salary and the specified benefits (including pension scheme contributions) in lieu of the whole or the remaining part of the notice period. Payments in lieu of notice may be paid in monthly instalments over the length of the notice period. The Executive Directors are obliged to seek alternative income during the notice period and to notify the Company of any income so received. The Company would then reduce the monthly instalments to reflect such alternative income.

Discretionary bonus payments will not form part of any payments made in lieu of notice. An annual bonus may be payable, at the Committee's discretion, with respect to the period of the financial year served, although it would be paid in cash and normally pro rata for time and paid at the normal payment date.

Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on relevant plan rules.

The default treatment under the LTIP is that any outstanding awards lapse when the individual leaves the Group. However, in certain prescribed circumstances, such as death, ill health, injury, or disability, transfer of the employing entity outside of the Group or in other circumstances at the discretion of the Committee (except where the Director is summarily dismissed), "good leaver" status may be applied.

For good leavers, awards will normally vest to the extent that the Committee determines, taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, the period that has elapsed between the grant and the date of leaving. Awards will normally vest at the original vesting date, unless the Committee decides that awards should vest at the time of leaving.

Service agreements and letters of appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving not less than 6 months' prior written notice.

The Chair and each of the Non-Executive Directors of the Company do not have service contracts. Each of these Directors has a letter of appointment that has an initial 3-year term, which is renewable and is terminable by the Company or the individual on 3 months' written notice.

Non-Executive Directors are not eligible to participate in cash or share incentive arrangements and their service does not qualify them for a pension or other benefits. No element of their fee is performance related.

Director date of service contract/letter of appointment

Executive Directors	Non-Executive Directors
Mark Cutler – 13 August 2018	David Hurcomb – 1 November 2017
Graeme Campbell – 23 September 2019	Charles St John – 24 February 2020
	Frank Nelson – 20 May 2020

Non-Executives Directors' fees policy

How the element supports our strategic objectives	Operation of the element	Consideration of Shareholder views
To attract Non-Executive Directors who have a broad range of experience and skills to oversee the implementation of our strategy.	<p>Non-Executive Directors' fees are set by the Board. The Chair's fees are set by the Committee.</p> <p>Annual fees are paid in 12 equal monthly instalments during the year.</p> <p>Fees are regularly reviewed against those for Non-Executive Directors in companies of similar scale and complexity.</p> <p>Non-Executive Directors are not eligible to receive benefits and do not participate in incentive or pension plans.</p> <p>Current fee levels are shown in the annual report.</p> <p>Non-Executive Directors are not eligible to participate in any performance-related arrangements.</p>	<p>We take an active interest in Shareholder views on our Executive remuneration policy. The Committee is also committed to maintaining an ongoing dialogue with major Shareholders and Shareholder representative bodies whenever material changes are under consideration.</p>

ANNUAL REPORT ON REMUNERATION

Single total figure of remuneration

The table below sets out the total remuneration for the Directors in the year ended 30 April 2025, with comparative figures for the year ended 30 April 2024.

Benefits comprise the provision of car allowance, payment in lieu of pension, and private medical insurance, valued at the taxable value.

	Salary/fees £'000	Benefits £'000	LTIP £'000	Pension £'000	Bonus £'000	2025 Total £'000	2024 Total £'000
Executive Directors							
Mark Cutler	327	27	–	–	–	354	583
Graeme Campbell	182	13	–	9	–	204	317
Non-Executive Directors							
Charles St John	51	–	–	–	–	51	50
David Hurcomb	51	–	–	–	–	51	50
Frank Nelson	106	–	–	–	–	106	104
Aggregate emoluments	717	40	–	9	–	766	1,104

The LTIP relates to the value of long-term awards whose performance period ends in the year under review. The LTIP grant which came to the end of its vesting period during the year lapsed as the performance criteria were not met.

Bonus outcomes were below the minimum threshold for payment in 2025 and therefore no bonus is payable in respect of the current year.

Aggregate Directors' emoluments

	2025 £'000	2024 £'000
Salaries	717	706
Taxable benefits	40	61
Pension allowances	9	9
LTIP	–	205
Bonus	–	123
Subtotal	766	1,104
Employer's NI	115	258
Total	881	1,362

Payments for loss of office

There were no payments for loss of office in the year.

Payments to past Directors

There were no payments to past Directors in the year.

Share awards granted during the year

During the year, the Executive Directors were granted a conditional share award on 02 September 2024, details of which are shown below:

Director	Scheme	Basis of award	Face value £'000	% vesting at threshold	Number of shares	Vesting date
Mark Cutler	LTIP	100% of salary	323	25	759,804	02/09/2027
Graeme Campbell	LTIP	100% of salary	183	25	431,593	02/09/2027

The face value of the awards is calculated using the share price at the date of grant of £0.425 per share. The performance conditions in respect of the awards granted in the year ended 30 April 2025 are shown below:

Performance measure	Weighting	Target 25% vesting	Maximum 100% vesting
Total shareholder return ranking ¹	50%	Median, ranked 6th or higher	Upper quartile, ranked 4th or higher
Return on capital employed in FY2027	50%	16%	20%

¹ Measured against a comparator group of 11 companies (i.e. 12 including Van Elle Holdings plc)

In the prior year, the Executive Directors were granted a conditional share award on 4 September 2023, details of which are shown below:

Director	Scheme	Basis of award	Face value £'000	% vesting at threshold	Number of shares	Vesting date
Mark Cutler	LTIP	100% of salary	330	25	733,084	04/09/2026
Graeme Campbell	LTIP	100% of salary	187	25	416,415	04/09/2023

The face value of the awards is calculated using the share price at the date of grant of £0.450 per share. The performance conditions in respect of the awards granted in the year ended 30 April 2024 are shown below:

Performance measure	Weighting	Target 25% vesting	Maximum 100% vesting
Total shareholder return ranking ¹	50%	Median, ranked 7th or higher	Upper quartile, ranked 4th or higher
Return on capital employed in FY2027	50%	15%	20%

¹ Measured against a comparator group of 12 companies (i.e. 13 including Van Elle Holdings plc)

Statement of Directors' shareholdings and share interests

We believe that Executive Directors should have shareholdings in the Company to ensure that they are as closely aligned as possible with Shareholder interests. Those Directors serving at the end of the year and their immediate families had interests in the share capital of the Company at 30 April 2025 as follows:

	Ordinary shares held at 30 April 2025	Options held at 30 April 2025
Executive Directors		
Mark Cutler	1,067,428	1,912,359
Graeme Campbell	75,000	1,090,860
Non-Executive Directors		
Charles St John	100,000	–
David Hurcomb	65,000	–
Frank Nelson	190,000	–

Statement of implementation of remuneration policy – year to 30 April 2025

The fees for the financial year for Non-Executive Directors David Hurcomb, Charles St John, and Frank Nelson are £51,000, £51,000, and £106,000, respectively.

Approval

The Directors' remuneration policy and the annual report on remuneration, together comprising the Directors' remuneration report, were approved by the Board of Directors on 30 July 2025 and signed on its behalf by the Remuneration Committee Chair.

DAVID HURCOMB

Chair of the Remuneration Committee

30 July 2025

DIRECTORS' REPORT

Introduction

The Directors present their annual report and the Group audited financial statements for the year ended 30 April 2025. The strategic report on pages 01 to 57, the corporate governance report on pages 60 to 61, and certain notes to the financial statements are also incorporated into this report by reference.

Business review and future developments

A review of the performance of the Group during the year, including principal risks and uncertainties, key performance indicators, and comments on future developments, is given in the strategic report on pages 01 to 57.

Results and dividend

The Group's result for the year is shown in the consolidated statement of comprehensive income on page 82.

An interim dividend of 0.4p per share was paid to Shareholders on 14 March 2025. The Board is recommending a final dividend of 0.8p for the year ended 30 April 2025. If approved at the Annual General Meeting on 25 September 2025, the final dividend is payable on 17 October 2025 to Shareholders registered on 03 October 2025. The shares will be marked ex-dividend on 02 October 2025.

Financial risk management

Information relating to the principal risks and uncertainties of the Group has been included within the strategic report. Further information relating to the financial risks of the Group has been included within note 25 of the consolidated financial statements.

Directors

The Directors of the Company who held office during the year are:

- F. Nelson
- M. Cutler
- G. Campbell
- C. St John
- D. Hurcomb

The biographies of the Directors are detailed on pages 58 and 59. Their interests in the ordinary shares of the Company are shown in the Directors' remuneration report on pages 72 to 73. In addition to the interests in ordinary shares, the Group operates a performance share plan ("LTIP") for senior executives, under which certain Directors have been granted conditional share awards. Details of the share options granted are detailed in the Directors' remuneration report on pages 68 to 71.

Directors may be appointed by ordinary resolution of the Company or by the Board. In addition to any powers of removal conferred by the Companies Act 2006, the Company may, by special resolution, remove any Director before the expiration of their period of office.

Directors' indemnities

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from the execution of their duties or powers to the extent permitted by law.

The Company has directors' and officers' indemnity insurance in place in respect of each of the Directors. The Company has entered into a qualifying third-party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Directors. Neither the indemnity, nor insurance, provide cover if a Director or officer is proved to have acted fraudulently.

Employees

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be considered when making decisions that are likely to affect their interest. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in its performance.

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Further details regarding employees are detailed in the sustainable responsible business section on pages 32 to 45.

Share capital

The Company has only 1 class of equity share, namely 2p ordinary shares. The shares have equal voting rights and there are no special rights or restrictions attaching to any of them or their transfer to other persons.

During the year, 1,459,817 ordinary shares were issued as consideration for the acquisition of Albion Drilling Holdings Ltd. As at 30 April 2025, the issued share capital of the Company was 108,200,751 ordinary shares of 2p each. Details of the share capital as at 30 April 2025 are shown in note 29 of the consolidated financial statements.

The market price of the Company's shares at the end of the financial year was 34.50p and the range of market prices during the year was between 32.0p and 44.0p.

Prior period restatement

During the current financial year, a detailed review of terms of one of the Group's long lease agreements was undertaken resulting in the restatement of the associated IFRS 16 asset and liability.

A restatement of the FY2024 profit and loss, cashflow statement and balance sheet as at 30 April 2023 and 30 April 2024 has been made.

The total impact on the FY2024 profit and loss is a £93,000 increase in profit after tax, being a reduction in administrative costs of £37,000 and finance expenses of £90,000, with an increased tax charge of £34,000.

The impact on net assets as at 30 April 2024 was an increase of £682,000. The impact on net assets as at 30 April 2023 was an increase of £580,000.

The impact on the FY2024 cash flow statement is a reduction in the net cash generated from operating activities of £106,000, a reduction in principal paid on lease liabilities of £16,000 and a reduction in interest paid on lease liabilities of £90,000. The net impact on cash in FY2024 is nil. A restatement of the cash flow statement is required due to the original cash flow presentation reflecting the accounting entries for the long lease rather than the cash flows.

Research and development

The Group has in-house design and development facilities and continually develops and implements innovative geotechnical equipment, services, and bespoke products to improve accuracy, quality, and sustainable credentials of projects across numerous industries. The Group pioneers new techniques and develops leading-edge technical and cost-effective solutions, whilst successfully mitigating the inherent uncertainties encountered in the complex ground conditions found across the UK. The costs associated with these research and development activities form the basis of the Group's annual research and development expenditure credit claim.

Substantial shareholdings

As at the date of this report, the Company had been notified of the following interests representing 3% or more of the voting rights in the issued share capital of the Company.

Name of holder	Total holding of shares	% of total voting rights
Ruffer LLP	15,000,000	13.86
Otus Capital Management	13,411,188	12.39
Harwood Capital	11,000,000	10.17
Mr Peter Gyllenhammar	7,707,500	7.12
NR Holdings	6,009,999	5.55
Trinity Bridge	4,675,884	4.32
Mr and Mrs Jones	3,831,000	3.54
Puma Investments	3,427,360	3.17

Corporate governance

The Group's statement on corporate governance is incorporated by reference and forms part of this Directors' report.

Going concern

The statement regarding going concern is set out in note 2 to the consolidated financial statements on page 86.

Disclosure of information to the Auditor

Each Director confirms that, so far as they are aware, there is no relevant audit information of which the Group's Auditor is unaware, and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the Group's Auditor is aware of that information.

Independent Auditor

BDO LLP has expressed its willingness to continue in office, and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

GRAEME CAMPBELL
Company Secretary

30 July 2025

Registered office: Summit Close,
Kirkby-in-Ashfield, Nottinghamshire NG17 8GJ
Company number: 04720018

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 Group and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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
- State whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and subject to any material departures disclosed and explained in the financial statements
- 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 the requirements of the 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.

The Directors are responsible for ensuring the annual report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the UK, governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board of Directors and signed on its behalf by:

GRAEME CAMPBELL
Company Secretary

30 July 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Van Elle Holdings plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Van Elle Holdings plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 April 2025 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, the Parent Company statement of financial position, the Parent Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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. This included challenging the key estimates and judgements. In doing so, we specifically considered the principal trading and cash flow assumptions, and challenged the Directors on revenue forecasts, margins, and the levels of capital expenditure required to support the forecast levels of activity and corroborated these to post year end trading results, order book and the pipeline of potential future orders. We also challenged judgements taken on cash cashflows and earnout payment calculations. We assessed the sensitivities undertaken against the level of available cash and contracted funding facilities. We considered the results of the reverse stress test undertaken by the Directors and assessed the reasonableness of the Directors' assessment that the scenario that could result in the Group facing a cash shortfall was remote in light of the historic trading results.
- We also reviewed the disclosures in notes to the financial statements to ensure that they are in accordance with relevant requirements and provided meaningful and transparent information for the users of the financial statements,

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

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

Overview

Coverage	100% (2024: 100%) of Group profit before tax		
	100% (2024: 100%) of Group revenue		
	100% (2024: 100%) of Group total assets		
Key audit matters		2025	2024
	Recognition of revenue and attributable profits (or losses) on contracts.	✓	✓
Materiality	Group financial statements as a whole		
	£500,000 based on 0.4% of Revenue (2024: £240,000 based on 5% of profit before tax)		
	We have changed the materiality benchmark for this year from profit before tax to revenue. Our analysis shows that profit before tax has been more volatile than revenue over the past few years. We've also looked at industry standards, which often use revenue as the benchmark for materiality. As auditors, our view is that revenue is the most suitable benchmark, which we have discussed and agreed with those charged with Governance.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group manages its central operations from the head office in Kirkby-in-Ashfield to support its subsidiaries day to day operations with regional offices at various locations throughout the UK and one in Canada. As at 30 April 2025, the Group consisted of the Parent Company, three trading subsidiaries in the UK, one trading subsidiary in Canada and four dormant subsidiaries.

The three UK trading subsidiaries, Van Elle Limited, Rock & Alluvium Limited and Albion Drilling Group Limited, are considered to be significant components of the Group. The Group engagement team carried out a full scope audit on these significant components. Our audit work on the trading components was executed at a level of materiality applicable to the individual entities, which was lower than Group materiality.

The Group engagement team have also undertaken a full scope audit on the Parent Company.

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT continued

To the members of Van Elle Holdings plc

Stakeholder	How the scope of our audit addressed the key audit matter	
Recognition of revenue and attributable profit (or losses) on contracts: The Group's accounting policy is described in note 3. Refer note 6 to the financial statements.	<p>Revenue is recognised on the stage of completion of individual contracts. Attributable profit (or loss) is calculated after deducting the costs incurred to date. If the contract is expected to be loss making based on forecast costs and contract revenues, forecast losses are recognised immediately as an expense.</p> <p>The extent of revenue and profit (or loss) to recognise on a particular partially completed contract represents an area of significant judgement within the financial statements, which involves an assessment of both current and future contract performance.</p> <p>The potential outcomes for contracts can have an individual or collectively material impact on the financial statements, whether through error or management bias and as such this was considered a significant audit risk.</p>	<p>We tested the operating effectiveness of controls in the year surrounding the contract tender process, verification of sample of works performed by third party confirmation and senior management consideration of adjustments to the financial statements regarding variable consideration and works performed not yet certified.</p> <p>We obtained a breakdown of contracts making up revenue in the year which we reconciled to the revenue reported per financial statements.</p> <p>We selected a sample of contracts from the breakdown and obtained a copy of the contract documentation and undertook the following work to substantiate the recognition of revenue from a review of the performance obligations as follows:</p> <ul style="list-style-type: none">■ We assessed the position adopted by management at the year-end as compared to quantity surveyor applications or other external evidence such as customers' certification of work done.■ We held meetings with contract managers and enquired on current progress on open contracts and final account negotiations on completed contracts substantiating explanations to supporting correspondence. <p>For all the contracts which met our risk criteria and presented a potential risk to revenue recognition, we reviewed individual contract assets and trade receivables pertaining to those revenue samples which we considered presented the greatest risk of exposure to recoverability either by size or by age.</p> <p>For each material trade receivable or contract asset that had not been tested as part of our contract selection described above, we reviewed post year end correspondence and substantiated to customer certificates and invoices.</p> <p>Where contract assets had not been supported by external certifications we reviewed all other correspondence including support from applications for payment and final account settlements and challenged management's judgement in respect of the recoverability of the amounts recoverable on contracts with reference to our own assessments.</p> <p>Key observations:</p> <p>We consider the judgements taken by management in relation to revenue recognition on contracts to be acceptable.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025	2024	2025	2024
Materiality	£500,000	£240,000	£312,000	£150,000
Basis for determining materiality	0.4% of Revenue	5% of profit before tax	2% of total assets	2% of total assets
Rationale for the benchmark applied	Revenue remains an important external indicator, along with cash, to the performance of the Group.	Earnings is a key measure of performance of the group and influence of shareholder assessment.	Revenue remains an important external indicator, along with cash, to stakeholders as to the performance of the Group.	Total assets is considered an appropriate benchmark as the main purpose of the Parent Company is to hold the investments in subsidiaries.
Performance materiality	£325,000	£156,000	£203,000	£98,000
Basis for determining performance materiality	65% of materiality which is considered appropriate to mitigate potential aggregation risk across the various financial statement areas.			
Rationale for the percentage applied for performance materiality	In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements alongside management's approach to adjusting for misstatements with a material impact on the financial statements.			

Component materiality

For the purpose of our Group audit opinion, we set performance materiality for each component of the Group apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 50% and 75% (2024: 65%) of Group materiality dependent on a number of factors including the relative size of the component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £162,500 to £243,750 (2024: £156,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £20,000 (2024: £7,500). We also agreed to report differences below this threshold that, in our review, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT continued

To the members of Van Elle Holdings plc

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group based on our understanding of the Group and sector experience and discussions with management. The most significant laws and regulations for the Group were considered to be the Companies Act 2006, corporate taxes and VAT, employment tax legislation and the Health and Safety at Work Act. We enquired of those charged with governance, directors and management and obtained and reviewed supporting documentation, concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We evaluated the directors and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates including taking fraudulent judgements on revenue contracts open at year end.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation at Work Act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals (including overstatement of revenue at the year end) to manipulate financial results and management bias in accounting estimates. Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year which met a defined risk criteria, by agreeing them to supporting documentation to check they were correctly recorded and supported by appropriate evidence;
- Challenging and assessing the appropriateness of the significant estimate and judgment made by management for evidence bias, having regard to the supporting evidence and historical outcomes; and
- Testing any significant transactions that appeared to be the outside the normal course of business for evidence of bias

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

GREG WATTS (SENIOR STATUTORY AUDITOR)

For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

30 July 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2025

	Note	2025			2024 Restated*		
		Underlying £'000	Non-Underlying Items £'000	Statutory £'000	Underlying £'000	Non-Underlying Items £'000	Statutory £'000
Revenue	5	130,465	–	130,465	139,077	–	139,077
Cost of sales		(90,045)	–	(90,045)	(96,904)	–	(96,904)
Gross profit		40,420	–	40,420	42,173	–	42,173
Administrative expenses		(37,733)	–	(37,733)	(37,794)	–	(37,794)
Credit loss impairment credit/(charge)	19	(33)	–	(33)	157	–	157
Other non-underlying items	8	–	(612)	(612)	–	(561)	(561)
Other operating income	7	2,833	–	2,833	2,365	894	3,259
Operating profit	9	5,487	(612)	4,875	6,901	333	7,234
Finance expense	11	(413)	–	(413)	(341)	–	(341)
Finance income	11	186	–	186	102	149	251
Profit before tax		5,260	(612)	4,648	6,662	482	7,144
Income tax expense	12	(1,519)	31	(1,488)	(1,856)	20	(1,836)
Profit for the year from continuing operations		3,741	(581)	3,160	4,806	502	5,308
Loss for the year from discontinued operations	18	(1,317)	–	(1,317)	(1,001)	–	(1,001)
Profit for the year		2,424	(581)	1,843	3,805	502	4,307
Earnings per share (pence)							
Basic	14	2.3		1.7	3.6		4.0
Diluted	14	2.2		1.7	3.5		4.0
Basic – continuing	14	3.5		2.9	4.5		5.0
Diluted – continuing	14	3.5		2.9	4.5		4.9

	2025 £'000	2024 £'000
Other comprehensive income		
Items that may or may not be reclassified subsequently to profit or loss:		
Foreign operations – foreign currency translation differences	(112)	(39)
Total other comprehensive profit/(loss) for the year, net of tax	(112)	(39)
Total comprehensive income for the year attributable to shareholders of the parent	1,731	4,268

*Refer to note 37 for details of the prior period restatement.

The notes on pages 86 to 118 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2025

	Note	2025 £'000	2024 Restated* £'000	2023 Restated* £'000
Non-current assets				
Property, plant and equipment	15	36,867	42,230	40,090
Intangible assets	16	4,554	4,432	3,713
Deferred tax	28	738	389	–
		42,159	47,051	43,803
Current assets				
Inventories	17	6,317	5,753	4,971
Assets held for sale	18	6,516	–	–
Trade and other receivables	19	32,429	38,041	35,351
Cash and cash equivalents	32	7,204	6,002	8,885
		52,466	49,796	49,207
Total assets		94,625	96,847	93,010
Current liabilities				
Trade and other payables	19	20,277	22,145	22,927
Corporation tax payable		61	–	–
Loans and borrowing	20	3,335	–	772
Deferred consideration	22	–	2,120	790
Lease liabilities	21	1,973	2,024	1,551
Provisions	26	1,445	8,064	8,143
Liabilities associated with assets held for sale	18	959	–	–
		28,050	34,353	34,183
Non-current liabilities				
Loans and borrowing	21	1,109	–	386
Lease liabilities	22	4,770	3,356	3,526
Deferred tax	28	6,246	5,731	4,303
		12,125	9,087	8,215
Total liabilities		40,175	43,440	42,398
Net assets		54,450	53,407	50,612
Equity				
Share capital	29	2,164	2,135	2,133
Share premium	29	9,189	8,633	8,633
Other reserve		5,807	5,807	5,807
Investment in own shares	29	(479)	(420)	–
Retained earnings		37,769	37,252	34,039
Total equity		54,450	53,407	50,612

*Refer to note 37 for details of the prior period restatement.

The financial statements were approved and authorised for issue by the Board of Directors on 30 July 2025 and were signed on its behalf by:

GRAEME CAMPBELL

Chief Financial Officer

The notes on pages 86 to 118 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 April 2025

	Note	2025 £'000	2024 Restated* £'000
Cash flows from continuing operating activities			
Operating profit	9	4,875	7,233
Depreciation of property, plant and equipment	15	8,263	7,466
Amortisation of intangible assets	16	101	149
Profit on disposal of property, plant and equipment		(835)	(404)
Share-based payment expense	30	57	232
Continuing operating cash flows before movement in working capital		12,461	14,676
Increase in inventories		(323)	(694)
Increase in trade and other receivables		(809)	(1,019)
Decrease in trade and other payables		(2,630)	(2,638)
Decrease in provisions		(764)	(79)
Cash generated from continuing operations		7,935	10,246
Income tax received/(paid)		-	-
Net cash generated from continuing operating activities		7,935	10,246
Net cash absorbed in discontinued operating activities	18	(2,169)	(1,641)
Net cash generated from operating activities		5,766	8,605
Cash flows from continuing investing activities			
Purchases of property, plant and equipment	15	(3,575)	(5,456)
Proceeds from disposal of property, plant and equipment		2,426	1,877
Acquisition of subsidiaries, net of cash acquired	35	(3,417)	(2,540)
Purchase of own shares into EBT		(60)	(421)
Net cash absorbed in continuing investing activities		(4,626)	(6,540)
Net cash absorbed in discontinued investing activities	18	(197)	(44)
Net cash absorbed in investing activities		(4,823)	(6,584)
Cash flows from financing activities			
Proceeds from new loans and borrowings	24	4,577	-
Proceeds from issue of shares	29	-	2
Repayment of borrowings	24	(132)	(1,158)
Principal paid on lease liabilities	24	(2,475)	(2,379)
Interest paid on lease liabilities	24	(317)	(247)
Interest payable on borrowings	24	(96)	(93)
Interest receivable	11	186	251
Dividends paid	13	(1,271)	(1,280)
Net cash generated/(absorbed) from continuing financing activities		472	(4,904)
Net cash absorbed in discontinued financing activities	18	(33)	-
Net cash generated/(absorbed) from financing activities		439	(4,904)
Net increase/(decrease) in continuing cash and cash equivalents		3,781	(1,198)
Net decrease in discontinued cash and cash equivalents		(2,399)	(1,685)
Net increase/(decrease) in cash and cash equivalents		1,382	(2,883)
Reclassification as held for sale	18	(180)	-
Cash and cash equivalents at beginning of year		6,002	8,885
Cash and cash equivalents at end of year		7,204	6,002

*Refer to note 37 for details of the prior period restatement.

The notes on pages 86 to 118 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2025

	Share capital £'000	Share premium £'000	Other reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
At 1 May 2023 restated*	2,133	8,633	5,807	–	34,039	50,612
Total comprehensive income	–	–	–	–	4,268	4,268
Issue of share capital	2	–	–	–	–	2
Purchase of own shares into EBT	–	–	–	(420)	–	(420)
Dividends paid	–	–	–	–	(1,280)	(1,280)
Share-based payments	–	–	–	–	225	225
Total changes in equity	2	–	–	(420)	3,213	2,795
At 30 April 2024 restated*	2,135	8,633	5,807	(420)	37,252	53,407
Total comprehensive income	–	–	–	–	1,731	1,731
Issue of share capital	29	556	–	–	–	585
Purchase of own shares into EBT	–	–	–	(59)	–	(59)
Dividends paid	–	–	–	–	(1,271)	(1,271)
Share-based payments	–	–	–	–	57	57
Total changes in equity	29	556	–	(59)	517	1,043
At 30 April 2025	2,164	9,189	5,807	(479)	37,769	54,450

*Refer to note 37 for details of the prior period restatement.

The notes on pages 86 to 118 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2025

1. General information

The consolidated financial statements present the results of Van Elle Holdings plc (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 April 2025. A list of subsidiaries and their countries of incorporation is presented in note 6 of the parent company financial statements on page 123.

Van Elle Holdings plc is a public limited company incorporated and domiciled in the UK under the Companies Act 2006 and limited by shares. The principal activity of the Group is a geotechnical contractor offering a wide range of ground engineering techniques and services including site investigation; driven, bored, drilled and augered piling; and ground stabilisation services. The Group also develops, manufactures and installs precast concrete products for use in specialist foundation applications. Further information on the nature of the Group’s operations and principal activities is set out in the strategic report on pages 01 to 57.

The address of the Company’s registered office is Van Elle Holdings plc, Southwell Lane Industrial Estate, Summit Close, Kirkby-in-Ashfield, Nottinghamshire NG17 8GJ. The Company has its primary listing on AIM, part of the London Stock Exchange.

The Group’s financial statements were authorised for issue by the Board of Directors on 29 July 2025.

2. Basis of preparation

Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards (“IAS”) in conformity with the requirements of the Companies Act 2006. The Group financial statements have been prepared on the going concern basis and adopting the historical cost convention.

The preparation of financial statements in compliance with adopted IAS requires the use of certain critical accounting estimates, which are outlined in the critical accounting estimates and judgements section disclosed in note 4.

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

Going concern

In determining whether the Group and Company annual consolidated financial statements can be prepared on a going concern basis, the Board considered all factors likely to affect its future performance and financial position, including cash flows, liquidity position, borrowing facilities and the risks and uncertainties relating to its business activities.

The following factors were considered as relevant:

- profitable trading performance in the preceding 2 years and a positive outlook in the Group’s markets over the medium to long term;
- net funds position of the Group;
- order book, framework agreements, and the pipeline of potential future orders; and
- available borrowing facilities.

Net funds, excluding IFRS 16 property and vehicle lease liabilities is £1.1m at 30 April 2025 (30 April 2024: £5.5m). Whilst the cash balance increased in the year to £7.2m, £3m was drawn on the Group’s asset backed lending facility, £1.5m of which was repaid shortly after the year end leaving £6.5m currently available for draw down. New hire purchase financing of £2.9m was also taken out during the year to support investment for growth in capital equipment and acquisitions. New hire purchase financing has been taken over a period of 4 years with the latest date of expiry being January 2029.

The Group’s £8m asset backed lending facility, which is secured against the Group’s receivables and certain tangible assets, expires in September 2026. There are no financial covenants associated with the funding facility. There are operational covenants associated with the facilities, including debtor concentration, dilution, and debt turn. Breach of operational covenants impacts the level of availability under the facility rather than representing an instance of default. The Directors are confident that the Company will continue to operate within the operational covenants. The facilities are not expected to be extended beyond September 2026. As such, the Group is in the process of agreeing alternative financing arrangements for a period of up to 5 years.

A detailed forecast has been prepared for the period to 31 December 2026. The forecast reflects an assessment of expected performance in each of the Group’s markets. The forecast shows a healthy cash flow and liquidity headroom across the period to December 2026.

Reverse stress testing has been carried out and the Board is satisfied that the scenarios in which the level of trading is such that the Group experiences a cash outflow of such a level that further debt facilities would be required are remote.

Based on the above, the Directors conclude that the Group and Company are able to operate within the level of their current financial resources for a period of at least 12 months from the date of approving the financial statements and therefore the financial statements have been prepared on a going concern basis.

2. Basis of preparation continued

Adoption of new and revised standards

New standards, interpretations, and amendments effective from 1 May 2024

During the year, the Group 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 1 – classification of liabilities as current or Non-current
- Amendment to IFRS 16 Leases – lease liability in a sale and leaseback
- Amendment to IFRS 17 – initial application of IFRS 17 and IFRS 9 – comparative information

New standards, interpretations and amendments not yet effective

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective:

- IFRS S1 general requirements for disclosure of sustainability-related financial information
- IFRS S2 climate-related disclosures
- IFRS 18 presentation and disclosure in financial statements
- IFRS 19 subsidiaries without public accountability: disclosures Amendment to IAS 21 – lack of exchangeability
- Amendment to IAS 21 – lack of exchangeability
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all 3 of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries (the “Group”) as if they formed a single entity. Intercompany transactions and balances between Group companies are, therefore, eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities, and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Any change in ownership in non-controlling interests is accounted for as an equity transaction.

Revenue

Revenue represents the total amounts receivable by the Group for goods supplied and services provided, excluding value-added tax and trade discounts. The Group's turnover arises in the UK.

In line with IFRS 15 Revenue from Contracts with Customers, the Group recognises revenue based on the application of a principles-based “5-step” model. Only when the 5 steps are satisfied is revenue recognised. As all contracts have an expected duration of 1 year or less, the Group does not disclose the transaction price, or anticipated timing of performance obligations remaining at the year-end.

General and Specialist Piling

The performance obligations and transaction price are defined within signed contracts between the customer and the Group. Each performance obligation represents a series of distinct items of goods that are substantially the same and that have the same pattern of transfer to the customer. This is classified as a series as each distinct item of goods in the series meets the definition of a performance obligation satisfied over time and the same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each item of goods to the customer. Mobilisation (moving the piling rig equipment to the customer site) does not represent a separate performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

3. Significant accounting policies continued

Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over time because each pile enhances an asset that the customer controls. Revenue is recognised as progress towards complete satisfaction of that performance obligation over time occurs, using the output method. Progress is determined by completed pile logs.

For performance obligations where the customer does not simultaneously receive and consume the benefits (e.g. designs, interpretative reports and testing), the work performed by the Group does not create or enhance an asset that the customer controls. Revenue for these performance obligations is recognised at a point in time (e.g. on delivery of report).

Where the performance obligations within a contract are not substantially the same and do not have the same pattern of transfer to the customer, revenue is recognised as progress is made towards complete satisfaction of the performance obligations over time using the input method. Progress is determined based on costs incurred to date.

Ground Engineering Services

The performance obligations and transaction price are defined within signed contracts between the customer and the Group. Each individual service is not considered a separate performance obligation. For performance obligations where the customer does not simultaneously receive and consume the benefits (e.g. interpretative reports and testing), the work performed by the Group does not create or enhance an asset that the customer controls. Revenue for these performance obligations is recognised at a point in time (e.g. on delivery of report). Costs relating to these performance obligations are capitalised and fully amortised at the point in time when the performance obligation is fully satisfied. Contracts may also contain a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (e.g. bore hole drilling). This is classified as a series. As an asset is enhanced that the customer controls, each distinct item of goods in the series meets the definition of a performance obligation satisfied over time. The same method would be used to measure the entity's progress towards complete satisfaction of the performance obligation as to transfer each item of goods to the customer. The revenue for each performance obligation is recognised over time because each item of goods enhances an asset that the customer controls. Revenue is recognised as progress is made towards complete satisfaction of that performance obligation over time using the output method. Progress is determined by completed logs.

Ground Engineering Products

Each performance obligation represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. Mobilisation (moving the piling rig equipment to the customer site) does not represent a separate performance obligation. Mobilisation revenue is included within the transaction price of the related performance obligation and recognised over time. The revenue for each performance obligation is recognised over time because each pile enhances an asset that the customer controls. Revenue is recognised as progress is made towards complete satisfaction of that performance obligation over time, using the output method. Progress is determined by completed pile logs.

Variable consideration

The following types of income are variable consideration and are only recognised when management determines it to be highly probable that a significant reversal in revenue will not occur in a future period:

Liquidated damages ("LADs")

These are included in the contract for both parties. The customer can reduce the amount paid to the Group if it is deemed the Group has caused unnecessary delays or additional work. The Group is also able to claim LADs where it can be proved that the customer has caused unnecessary delays or disruption. The method for claiming this revenue is to include it within the application to the customer, or for the customer to include or exclude it in the application certificate returned to the Group. At the point of making an application for LADs, the additional revenue or the reduction in revenue is only recognised when it is highly probable that a significant reversal in cumulative revenue recognised will not occur.

Standing time

Within the contracts a penalty charge can be made where work is delayed, and the Group assets must stand idle. These charges can be disputed by the customer where blame may not be clear. The revenue for these charges is not recognised until it is highly probable that a significant reversal in cumulative revenue recognised will not occur.

Adjustments to invoiced variable consideration

Where revenue relating to variable consideration is invoiced to the customer, revenue is adjusted to remove revenue that is not highly probable. This is subsequently recognised only once it becomes highly probable.

Trade receivables

Trade receivables include applications to the extent that there is an unconditional right to payment and the amount has been certified by the customer.

Contract assets

The recoverable amount of applications that have not been certified, and other amounts that have not been applied for but represent the recoverable value of work carried out at the balance sheet date, are recognised as contract assets within trade and other receivables on the balance sheet.

Contract liabilities

Any payments received in advance of completing the work are recognised within contract liabilities.

3. Significant accounting policies continued

Segment reporting

The operating segments are based on the components that the Board, the Group's principal decision-making body (the "Chief Operating Decision Maker"), monitors in making decisions about operating matters. Such components are identified based on information that is provided internally in the form of monthly management account reporting, budgets, and forecasts to formulate allocation of resources to segments and to assess performance. Revenue from reportable segments is measured on a basis consistent with the income statement. Continuing revenue is generated from within the UK, the Group's country of domicile, with discontinued revenue generated in Canada, home of Van Elle Canada Inc. Segment results show the contribution directly attributable to each segment in arriving at the Group's operating profit. Segment assets and liabilities comprise those assets and liabilities directly attributable to each segment. Group eliminations represent such consolidation adjustments that are necessary to determine the Group's assets and liabilities.

Research and Development Expenditure Credits

The Group makes Research and Development Expenditure Credit claims annually. The credit is recognised in the period in which the research and development expenditure is incurred and is disclosed as other operating income within the profit and loss statement. The value of the credit relating to the current financial year is based on estimated qualifying expenditure. Any adjustment to this estimate is made in the period in which the claim is made.

Non-underlying items

Such items are those that, in the Directors' judgement, occur infrequently and do not reflect the underlying performance of the business and, therefore, need to be disclosed separately. This is consistent with the way financial performance is measured by management and reported to the Board. Disclosing non-underlying items separately provides an additional understanding of the performance of the Group.

Taxation

The income tax expense represents the sum of current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

Property, Plant, and Equipment

Items of property, Plant and Equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly related to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. All other repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment and is calculated, using the straight-line method, to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	–	2–20% per annum straight line
Plant and machinery	–	8–20% per annum straight line
Office equipment	–	10–25% per annum straight line
Motor vehicles	–	10–25% per annum straight line

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

3. Significant accounting policies continued

Gains and losses on disposal of assets are determined by comparing the proceeds of disposal with the carrying value and are recognised in the statement of comprehensive income.

Subsequent expenditure on repairs and refurbishments that does not enhance the value or extend the lives of the related assets is recognised as an expense in the income statement as incurred.

Investment property

Investment properties are held for long-term rental yields and are not occupied by the Group. They are carried at depreciated historical cost.

Freehold land is not depreciated. Depreciation is provided on all other items of investment property and is calculated using the straight-line method, to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	–	2–20% per annum straight line
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Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill is capitalised as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised immediately in the statement of comprehensive income and are not subsequently reversed.

Goodwill is allocated to each of the Group's cash-generating units for the purposes of the impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which they arose, identified by operating segment.

Computer software

Costs incurred to acquire computer software and directly attributable costs of bringing the software into use are capitalised within intangible assets and amortised, on a straight-line basis, over the useful life of the software. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life for computer software is 5 years.

Development costs

Costs associated with the development of new products and techniques are capitalised as intangible assets once technical and commercial feasibility of the asset for sale or use has been established and all the following conditions are met:

- There is the intention to complete the asset
- There is adequate technical, financial, and other resources to complete the asset
- An asset is created that can be used or sold
- It is probable that the asset created will generate future economic benefits
- The development cost of the asset can be measured reliably

Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs, for which there are separately identifiable cash inflows – its cash-generating units ("CGUs").

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

3. Significant accounting policies continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are initially recognised at cost, and comprise raw materials and consumables held in storage or on project sites and work in progress. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value comprises the estimated selling price in the ordinary course of business less applicable variable selling expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand. Cash at bank includes reconciling receipts where receipts have been processed before the balance sheet date.

Financial assets and liabilities

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics.

Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- The financial asset is held with the objective of collecting or remitting contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables, trade payables, and interest bearing borrowings. Based on the way these financial instruments are managed, and their contractual cash flow characteristics, all the Group's financial instruments are measured at amortised cost using the effective interest method.

The amortised cost of financial assets is reduced by impairment losses, described as follows. Interest income, foreign exchange gains and losses, impairments, and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material.

Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of 3 months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets. The simplified approach for calculating impairment of financial assets has been used. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Retirement benefit cost

The Group operates a defined contribution pension scheme for the benefit of employees. The Group pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual, or voluntary basis. Contributions to defined contribution pension schemes are charged to the consolidated statement of income and other comprehensive income in the year to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

3. Significant accounting policies continued

Leased assets

The Group recognises a right-of-use asset and a corresponding lease liability for all lease agreements in which it is the lessee (with the exception of short-term and low-value leases as defined in IFRS 16, which are recognised as an operating expense on a straight-line basis over the term). The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The right-of-use asset recognised initially is the amount of the lease liability, adjusted for any lease payments and lease incentives made before the commencement date, in accordance with IFRS 16.24.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions represent management's best estimates of expenditure required to settle a present obligation at the balance sheet date, after considering the risks and uncertainties that surround the underlying event.

Where a provision relates to a claim covered and settled directly by the Groups insurance, insurance recoveries are recognised as a debtor when they are considered to be virtually certain.

Contingent liabilities

Contingent liabilities are possible obligations of the Group of which the timing and amount are subject to significant uncertainty. Contingent liabilities are not recognised in the consolidated balance sheet. They are, however, disclosed unless they are considered to be remote. If a contingent liability becomes probable, and the amount can be reliably measured, it is no longer treated as contingent and recognised as a liability on the balance sheet.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit
- Investments in subsidiaries and jointly controlled entities where the Group can control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future

Recognition of deferred tax assets arising from tax losses is restricted to those instances where it is probable that taxable profit will be available in the foreseeable future, against which the difference can be utilised.

Deferred tax assets and liabilities are only offset where they relate to income taxes levied by the same taxation authority.

Where deferred tax assets and liabilities are expected to reverse within a period of 12 months following the balance sheet date they are classified as current assets or liabilities, otherwise they are classified as non-current.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Share capital

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

Share-based payments

The Group operates 3 equity-settled share-based payment plans, details of which can be found in note 29 to the consolidated financial statements.

The fair value of share-based awards with non-market performance conditions is determined at the date of the grant using a Black-Scholes option pricing model. The fair value of share-based awards with market-related performance conditions is determined at the date of grant using a Monte Carlo simulation. Share-based awards are recognised as expenses based on the Company's estimate of the shares that will eventually vest, on a straight-line basis over the vesting period, with a corresponding increase in the share option reserve.

At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on service and non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. Options with market-related performance conditions will vest based on total shareholder return against a selected group of quoted market comparators. Following the initial valuation, no adjustments are made in respect of market-based conditions at the reporting date.

3. Significant accounting policies continued

Contingent consideration

Contingent consideration is classified as a liability and is measured at fair value on the acquisition date. At each future reporting date, contingent consideration will be remeasured to fair value with changes included in the income statement in the post-combination period.

Business combinations

The acquisition method of accounting is used in accounting for the acquisition of businesses. In accordance with IFRS 3 Business Combinations, the assets and liabilities of the acquired entity are measured at fair value. When the initial accounting for a business combination is determined provisionally, any adjustments to provisional values allocated are made within 12 months of the acquisition date and are affected from the date of acquisition.

Employee benefit trust

Van Elle Holdings plc employee benefit trust is an offshore trust established for the purposes of acquiring shares for issue to employees on exercise of share options. The Group is deemed to have control over the trust and, therefore, it has been treated as a subsidiary and has been consolidated within the financial statements. The purchase of shares by the employee benefit trust has been accounted for as a purchase of shares into treasury.

4. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities in future accounting periods are discussed below.

Contracts

The point at which variable consideration becomes highly probable and, therefore, is recognised in the financial statements requires management judgement. The policy in respect of recognition of variable consideration is detailed in note 3.

The key estimates in the recognition of contract revenue include the estimate of the recoverable value of work carried out at the balance sheet date shown under contract assets and the outcome of claims raised against the Group by customers or third parties. The estimate is formed based on confirmation of work done at the year-end by customers and, by its nature, changes in the estimate would have a £ for £ consequential impact on the level of revenue and profit recognised. As at 30 April 2025, the Group has recognised estimated recoveries of £5,133,000 (2024: £4,937,000) from customers for the work carried out to the year-end date. These recoveries are recognised to the extent considered highly probable; however, there is a range of factors affecting potential outcomes as these contracts are completed. The level of management estimation uncertainty is reduced by the certification of work received from customers, approved applications for payment, and in-house expert opinion.

Insurance cover for legal and other claims against the Group

When reviewing legal or warranty claims against the Group, the Directors assess if the claim will be covered by insurance by reference to the nature of the insurance policy and through direct engagement with the insurance brokers and underwriters, and the Directors make a judgement if insurance cover in respect of the claim is virtually certain in relation to the claim. In reality, this is when the insurance company has confirmed that the claim against the Group is covered by the policies in place.

In common with other companies in the sector, the Group is involved in matters that give rise to claims from customers. The Board assesses each claim, based on the facts and circumstances relating to each claim and with reference to internal and external expert advice, and recognises a provision for costs of defending and concluding such claims. By their nature, changes in the estimate would have a £ for £ impact on the level of the provision recognised. Where there is significant uncertainty of the amount and timing of a possible obligation, a contingent liability is disclosed; however, is not recognised in the consolidated balance sheet.

Leased assets

In the application of the leasing standard, IFRS 16, right-of-use assets and lease liabilities have been recognised based on the discounted payments required under the lease, taking into account the lease term. The lease term is based on the non-cancellable period of the lease together with periods covered by an option to extend the lease where it is considered reasonably certain that options to extend will be exercised. Judgement is required in determining whether options to extend or terminate the lease will be exercised. The estimate of the effective interest rate is based on the Group's incremental borrowing rate on similar assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

4. Critical accounting estimates and judgements continued

Goodwill

Impairment tests make assumptions about the amount and timing of future cash flows for each cash-generating unit including estimates of growth rates, discount rates, and cash conversion rates.

Growth rates are estimated with reference to the Board-approved budget for the year ending 30 April 2026 and forecast cash flow projections for the years ending 30 April 2027 and 30 April 2028. Subsequent growth rates are estimated with reference to CPI inflation expectations.

The rate used to discount the projected cash flows is a pre-tax risk-adjusted discount rate estimated based on the weighted average cost of capital of a basket of comparable companies plus a risk premium to reflect the size of the Group in comparison to the basket of comparable companies.

Future cash conversion rates are estimated based on historical experience of cash conversion. The impact of these estimates is detailed further in note 16.

Research and development expenditure credit

The Group makes Research and Development Expenditure Credit claims annually. The Group's claim is often prepared following the financial year to which it relates. As such, management are required to estimate the value of qualifying expenditure in the financial year to determine the amount of income to recognise. Management's estimates are based on knowledge of the extent of research and development activity carried out during the year and historical rates of research and development expenditure claims.

Underlying operating profit, underlying profit before tax, and underlying earnings per share

The Directors consider that the adjusted profit measure provides useful information to Shareholders on the underlying trading performance. This is consistent with how business performance is measured internally by the Board. These underlying performance measures are not a recognised measure under IFRS and may not be directly comparable with adjusted measures used by other companies.

The classification of items excluded from underlying profit measures requires judgement including the consideration of the nature, circumstance, scale and impact of a transaction. Significant non-recurring transactions that are not part of the operating activities of the Group are classified as non-underlying items. Further detail is provided in note 8.

Business combinations

In application of IFRS 3 Business Combinations, the assets and liabilities of acquired entities are recognised at fair value. The fair value of the assets and liabilities of Albion Driving Holdings Ltd (2024: Rock & Alluvium Limited) have been determined with reference to current market values where available. Adjusting these estimates would have a consequential £ for £ impact on the level of goodwill arising on the business combination.

5. Segment information

The Group evaluates segmental performance based on profit or loss from operations calculated in accordance with IFRS. 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. Insurances and head office central services costs are allocated to the segments based on levels of turnover. Details of the types of products and services for each segment are given in the operational review on pages 28 to 31.

Operating segments – 30 April 2025

	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Revenue	46,027	46,099	38,138	201	130,465
Other operating income	–	–	–	2,833	2,833
Underlying operating profit/(loss)	628	5,291	861	(1,293)	5,487
Operating profit/(loss)	628	5,291	861	(1,905)	4,875
Finance expense	–	–	–	(413)	(413)
Finance income	–	–	–	186	186
Profit/(loss) before tax	628	5,291	861	(2,132)	4,648
Assets					
Property, plant and equipment	13,127	12,736	5,921	5,083	36,867
Intangible assets	868	3,498	188	–	4,554
Inventories	2,185	896	3,168	68	6,317
Reportable segment assets	16,180	17,130	9,277	5,151	47,738
Trade and other receivables	–	–	–	32,429	32,429
Assets held for sale	–	–	–	6,516	6,516
Deferred tax	–	–	–	738	738
Cash and cash equivalents	–	–	–	7,204	7,204
Total assets	16,180	17,130	9,277	52,038	94,625
Liabilities					
Liabilities associated with assets held for sale	–	–	–	959	959
Trade and other payables	–	–	–	20,277	20,277
Corporation tax payable	–	–	–	61	61
Provisions	–	–	–	1,445	1,445
Loans and borrowing	–	–	–	4,444	4,444
Lease liabilities	–	–	–	6,743	6,743
Deferred tax	–	–	–	6,246	6,246
Total liabilities	–	–	–	40,175	40,175
Other information					
Capital expenditure (including IFRS 16 leased assets)	4,350	2,638	523	629	8,140
Depreciation and amortisation (including IFRS 16 leased assets)	2,662	3,104	1,643	1,100	8,509

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

5. Segment information continued

Operating segments – 30 April 2024 restated

	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Head Office £'000	Total Restated* £'000
Revenue	56,686	43,469	38,317	605	139,077
Other operating income	–	–	–	3,259	3,259
Underlying operating profit/(loss)	5,212	2,588	918	(1,818)	6,900
Operating profit/(loss)	5,212	2,588	918	(1,484)	7,234
Finance expense	–	–	–	(341)	(341)
Finance income	–	–	–	251	251
Profit/(loss) before tax	5,212	2,588	918	(1,574)	7,144
Assets					
Property, plant and equipment	12,444	13,387	7,049	9,350	42,230
Intangible assets	871	3,362	199	–	4,432
Inventories	2,304	863	2,539	47	5,753
Reportable segment assets	15,619	17,612	9,787	9,397	54,415
Deferred tax	–	–	–	389	389
Trade and other receivables	–	–	–	38,041	38,041
Cash and cash equivalents	–	–	–	6,002	6,002
Total assets	15,619	17,612	9,787	53,829	96,847
Liabilities					
Trade and other payables	–	–	–	22,145	22,145
Lease liabilities	–	–	–	5,380	5,380
Provisions	–	–	–	8,064	8,064
Deferred consideration	–	–	–	2,120	2,120
Deferred tax	–	–	–	5,731	5,731
Total liabilities	–	–	–	43,440	43,440
Other information					
Capital expenditure (including IFRS 16 leased assets)	1,144	1,764	704	2,844	6,456
Depreciation (including IFRS 16 leased assets)	2,063	2,828	1,640	935	7,466

*Refer to note 37 for details of the prior period restatement.

The Group had no customers with revenues greater than 10% in the current period (2024: None).

6. Revenue from contracts with customers

Disaggregation of revenue – 30 April 2025

End market	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	18,061	5,321	28,618	–	52,000
Infrastructure	12,055	35,169	7,012	–	54,236
Regional construction	15,655	5,598	2,508	–	23,761
Other	256	11	–	201	468
Total	46,027	46,099	38,138	201	130,465

Head office revenue relates to revenue generated from the provision of training services.

6. Revenue from contracts with customers continued

Disaggregation of revenue – 30 April 2024

End market	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Head Office £'000	Total £'000
Residential	22,937	4,921	29,339	–	57,197
Infrastructure	15,737	32,751	6,332	–	54,820
Regional construction	17,761	5,797	2,644	–	26,202
Other	251	–	2	605	858
Total	56,686	43,469	38,137	605	139,077

Contract assets

	2025 £'000	2024 £'000
At 1 May	4,937	4,913
Transfers from contract assets to trade receivables	(4,937)	(4,913)
Excess of revenue recognised over invoiced amount	5,133	4,937
Impairment of contract assets	–	–
At 30 April	5,133	4,937

Contract liabilities

	2025 £'000	2024 £'000
At 1 May	384	1,987
Interest on contract liabilities	–	–
Contract liabilities recognised as revenue in the period	(384)	(1,987)
Deposits received in advance of performance	130	384
At 30 April	130	384

7. Other operating income

	2025 £'000	2024 £'000
Research and development expenditure credit relating to prior years	416	1,646
Research and development expenditure credit relating to current year	2,034	1,613
Property disposal	383	–
	2,833	3,259

The research and development expenditure credit relating to prior years relates to the final value of the claim for the year ended 30 April 2024 in excess of the estimate made by management in the previous financial year. Similarly in FY2024 there was recognition of additional income from 2023 and prior. The research and development expenditure credit relating to the current year is based on management's estimate of the claim relating to the year ended 30 April 2025.

In March 2025, the Group sold its old head office site and adjacent land for a total of £1,618,000 realising a profit on disposal of £383,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

8. Non-underlying items

	2025 £'000	2024 £'000
Research and development expenditure credit relating to prior years	-	(894)
Business combination costs	86	228
Legal costs	-	250
Restructuring costs	116	83
Deferred acquisition consideration	410	-
Finance income	-	(149)
Non-underlying debit/(credit)	612	(482)

Business combination costs relate to acquisition fees for the purchase of Albion Drilling Holdings Ltd and its 100% owned subsidiary Albion Drilling Group Limited on 28 October 2024 with Rock & Alluvium Limited having been acquired in the prior year on 30 November 2023.

Deferred acquisition payments relate to deferred consideration payable for Albion Drilling Holdings Ltd which was purchased on 28 October 2024. This has been treated as remuneration and recognised as a non-underlying cost as it requires the sellers to remain in employment during the deferred consideration period.

Towards the end of FY2024, a restructure of the leadership team and several functions commenced. Restructure costs represent the costs incurred in this restructure.

In the prior year, research and development expenditure credits relating to 30 April 2022 and part of the expenditure credit relating to 30 April 2023 were classified as non-underlying as they represented significant increases in previous claim values which were considered one-off in nature. Legal costs represented a health and safety penalty following the death of a third-party haulier following the failure of a Van Elle piling rig in Scotland in April 2021. Finance income related to interest income received as a result of early payment of settlement funds by an insurer.

9. Operating profit

Operating profit is stated after charging/(crediting):

	2025 £'000	2024 Restated* £'000
Depreciation of property, plant and equipment	8,263	7,466
Amortisation of intangible assets	130	149
Lease expense:		
– Plant and machinery on short-term hire	6,699	6,564
Profit on disposal of property, plant and equipment	(835)	(404)
Fees payable to the Company's Auditor for the audit of the Company financial statements	20	20
Fees payable to the Company's Auditor for other services:		
– Audit of financial statements of subsidiaries pursuant to legislation	233	166
– Taxation compliance	-	5
– Non-audit services	-	38

*Refer to note 37 for details of the prior period restatement.

10. Staff costs

Staff costs, including Directors, are outlined below. Further details of Directors' remuneration, including details of the highest paid Director, share options, long-term incentive plans, and Directors' pension entitlements, are disclosed in the annual report on remuneration on pages 72 and 73.

	2025 £'000	2024 £'000
Employee benefit expenses (including Directors):		
Wages and salaries	39,064	36,268
Social security contributions and similar taxes	4,091	3,981
Defined contribution pension cost	1,111	1,650
Share-based payments (note 30)	57	253
	44,323	42,152
Directors and key management personnel:		
Wages and salaries	2,007	2,230
Defined contribution pension cost	59	98
Share-based payments (note 30)	42	107
	2,108	2,435

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, including the Directors of the Company and operating unit divisional directors.

Details of the highest paid Director are included in the annual report on remuneration on page 72.

The average number of employees, including Directors, during the year was as follows:

	2025 Number	2024 Number
Administrative	276	260
Operative	417	379
	693	639

11. Finance income and expense

	2025 £'000	2024 £'000
Finance income		
Interest received on bank deposits	186	251
	2025 £'000	2024 Restated* £'000
Finance expense		
Finance leases	317	247
Interest on borrowings	96	93
	413	340

*Refer to note 37 for details of the prior period restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

12. Income tax expense

	2025 £'000	2024 Restated* £'000
Current tax expense		
Current tax on profit for the year	1,199	799
Adjustment for under provision in the prior period	116	38
Total current tax expense	1,315	837
Deferred tax expense		
Origination and reversal of temporary differences	141	871
Adjustment for under provision in the prior period	32	128
Total deferred tax expense	173	999
Income tax expense	1,488	1,836

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profit for the year are as follows:

	2025 £'000	2024 Restated* £'000
Profit before income taxes	4,648	7,144
Tax using the standard corporation tax rate of 25% (2024: 25%)	1,162	1,786
Adjustments for under/(over) provision in previous periods	148	166
Expenses not deductible for tax purposes	156	69
Income not taxable	-	(313)
Non-qualifying depreciation	6	128
Deferred taxes not recognised	16	-
Total income tax expense	1,488	1,836

During the year ended 30 April 2025, corporation tax has been calculated at 25% of estimated assessable profit for the year (2024: 25%).

Deferred tax balances as at 30 April 2025 are measured at the current corporation tax rate of 25%.

*Refer to note 37 for details of the prior period restatement.

13. Dividends

	2025 £'000	2024 £'000
Final dividend – year ended 30 April 2024		
0.8p (2023: 0.8p) per ordinary share paid during the year	843	853
Interim dividend – year ended 30 April 2025		
0.4p (2024: 0.4p) per ordinary share paid during the year	428	427
	1,271	1,280

A final dividend for the year ended 30 April 2025 of 0.8p per share amounting to £857,000 is proposed. This represents a total dividend of 1.2p per share for the full year. The final dividend will be paid on 17 October 2025 to the Shareholders on the register at the close of business on 03 October 2025. The proposed final dividend is subject to approval by the Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Dividends were paid in compliance with Section 838 of the Companies Act following filing of interim financial statements of the parent company, Van Elle Holdings plc, at the Registrar of Companies.

14. Earnings per share

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

	2025 '000	2024 '000
Basic weighted average number of shares	107,184	106,703
Dilutive potential ordinary shares from share options	1,107	1,209
Diluted weighted average number of shares	108,291	107,912

	2025			2024 Restated*		
	Profit/(Loss) £'000	EPS Pence	DEPS Pence	Profit/(Loss) £'000	EPS Pence	DEPS Pence
Statutory profit from continued operations	3,160	3.3	3.2	5,308	5.0	4.9
Statutory loss from discontinued operations	(1,317)			(1,001)	–	–
Statutory profit for the year	1,843	1.7	1.7	4,307	4.0	4.0
Underlying profit from continued operations	3,741	3.5	3.5	4,807	4.5	4.5
Underlying loss from discontinued operations	(1,317)	–	–	(1,001)	–	–
Underlying profit for the year	2,424	2.3	2.2	3,806	3.6	3.5

The calculation of the basic earnings per share is based on the earnings attributable to ordinary Shareholders and on 107,184,400 ordinary shares (2024: 106,703,045), being the weighted average number of ordinary shares in issue during the period.

The dilutive shares of 1,107,000 (2024: 1,209,000) represent share options exercisable under the Group's LTIP scheme that have vested and are yet to be exercised, as disclosed within note 29. Share options exercisable under the Group's CSOP scheme are underwater and therefore have not been included in dilutive shares.

*Refer to note 37 for details of the prior period restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

15. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost					
At 30 April 2023 (restated*)	8,494	55,664	10,503	467	75,128
Additions	487	3,119	2,827	23	6,456
Business combination (note 35)	801	3,572	188	–	4,561
Disposals	(64)	(1,420)	(3,032)	–	(4,516)
At 30 April 2024 (restated*)	9,718	60,935	10,486	490	81,629
Additions	1,011	4,428	1,965	9	7,413
Business combination (note 35)	550	1,339	225	9	2,123
Transfer to assets held for sale	–	(2,949)	(4,545)	–	(7,494)
Disposals	(1,845)	(1,593)	(2,539)	–	(5,977)
At 30 April 2025	9,434	62,160	5,592	508	77,694
Accumulated depreciation					
At 1 May 2023 (restated*)	2,926	27,534	4,255	323	35,038
Charge for the year	471	4,782	2,234	19	7,506
Prior period restatement (note 37)	(37)	–	–	–	(37)
Disposals	(106)	(1,125)	(1,877)	–	(3,108)
At 30 April 2024 (restated*)	3,254	31,191	4,612	342	39,399
Charge for the year	544	5,618	2,322	25	8,509
Transfer to assets held for sale	–	(1,060)	(1,653)	–	(2,713)
Disposals	(612)	(1,302)	(2,454)	–	(4,368)
At 30 April 2025	3,186	34,447	2,827	367	40,827
Net book value					
At 30 April 2023 (restated*)	5,568	28,130	6,248	144	40,090
At 30 April 2024 (restated*)	6,464	29,744	5,874	148	42,230
At 30 April 2025	6,248	27,713	2,765	141	36,867

Plant and machinery is pledged as security for liabilities as at 30 April 2025.

*Refer to note 37 for details of the prior period restatement.

15. Property, plant and equipment continued

The amounts shown in the previous table include the following right-of-use assets:

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 May 2023 (restated*)	1,683	772	5,122	7,577
Additions	251	–	704	955
Business combination (note 35)	796	645	188	1,629
Disposals	(64)	–	(666)	(730)
Transferred to owned assets	–	(82)	(272)	(354)
At 30 April 2024 (restated*)	2,666	1,335	5,076	9,077
Additions	404	1,556	1,916	3,876
Business combination (note 35)	–	395	208	603
Transferred to assets held for sale	–	–	(437)	(437)
Disposals	–	–	(2,099)	(2,099)
Transferred to owned assets	–	(1,790)	(257)	(2,047)
At 30 April 2025	3,070	1,496	4,407	8,973
Accumulated depreciation				
At 1 May 2023 (restated*)	329	226	1,455	2,010
Charge for the year	134	381	1,665	2,180
Prior period restatement (note 37)	(36)	–	–	(36)
Disposals	(105)	–	(510)	(615)
Transferred to owned assets	–	(279)	(161)	(440)
At 30 April 2024 (restated*)	322	328	2,449	3,099
Charge for the year	238	191	1,813	2,242
Transfer to assets held for sale	–	–	(30)	(30)
Disposals	–	–	(2,080)	(2,080)
Transferred to owned assets	–	(1,049)	(234)	(1,283)
At 30 April 2025	560	(530)	1,918	1,948
Net book value				
At 30 April 2023 (restated*)	1,354	546	3,667	5,567
At 30 April 2024 (restated*)	2,344	1,007	2,627	5,978
At 30 April 2025	2,510	2,026	2,489	7,025

*Refer to note 37 for details of the prior period restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

16. Intangible assets

	Goodwill £'000	Software £'000	Development costs £'000	Total £'000
Cost				
At 1 May 2023	4,559	231	594	5,384
Additions	868	–	–	868
At 30 April 2024	5,427	231	594	6,252
Additions	223	–	–	223
At 30 April 2025	5,650	231	594	6,475
Accumulated amortisation				
At 1 May 2023	1,101	218	352	1,671
Charge for the year	–	–	149	149
At 30 April 2024	1,101	218	501	1,820
Charge for the year	–	8	93	101
At 30 April 2025	1,101	226	594	1,921
Net book value				
At 30 April 2023	3,458	13	242	3,713
At 30 April 2024	4,326	13	93	4,432
At 30 April 2025	4,549	5	–	4,554

Goodwill

Goodwill acquired is allocated, at acquisition, to CGUs that are expected to benefit from that business combination. The carrying value of goodwill is allocated as follows:

	2025 £'000	2024 £'000
Specialist Piling	3,270	3,270
Rock & Alluvium	868	868
Albion Drilling	223	–
Ground Engineering Services	188	188
	4,549	4,326

During the year, the acquisition of Albion Drilling Holdings Ltd has given rise to goodwill upon the business combination, further detailed in note 35. The goodwill has been allocated to its own CGU. The valuation is provisional as of 30 April 2025.

The carrying value of goodwill allocated to the Albion, Rock & Alluvium, Specialist Piling and Ground Engineering Services CGUs has been compared to its recoverable amount based on the value in use of the CGUs to which the goodwill has been allocated. Each division within the Group has been assessed as a separate CGU, being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The value-in-use calculations use pre-tax cash flow projections based on the Board-approved budget for the year ending 30 April 2026 which takes into account secured orders, the order pipeline, business plans and management actions and forecast future cash flows for the period to 30 April 2028. Subsequent cash flows are extrapolated using an estimated growth rate of 2% in line with long-term CPI inflation expectations.

The rate used to discount the projected cash flows is a pre-tax risk-adjusted discount rate of 16.1% (2024: 14.4%) based on the weighted average cost of capital of a basket of comparable companies plus a risk premium. The same discount rate has been used for each CGU as the principal risks associated with the Group, as highlighted on pages 50 to 53, would also impact each CGU in a similar manner.

The key assumptions to which the assessment of the recoverable amounts of CGUs is sensitive are the projected operating profit for the period to 30 April 2026, forecast growth in the period to 30 April 2028 and the discount rate applied. For each CGU, management has considered the level of headroom resulting from the impairment tests and performed further sensitivity analysis by changing the base case assumptions applicable to each CGU. The sensitivities tested related to changes in discount rate, changes in operating profit and a combination thereof.

"The value-in-use calculations, together with the sensitivity analysis described above, do not indicate an impairment of goodwill is required." The sensitivity analysis performed indicates that reasonable changes in discount rate or growth rates would not result in an impairment of goodwill; as such the Board is satisfied that no impairment is required.

17. Inventories

	2025 £'000	2024 £'000
Raw materials and consumables	2,332	2,574
Work in progress	3,985	3,179
	6,317	5,753

There were no impairment losses relating to damaged or obsolete inventories in the current or previous periods. The cost of materials recognised as an expense within cost of sales is £48,455,000 (2024: £54,081,000).

The movement between the 2025 and 2024 year-end balances differs to the movement recognised in the consolidated statement of cash flows by the amount recognised on business combination, and those balances recognised as held for sale.

18. Assets held for sale

Van Elle Canada

The Group announced in March 2025 that a strategic review of the Canadian operation was ongoing, following difficult trading conditions with significant delays to the large-scale opportunities that the entity was initially established to deliver. In April 2025, the Group's Canadian subsidiary, Van Elle Canada Inc, along with the assets located in Canada and used by the Canadian operation, but owned by Van Elle Limited, were marketed for sale.

At 30 April 2025, Van Elle Canada Inc and other assets located in Canada were classified as a disposal group held for sale and as a discontinued operation, being a significant geographical area of the Group's operations and the only operations outside the UK. As the business is classified as a discontinued operation, the results of the subsidiary are no longer presented in the segment note, nor is geographic reporting separately disclosed.

The results of Van Elle Canada Inc for the year are presented below. The results of Van Elle Canada Inc include lease costs for the assets used by the operation, but which are owned by Van Elle Limited.

	2025 £'000	2024 £'000
Revenue	3,497	402
Expenses	(5,163)	(1,792)
Operating loss	(1,666)	(1,390)
Income tax expense	349	389
Loss for the year from discontinued operations	(1,317)	(1,001)

The assets and liabilities of the disposal group classified as held for sale as at 30 April 2025 are as follows:

	2025 £'000
Property plant and equipment	2,297
Inventory	46
Debtors	1,510
Cash	180
Assets held for sale	4,033
Creditors	(551)
Lease liability	(408)
Liabilities directly associated with assets held for sale	(959)
Group net assets directly associated with the disposal group	3,074

At 30 April 2025, Van Elle Canada Inc had an intercompany creditor with Van Elle Limited totalling £4,599,000.

Deferred tax assets totalling £738,000 for carried forward tax losses of Van Elle Canada Inc are not classified as held for sale on the basis that they will be utilised by the Group on the write-off of the intercompany creditor with Van Elle Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

18. Assets held for sale continued

The net cash flows incurred by Van Elle Canada Inc are as follows:

	2025 £'000	2024 £'000
Operating	(2,169)	(1,641)
Investing	(197)	(44)
Financing	(33)	-
	(2,399)	(1,685)

Disposal of the transport support function and associated assets

In the post-year-end period, on 7 May 2025, the Group sold its entire transport fleet and transferred its transport team to WS Specialist Logistics for a total value of £2,877,000. The net book value of the assets sold at the year-end was £2,486,000 resulting in a profit on disposal of £391,000. As this sale occurred after the financial year the profit on disposal will be disclosed in the financial statements for the year ending 30 April 2026. The assets sold are classified as held for sale as at 30 April 2025 as the sale process was advanced at this date.

19. Trade and other receivables

	2025 £'000	2024 Restated * £'000
Trade receivables	18,508	19,518
Less: provision for impairment	(352)	(318)
Trade receivables – net	18,156	19,200
Receivables from related parties	-	-
Financial assets classified as amortised costs	18,156	19,200
Contract assets	5,133	4,937
Prepayments	1,316	652
Other receivables	7,823	13,252
	32,428	38,041

Other receivables of £7,823,000 (2024: £13,252,000) relate to the receivables in respect of the research and development expenditure credit claim for the financial years ended 30 April 2025 and 2024 and 2023, VAT recoverable, and insurance recoveries. The research and development expenditure credit claim for the financial year ended 30 April 2023 was paid in full by HMRC on 13 May 2025 following closure of an enquiry into the claim.

The carrying value of trade and other receivables classified as amortised costs approximates fair value. All amounts shown under receivables fall due within one year.

The Group does not hold any collateral as security over trade receivables or contract assets.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The movement between the 2025 and 2024 year-end balances differs to the movement recognised in the consolidated statement of cash flows by the amount recognised on business combination, non-cash tax adjustments, and those balances recognised as held for sale.

The expected loss rates are based on the Group's historical credit losses experienced over the 3-year period prior to the period-end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers and isolated items not deemed to be indicative of future credit losses.

As of 1 May 2022, the Group has trade credit insurance covering 90% of outstanding debtor balances in the instance of customer default.

19. Trade and other receivables continued

As at 30 April 2025, the lifetime expected loss provision for trade receivables is as follows:

	Expected loss rate	Gross carrying amount £'000	Loss provision £'000
Current	0.0%	9,298	–
0–30 days past due	0.5%	5,859	29
More than 30 days past due	1.0%	1,636	16
More than 60 days past due	12.5%	493	62
More than 90 days past due	20.0%	1,222	244
		18,508	351

As at 30 April 2024, the lifetime expected loss provision for trade receivables was as follows:

	Expected loss rate	Gross carrying amount £'000	Loss provision £'000
Current	0.0%	10,486	–
0–30 days past due	0.5%	5,544	28
More than 30 days past due	1.0%	1,522	15
More than 60 days past due	12.5%	724	90
More than 90 days past due	20.0%	924	185
		19,200	318

Movements in the impairment allowance for trade receivables are as follows:

	2025 £'000	2024 £'000
At 1 May	318	475
Increase/(decrease) during the year	33	(157)
Receivable written off during the year as uncollectable	–	–
At 30 April	351	318

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

*Refer to note 37 for details of the prior period restatement.

20. Trade and other payables

	2025 £'000	2024 Restated* £'000
Trade payables	16,344	17,693
Other payables	296	71
Accruals	2,287	3,164
Financial liabilities measured at amortised cost	18,927	20,928
Contract liabilities	130	384
Tax and social security payments	1,220	833
	20,277	22,145

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

The movement between the 2025 and 2024 year-end balances differs to the movement recognised in the consolidated statement of cash flows by the amount recognised on business combination, and those balances recognised as held for sale.

*Refer to note 37 for details of the prior period restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

21. Loans and borrowings

	2025 £'000	2024 £'000
Current	-	-
Bank loans secured	3,335	-
Non-current		
Bank loans secured	1,109	-
Total loans and borrowings	4,444	-
Maturity of loans and borrowings		
Due within 1 year	3,335	-
Between 2 and 5 years	336	-
After more than 5 years	773	-
	4,444	-

The carrying value of loans and borrowings approximates fair value.

Leases are secured against the specific assets subject to the lease. Loans are secured against the Group's owned plant and machinery excluding those assets subject to specific security.

22. Lease liabilities

All leases are accounted for by recognising a right-of-use asset as detailed in note 15 and a lease liability except for leases of low-value assets and leases with a duration of 12 months or less.

The Group leases a number of rig assets under hire purchase agreements and hires vehicles on a long-term hire basis. Hire purchase agreements established by the Group are repaid over a period of 3 to 7 years. Long-term hire agreements are over a 4-year period and have been recognised in accordance with IFRS 16. The Group also leases 5 properties with fixed repayments. The remaining lease periods as at 30 April 2025 in respect of these property leases are 48, 9, 6, 3, and 1 years.

The expense relating to short-term leases and leases of low-value assets is not material to the financial statements. The following table sets out the movement in lease liabilities during the financial year:

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
At 1 May 2023 (restated*)	1,429	200	3,448	5,077
Additions	331	-	711	1,042
Business combination (note 35)	797	646	196	1,639
Interest expense	61	23	162	246
Lease payments	(200)	(347)	(2,077)	(2,624)
At 1 May 2024 (restated*)	2,418	522	2,440	5,380
Additions	404	1,321	1,948	3,673
Business combination (note 35)	-	395	208	603
Transfer to liabilities associated with assets held for sale	-	-	(408)	(408)
Interest expense	120	54	146	320
Principal and interest paid on lease liabilities	(284)	(620)	(1,921)	(2,825)
At 30 April 2025	2,658	1,672	2,413	6,743

*Refer to note 37 for details of the prior period restatement.

22. Lease liabilities continued

The following table sets out the maturity of discounted lease liabilities:

	Carrying value £'000
Due less than 3 months	513
Due between 3 and 12 months	1,461
Current lease liabilities	1,974
Due between 1 and 2 years	1,285
Due between 2 and 5 years	1,612
Due after 5 years	1,873
Non-current lease liabilities	4,770

The maturity of undiscounted lease liabilities is disclosed in note 25.

23. Deferred consideration

Deferred consideration of £2,120,000 in the prior year related to the guaranteed final payment for the purchase of Rock & Alluvium Limited, paid in November 2024.

24. Reconciliation of financing liabilities

The following table sets out the movement in finance liabilities during the financial year:

	Non-current loan £'000	Current loan £'000	Non-current lease liabilities £'000	Current lease liabilities £'000	Current deferred consideration £'000	Total £'000
At 1 May 2023 (restated*)	386	772	3,527	1,551	790	7,026
Cash flows	–	(1,158)	–	(2,625)	(740)	(4,523)
Non-cash flows:						
Additions to lease liabilities	–	–	721	321	–	1,042
Amounts recognised on business combinations	–	–	929	710	2,120	3,759
Movement in deferred consideration payable	–	–	–	–	(50)	(50)
Liabilities classified as non-current at 30 April 2023 becoming current in the year ended 30 April 2024	(386)	386	(1,821)	1,821	–	–
Interest accruing in the period	–	–	–	246	–	246
At 30 April 2024 (restated*)	–	–	3,356	2,024	2,120	7,500
Cash flows	1,109	3,238	–	(2,825)	(2,120)	(598)
Non-cash flows:						
Additions to lease liabilities	–	–	890	2,783	–	3,673
Amounts recognised on business combinations	–	–	282	321	–	603
Liabilities classified as non-current at 30 April 2024 becoming current in the year ended 30 April 2025	–	–	563	(563)	–	–
Transferred to liabilities associated with assets held for sale	–	–	(321)	(87)	–	(408)
Interest accruing in the period	–	97	–	320	–	417
At 30 April 2025	1,109	3,335	4,770	1,973	–	11,187

*Refer to note 37 for details of the prior period restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

25. Financial instruments and risk management

The Group's financial instruments comprise cash, financing facilities, lease liabilities, and various items such as receivables and payables that arise from its operations.

The carrying amounts of all the Group's financial instruments are measured at amortised cost in the financial statements.

Financial instruments by category

	Amortised Cost	
	2025 £'000	2024 £'000
Financial assets		
Cash and cash equivalents	7,204	6,002
Trade and other receivables	18,156	19,200
Contract assets	5,133	4,937
Total financial assets	30,493	30,139
	2025 £'000	2024 Restated* £'000
Current financial liabilities		
Trade and other payables	20,277	22,145
Loans and borrowings	3,335	–
Deferred consideration	–	2,120
Lease liabilities	1,973	2,024
Total current financial liabilities	25,585	26,289
Non-current financial liabilities		
Loans and borrowings	1,109	–
Lease liabilities	4,770	3,356
Total non-current financial liabilities	5,879	3,356
Total financial liabilities	31,464	29,645

*Refer to note 37 for details of the prior period restatement.

Capital management

The Group's capital structure is kept under constant review, taking account of the need for, and availability and cost of, various sources of finance. The capital structure of the Group consists of net debt, as shown in note 32, and equity attributable to equity holders of the parent as shown in the consolidated statement of financial position. The Group maintains a balance between certainty of funding and a flexible, cost-effective financing structure with all main borrowings being from committed facilities. The Group's policy continues to ensure that its capital structure is appropriate to support this balance and the Group's operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

Financial risk management

The Group's objectives when managing finance and capital are to safeguard the Group's ability to continue as a going concern, to provide returns to Shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

The main financial risks faced by the Group are liquidity risk, credit risk, market risk (which includes interest rate risk), and foreign currency exchange risk. The Board regularly reviews and agrees policies for managing each of these risks.

25. Financial instruments and risk management continued

Credit risk

The Group's financial assets are trade and other receivables and bank and cash balances. These represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. It is Group policy to assess the credit risk of all existing and new customers on a contract-by-contract basis before entering contracts. The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Total contract limits are established for each customer, which represent the maximum exposure permissible without requiring approval from the Board. As of 1 May 2022, the Group has trade credit insurance covering 90% of outstanding debtor balances in the instance of customer default.

The counterparty risk on bank and cash balances is managed by limiting the aggregate amount of exposure to any one institution by reference to their credit rating and by regular review of these ratings. The Board regularly reviews the credit rating of the banks where funds are deposited ensuring that only banks with a credit rating of B or better are utilised.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due and managing its working capital, debt, and cash balances.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for the foreseeable future. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on any long-term borrowings. This is further discussed in the "market risk" section below.

The Board receives rolling three-month cash flow projections on a weekly basis. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the undiscounted contractual payments and maturities (including future interest charges) of financial liabilities:

	Carrying value £'000	Total £'000	Due less than 3 months £'000	Due between 3 and 12 months £'000	Due between 1 and 5 years £'000	Over 5 years £'000
At 30 April 2025						
Trade and other payables	32,429	32,429	32,429	–	–	–
Loans and borrowings	4,444	4,856	3,099	298	1,459	–
Lease liabilities (note 22)	6,743	9,814	615	2,537	3,589	3,073
	43,616	47,099	36,143	2,835	5,048	3,073
At 30 April 2024 (restated)						
Trade and other payables	22,145	22,145	22,145	–	–	–
Lease liabilities (note 22)	5,380	7,330	582	1,643	2,379	2,726
Deferred consideration	2,120	2,120	–	2,120	–	–
	29,645	31,595	22,727	3,763	2,379	2,726

Market risk – interest rate risk

It is currently Group policy that 100% of external Group borrowings (excluding short-term overdraft facilities) are fixed-rate borrowings. Divisions are not permitted to borrow short or long term from external sources.

Foreign currency exchange risk

The Group's foreign operations are currently small in comparison to the remainder of the Group. As such, the Group transacts in foreign currency on a spot rate basis.

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For the year ended 30 April 2025

26. Provisions

	Warranty provision £'000	Legal and other claims £'000	Total £'000
At 1 May 2024	1,264	6,800	8,064
Utilised	(522)	(6,800)	(7,322)
Additional provision	953	-	953
Released unused	(250)	-	(250)
At 30 April 2025	1,445	-	1,445

The warranty provision relates to customer claims and is based on potential costs to make good defects and associated legal and professional fees in contesting and settling the claims. In common with comparable companies in the sector, the Company is involved in a small number of commercial disputes in the ordinary course of business which may give rise to claims by customers. These types of claims can take several years to come to light and can also take several years to resolve and so it can take many months, or years, before management are able to reliably estimate the likely cost of resolution. The warranty provision includes management's best estimate of the costs that are likely to be incurred in defending and concluding such ongoing claims against the Company. The Company carries insurance and any reimbursements, where material and considered virtually certain, are treated as separate assets and disclosed within other receivables (see note 19). In the statement of comprehensive income, the expense relating to a provision is presented net of the amount recognised for the insurance reimbursement. No separate disclosure is made of the detail of these claims or proceedings or the costs recovered by insurance, as the negotiations are ongoing in respect of the claims and further disclosure could be seriously prejudicial to the Company.

During the year the Group has settled three warranty claims, one of which was settled with no liability resulting in the release of the provision in respect of this claim, one was settled under the Group's professional indemnity insurance policy, and one was settled outside of the Group's professional indemnity insurance policy as the settlement value was below the insurance excess.

On 24 May 2024, a longstanding legal claim with a customer regarding the consequences of failures in piling work was settled at £7.0m. The claim was covered by the Company's professional indemnity insurance and was settled within the insurance cap. The insurance excess was settled by the Company in a previous financial year.

27. Contingent liabilities

The Group is involved in 2 further warranty claims for which management are presently unable to reliably estimate the likely costs of defending, concluding or settling. The Group carries insurance in respect of the full cost of these claims for which any excess has been provided for within provisions above. Therefore, management consider there to be no further income statement exposure in relation to these claims. At such time management consider it possible to reliably estimate the costs of defending, concluding or settling these claims, a provision will be made in the financial statements along with any virtually certain insurance receivables. No disclosure is made of the detail of these claims as the investigation and negotiations are ongoing and further disclosure could be seriously prejudicial to the Group.

28. Deferred tax

Deferred tax liabilities

	Accelerated allowances £'000	Total £'000
At 01 May 2023	5,014	5,014
On business combination	421	421
Charge to income statement	561	561
Charge to equity	-	-
At 30 April 2024 (restated)	5,996	5,996
On business combination	508	508
Charge to income statement	56	56
Charge to equity	-	-
At 30 April 2025	6,560	6,560

28. Deferred tax continued

Deferred tax assets

	Unutilised losses £'000	Short-term timing differences £'000	Share-based payments £'000	Total £'000
At 30 April 2023 (restated)	551	17	143	711
On business combination	157	(23)	–	134
Credit/(charge) to income statement	(251)	6	54	(191)
Credit to equity	–	–	–	–
At 30 April 2024 (restated)	457	–	197	654
On business combination	–	105	–	105
Credit/(charge) to income statement	(26)	64	(94)	(56)
Credit to discontinued operations	349	–	–	349
At 30 April 2025	780	169	103	1,052

The Group offsets deferred tax assets and deferred tax liabilities as they relate to income taxes levied by the same taxation authority on the same taxable entity.

	UK authority	Canadian authority	Total
Deferred tax assets	314	738	1,052
Deferred tax liability	(6,560)	–	(6,560)
Total deferred tax	(6,246)	738	(5,508)

The deferred tax liability as at 30 April 2025 is £6,560,000 (2024: £5,731,000). The deferred tax asset as at 30 April 2025 is £738,000 (2024: £389,000).

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2024: 25%), being the rate at which deferred tax is expected to reverse in the future (see note 12).

The Group has recognised a deferred tax asset in relation to £3,006,000 (2024: £1,828,000) of tax losses carried forward on the basis that taxable profits will be available in the future, against which the losses can be utilised. Of the tax losses carried forwards £2,838,000 (2024: £1,390,000) relates to the Canadian authority, and £168,000 (2024: £438,000) relates to the UK authority. There are no unused tax losses that have not been recognised (2023: £nil).

29. Share capital

	Number of shares '000	Ordinary shares £'000	Share premium £'000
Authorised			
At 1 May 2024	106,741	2,135	8,633
Issue of 1,459,817 at 2p each	1,460	29	556
At 30 April 2025	108,201	2,164	9,189

All shares are allotted, issued, and fully paid. The nominal value of all ordinary shares is 2p.

New shares issued in the current year relate to shares issued on acquisition of Albion Drilling Holdings Ltd.

Investment in own shares

At 30 April 2025 the Company held in Trust 1,264,772 (2024: 1,150,000) of its own shares with a nominal value of £25,000 (2024: £23,000). The Trust has waived any entitlement to dividends in respect of its holding of the Company ordinary shares. The market value of these shares at 30 April 2025 was £436,000 (2024: £380,000). During the year 168,292 (2024: 1,150,000) shares were repurchased and transferred into the Trust, with 53,520 reissued on exercise of share options.

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For the year ended 30 April 2025

29. Share capital continued

Share options

The maximum total number of ordinary shares exercisable under the Group's LTIP scheme is 1,107,489 (2024: 1,160,548).

The maximum total number of ordinary shares exercisable under the Group's CSOP scheme amounts is nil (2024: nil). As at 30 April 2025 the vested options under the Group's CSOP scheme are under water and therefore are not exercisable.

The maximum total number of ordinary shares that may vest in the future, in respect of conditional performance share plan awards at 30 April 2025, amounted to 8,303,756 (2024: 4,093,154). These shares will only be issued subject to satisfying certain performance criteria (note 29).

30. Share-based payments

The Company operates three share-based incentive schemes for employees, known as the Van Elle Holdings plc Long Term Incentive Plan ("LTIP"), the Van Elle Holdings plc Company Share Option Plan ("CSOP") and the Van Elle Holdings plc Save-As-You-Earn Plan ("SAYE"). All schemes are UK tax authority-approved schemes and the CSOP and SAYE schemes are tax-advantaged schemes.

The Group recognised total expenses of £57,000 (2024: £253,000) in respect of equity-settled share-based payment transactions in the year.

Long-Term Incentive Plan ("LTIP")

The Group operates an LTIP for senior Executives. Share options were granted on 02 September 2024, 19 September 2024 and 7 November 2024 to senior executives. The exercise price is 2p, being the nominal value of shares. The options will vest after three years assuming continuing employment with the Company. The extent to which the options will vest is dependent upon the Company's performance over the three-year period set at the date of grant.

For the grant of options made to Executive Directors on 2 September 2024, 50% of the awards will be determined by the Company's relative total shareholder return ("TSR") performance and the other 50% by the Company's absolute ROCE performance. For the Grant of options made to senior management on 2 September 2024 and 19 September 2024, 100% of the awards will be determined by the Company's absolute profit before tax performance over the 3-year period ending FY2027. The grant of options made on 7 November 2024 relates to the acquisition of Albion Drilling Holdings Ltd with 30% of these awards being guaranteed on continuing employment with the Group and 70% determined by the Group's gross margin performance across a particular geographical region over the 3-year period ending 31 October 2027.

A previous grant of options on 27 September 2021 came to the end of its vesting period on 27 September 2024. No options vested as the performance conditions were not met.

Details of the maximum total number of ordinary shares, which may be issued in future periods in respect of conditional share awards at 30 April 2025, are shown below.

	2025 Number	2024 Number
At 1 May	3,501,343	3,736,669
Lapsed in the year	(1,036,864)	(1,172,038)
Granted in the year	4,376,425	1,149,499
Forfeited in the year	(453,371)	(138,503)
Exercised in the year	(53,059)	(74,284)
At 30 April	6,334,474	3,501,343

The weighted average exercise price for all options is £0.02. Of the total number of options outstanding at 30 April 2025, 1,107,489 had vested or were exercisable (2024: 1,160,548).

The weighted average fair value of each option granted during the year was £0.37 (2024: £0.40). The weighted average remaining contractual life for share options outstanding at the balance sheet date was 108 months (2024: 93 months).

30. Share-based payments continued

The following information is relevant in the determination of the fair value of options granted in the financial year under the LTIP.

	2 September 2024	19 September 2024	7 November 2024
Option pricing model used	Monte Carlo simulation/Black-Scholes		
Weighted average share price at grant date	£0.43	0.43	£0.41
Exercise price	£0.02	£0.02	£0.02
Expected life	3 Years	3 Years	3 years
Expected volatility	38.89%	38.89%	38.67%
Dividend yield	2.82%	2.82%	2.91%
Risk-free interest rate (zero-coupon bonds)	4.07%	4.07%	4.50%
Fair value of option (weighted average)	£0.37	£0.37	£0.37

The expected volatility is based on historical volatility over the period since listing. The risk-free rate is the yield of zero-coupon government bonds of a term consistent with the assumed option life.

Company Share Option Plan ("CSOP")

The Group operates a CSOP scheme for certain long-serving employees with over ten years' service at the time of listing of the Company.

Details of the maximum total number of ordinary shares that may be exercised in future periods in respect of conditional share awards at 30 April 2025 are shown below.

	2025 Number	2024 Number
At 1 May	1,276,530	1,296,530
Forfeited in the year	(20,000)	(20,000)
At 30 April	1,256,530	1,276,530

The weighted average exercise price for all options is £0.79 (2024: £0.79). The weighted average remaining contractual life for share options outstanding at the balance sheet date for the combined grants was 36 months (2024: 42 months).

Of the total number of options outstanding at 30 April 2025, 1,256,530 had vested or were exercisable.

Save-As-You-Earn Plan ("SAYE")

The Group operates a SAYE scheme open to all employees.

No grant of options under this scheme has been made in the current year.

Details of the maximum total number of ordinary shares, which may be issued in future periods in respect of conditional share awards at 30 April 2025, are shown below.

	2025 Number	2024 Number
At 1 May	1,604,713	1,995,179
Forfeited in the year	(891,961)	(390,466)
At 30 April	712,752	1,604,713

The weighted average remaining contractual life for share options outstanding at the balance sheet date was 17 months (2024: 28 months).

The weighted average fair value of each option granted during the year was £nil (2024: £nil). Of the total number of options outstanding at 30 April 2025, nil had vested or were exercisable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

31. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium	The amount of capital contributed in excess of the nominal value of each ordinary share.
Other reserves	The amount of capital contributed in excess of the nominal value of each ordinary share in respect of the "cash box" share placing on 9 April 2020 net of transaction costs.
Investment in own shares reserve	The value of shares held in the Group's Employee Benefit Trust.
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.

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

	2024 Restated* £'000	Cash flows £'000	Non-cash flows £'000	2025 £'000
Cash at bank	5,964	1,382	(180)	7,166
Cash in hand	38	–	–	38
Cash and cash equivalents	6,002	1,382	(180)	7,204
Loans and borrowings	–	(4,348)	(96)	(4,444)
Lease liabilities	(5,379)	2,824	(4,188)	(6,743)
Net funds/(debt) including IFRS 16 property and vehicle lease liabilities	623	(142)	(4,464)	(3,983)

*Refer to note 37 for details of the prior period restatement.

Cash flows in respect of lease liabilities include interest paid on leases for continuing operations of £317,000 (2024: £246,000) and discontinuing operations of £4,000 (2024: £nil) totalling £321,000 (2024: £246,000) as well as continuing principal paid of £2,475,000 (2024: £3,537,000) and discontinued principal paid of £28,000 (2024: £nil) totalling £2,503,000 (2024: £3,537,000).

Non-cash flows in respect of lease liabilities include the purchase of £3,672,000 (2024: £1,044,000) of fixed assets on hire purchase and long-term hire, interest expense of £321,000 (2024: £246,000), business combinations of £603,000 (2024: £1,639,000) less liabilities reclassified as held for sale of £408,000 (2024: £nil).

	2023 Restated* £'000	Cash flows £'000	Non-cash flows £'000	2024 Restated* £'000
Cash at bank	8,847	(2,883)	–	5,964
Cash in hand	38	–	–	38
Cash and cash equivalents	8,885	(2,883)	–	6,002
Loans and borrowings	(1,158)	1,158	–	0
Lease liabilities	(5,077)	2,625	(2,927)	(5,379)
Net funds/(debt) including IFRS 16 property and vehicle lease liabilities	2,650	900	(2,927)	623

33. Capital commitments

	2025 £'000	2024 £'000
Contracted but not provided for	1,458	2,228

34. Related party transactions

Details of Directors' remuneration and key management personnel remuneration are given in note 10.

During the year, transactions with Directors and Key Management Personnel included the purchase of shares on an arm's length basis.

The CEO's spouse was employed by the Group, working on a part-time basis within the HR function. Remuneration is on an arm's length basis with £8,000 paid in salary during the current year (2024: £11,000).

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2025 or 2024 regarding related party debtors.

35. Business combinations

On 28 October 2024 the Group acquired the entire share capital of Albion Drilling Holdings Limited for total consideration of £3,500,000 comprising £2,083,000 of cash and £586,000 of shares in Van Elle Holdings plc on the date of acquisition and £831,000 of deferred consideration payable within two years of the acquisition. Due to the nature of the deferred consideration, this has been treated as remuneration and recognised as a non-underlying cost in the Consolidated Statement of Comprehensive Income as it requires the sellers to remain in employment during the deferred consideration period. An amount of £410,000 has been recognised in non-underlying costs in FY2025.

Albion is a complementary and strategically aligned bolt-on acquisition, which expands Van Elle's presence in Scotland and further extends the Group's technical capabilities. The business has a high-quality rig fleet and skilled workforce, and a strong track record in infrastructure projects, with a blue-chip customer base that complements the Group.

The cash outflow of £1,567,000 under purchase of subsidiary, net of cash acquired, in the consolidated statement of cash flows relates to the following:

	£'000
Albion initial consideration paid in cash	2,083
Albion cash acquired on combination	(786)
Rock & Alluvium deferred consideration	2,120
Total consideration paid during the period	3,417

No debt was settled at the acquisition date. Details of the lease liabilities acquired at the acquisition date are shown in the table below which details the effect on the Group's assets and liabilities at the acquisition date of 28 October 2024:

Acquiree's net assets at the acquisition date	Fair value £'000
Property, plant and equipment	2,122
Stock	291
Trade and other receivables	700
Cash and cash equivalents	786
Trade and other payables	(448)
Lease liabilities	(603)
Deferred tax liability	(403)
Net identifiable assets	2,445
Goodwill	224
Total consideration	2,669

Cash was acquired as part of the acquisition.

The post-acquisition period includes revenue of £2,578,000 and operating profit of £410,000.

Acquisition costs of £86,000 were incurred as part of the business combination, which additional contingent costs of £410,000 in the period post acquisition. These costs have been classified as Non-Underlying costs in the year ended 30 April 2024 as detailed in note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

35. Business combinations continued

Rock & Alluvium Limited

In the prior year, on 30 November 2023 the Group acquired the entire share capital of Rock & Alluvium Limited for total consideration of £3,920,000, of which £1,800,000 was paid on 30 November 2023 and £2,120,000 on 30 November 2024.

Rock & Alluvium Limited is a leading UK based piling specialist with a strong reputation primarily serving the residential and commercial sectors in London and the South East. The acquisition of Rock & Alluvium provides the Group with an established presence in the South East, a region with good mid-term growth prospects which is currently under-served by Van Elle.

The fair value of the acquiree's assets and liabilities at the acquisition date of 30 November 2023 are shown in the table below:

Acquiree's net assets at the acquisition date	Fair value £'000
Property, plant and equipment	4,562
Stock	39
Trade and other receivables	2,231
Trade and other payables	(1,714)
Lease liabilities	(1,639)
Deferred tax liability	(427)
Net identifiable assets	3,052
Goodwill	868
Total consideration	3,920

Cash was not acquired as part of the acquisition.

Acquisition costs of £228,000 were incurred as part of the business combination. These costs were classified as non-underlying costs in the year ended 30 April 2024 as detailed in note 8.

36. Post balance sheet events

On 7 May 2025, the Group sold its entire heavy haulage fleet and outsourced its transport services function to WS Specialist Logistics Limited for total consideration of £2,878,000.

The total net book value of assets sold as part of the transaction was £2,486,000 as at 30 April 2025. These assets are classified as held for sale on the Group's balance sheet and are held at their carrying value of £2,486,000. The profit on disposal will be recognised in the FY2026 financial year.

The transaction allows the Group to reallocate the capital employed into growth initiatives to drive greater returns for Shareholders. The Group has entered into a service agreement for the provision of transport services with WS Specialist Logistics Limited following the sale.

37. Prior period restatement

During the current financial year, a detailed review of terms of one of the Group's long lease agreements was undertaken resulting in the restatement of the associated IFRS 16 asset and liability.

A restatement of the FY2024 profit and loss, cashflow statement and balance sheet as at 30 April 2023 and 30 April 2024 has been made.

The total impact on the FY2024 profit and loss is a £93,000 increase in profit after tax, being a reduction in administrative costs of £37,000 and finance expenses of £90,000, with an increased tax charge of £34,000.

The impact on net assets as at 30 April 2024 was an increase of £682,000. The impact on net assets as at 30 April 2023 was an increase of £580,000.

The impact on the FY2024 cash flow statement is a reduction in the net cash generated from operating activities of £106,000, a reduction in principal paid on lease liabilities of £16,000 and a reduction in interest paid on lease liabilities of £90,000. The net impact on cash in FY2024 is nil. A restatement of the cash flow statement is required due to the original cash flow presentation reflecting the accounting entries for the long lease rather than the cash flows.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2025

	Note	2025 £'000	2024 Restated* £'000
Non-current assets			
Investments	6	9,992	7,265
Trade and other receivables	7	11,285	10,041
		21,277	17,306
Current assets			
Cash and cash equivalents		4	62
		4	62
Total assets		21,281	17,368
Current liabilities			
Trade and other payables	8	441	31
		441	31
Total liabilities		441	31
Net assets		20,840	17,337
Equity			
Share capital	10	2,164	2,135
Share premium	10	9,189	8,633
Other reserve		5,807	5,807
Investment in own shares	10	(479)	(420)
Retained earnings		4,159	1,182
Total equity		20,840	17,337

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's profit after taxation for the year amounted to £4,191,000 (2024: £782,000). The Company's profit after tax in the current and prior year related to the receipt of dividends from subsidiary company Van Elle Limited, less acquisition costs for the purchase of Albion Drilling Holdings Ltd and the corporation tax charge.

*Refer to note 15 for details of the prior period restatement.

The financial statements were approved and authorised for issue by the Board of Directors on 30 July 2025 and were signed on its behalf by:

GRAEME CAMPBELL

Chief Financial Officer

The notes on pages 121 to 125 form part of these financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2025

	Share capital £'000	Share premium £'000	Other reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2023	2,133	8,633	5,807	-	1,425	17,998
Issue of share capital	2	-	-	-	-	2
Total comprehensive income	-	-	-	-	785	785
Purchase of own shares into EBT (restated*)	-	-	-	(420)	-	(420)
Dividends paid	-	-	-	-	(1,280)	(1,280)
Share-based payment expense	-	-	-	-	252	252
Balance at 30 April 2024 (restated*)	2,135	8,633	5,807	(420)	1,182	17,337
Total comprehensive income	-	-	-	-	4,191	4,191
Purchase of own shares into EBT	-	-	-	(59)	-	(59)
Issue of share capital	29	556	-	-	-	585
Dividends paid	-	-	-	-	(1,271)	(1,271)
Share-based payment expense	-	-	-	-	57	57
Balance at 30 April 2025	2,164	9,189	5,807	(479)	4,159	20,840

The notes on pages 121 to 125 form part of these financial statements.

*Refer to note 15 for details of the prior year restatement.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 30 April 2025

1. General information

These financial statements were approved and authorised for issue by the Board of Directors on 29 July 2025.

Van Elle Holdings plc is a public limited company incorporated and domiciled in the UK under the Companies Act 2006. The address of the Company's registered office is Van Elle Holdings plc, Southwell Lane Industrial Estate, Summit Close, Kirkby-in-Ashfield, Nottinghamshire NG17 8GJ. The Company has its primary listing on AIM, part of the London Stock Exchange.

2. Basis of preparation

The financial statements of Van Elle Holdings plc (the "Company") are presented as required by the Companies Act 2006. The financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company financial statements have been prepared on the going concern basis and adopting the historical cost convention.

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

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented an income statement or a statement of comprehensive income for the Company. The profit for the year is disclosed in the statement of changes in equity. The Company has no direct employees and all personnel costs are borne by the subsidiary company, Van Elle Limited.

Employee Benefit Trusts ("EBTs") are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

The parent company does not maintain a separate bank account and all cash flows are transacted by subsidiary undertakings and therefore a statement of cash flows is not presented. The cash and cash equivalents balance as at 30 April 2025 represents the cash held by the EBT.

The parent company does not employ any staff.

The assessment of going concern and the adoption of new accounting standards are consistent with those set out in note 2 of the consolidated financial statements.

3. Significant accounting policies

The policies adopted by the Company are consistent with those set out in note 3 to the consolidated financial statements. The following additional policies are also relevant to the Company financial statements.

Investments

Investments in subsidiary undertakings are valued at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Receivables from Group undertakings

The Company holds intercompany loans with subsidiary undertakings, which are repayable on demand. None of these loans are past due nor impaired. The carrying value of these loans approximates their fair value.

Dividends received

Revenue is recognised when the Company's right to receive the payment is established, which is generally when the Shareholders approve the dividend.

Dividends paid

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

4. Critical accounting estimates and judgements

The preparation of the Company financial statements requires the use of certain judgements, estimates, and assumptions that affect the reported amount of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions relevant to the financial statements are embedded within the relevant notes in the consolidated financial statements.

Carrying value of investments

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the parent company financial statements is the recoverability of the investments set out in note 6.

The recoverability is estimated based on the expected performance and value of the investments factoring in the potential expected future net cash flow to be generated from the investment. The Company based its estimation on information available when these financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected when they occur.

5. Dividends

	2025 £'000	2024 £'000
Final dividend – year ended 30 April 2024		
0.8p (2023: 0.8p) per ordinary share paid during the year	843	853
Interim dividend – year ended 30 April 2025		
0.4p (2024: 0.4p) per ordinary share paid during the year	428	427
	1,271	1,280

A final dividend for the year ended 30 April 2025 of 0.8p per share amounting to £857,000 is proposed. This represents a total dividend of 1.2p per share for the full year. The final dividend will be paid on 17 October 2025 to the Shareholders on the register at the close of business on 02 October 2025. The proposed final dividend is subject to approval by the Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Dividends were paid in compliance with Section 838 of the Companies Act following filing of interim financial statements at the Registrar of Companies.

6. Investments

	2025 £'000	2024 £'000
Cost		
At 30 April	9,992	7,265

The undertakings in which the Company has an interest at the year-end are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
Subsidiary undertakings			
Van Elle Limited	Ordinary	100%	Open-site piling, ground stabilisation, restricted access micro piling, site investigation, and subsidence repair in the construction/civil engineering sector
Albion Drilling Holdings Ltd	Ordinary	100%	Open-site piling, ground stabilisation, restricted access micro piling, site investigation, blasting, and subsidence repair in the construction/civil engineering sector
Subsidiary undertakings of Van Elle Limited			
A & G (Steavenson) Limited	Ordinary	100%	Dormant
Dram Investments Limited	Ordinary	100%	Dormant
Van Elle 15 Ltd	Ordinary	100%	Dormant
Van Elle Canada Inc	Ordinary	100%	Piling and ground stabilisation in the rail construction/civil engineering sector in Canada
Rock & Alluvium Limited	Ordinary	100%	Specialist foundation services with specific regard to load bearing piles for the construction and civil engineering industries
ScrewFast Foundations Limited	Ordinary	100%	Design, supply, and installation of helical piles
Subsidiary undertakings of Albion Drilling Holdings Ltd			
Albion Drilling Group Limited	Ordinary	100%	Open-site piling, ground stabilisation, restricted access micro piling, site investigation, blasting, and subsidence repair in the construction/civil engineering sector

The registered office of all subsidiary undertakings is Southwell Lane Industrial Estate, Summit Close, Kirkby-in-Ashfield, Nottinghamshire NG17 8GJ.

7. Trade and other receivables

	2025 £'000	2024 Restated £'000
Receivables from Group undertakings	11,285	10,041
Financial assets classified as loans and receivables	11,285	10,041

The receivables from Group undertakings represent an interest-free loan to the subsidiary, which is repayable on demand. Whilst the loan is legally repayable on demand, management do not expect the balance to be settled within the next 12 months and wherefore this has been disclosed as a non-current receivable. In assessing the expected credit loss, the general approach has been applied. The subsidiary has resources to repay the loan on demand at the year end and as such the probability of default is considered to be very low and any expected credit loss is immaterial. There has been no change in credit risk since initial recognition.

Refer to note 15 for details of the prior period restatement.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

For the year ended 30 April 2025

8. Trade and other payables

	2025 £'000	2024 £'000
Other payables	441	31
Financial liabilities measured at amortised cost	441	31

9. Financial instruments and risk management

The Company's financial instruments comprise receivables and payables, which arise from its operations. The carrying amounts of all the Company's financial instruments are measured at amortised cost in the financial statements.

Financial instruments by category

	Amortised cost	
	2025 £'000	2024 Restated £'000
Financial assets		
Trade and other receivables	11,285	10,040
Total financial assets	11,285	10,040

	Amortised cost	
	2025 £'000	2024 £'000
Current financial liabilities		
Trade and other payables	441	31
Total financial liabilities	441	31

Financial risk management

The Company's objectives when managing finance and capital are detailed in note 25 of the consolidated financial statements.

10. Share capital

	Number of shares '000	Ordinary shares £'000	Share premium £'000
Authorised			
At 1 May 2024	106,741	2,135	8,633
Issue of 1,459,817 at 2p each	1,460	29	556
At 30 April 2025	108,201	2,164	9,189

All shares are allotted, issued, and fully paid. The nominal value of all ordinary shares is 2p.

Investment in own shares

At 30 April 2025 the Company held in Trust 1,264,772 (2024: 1,150,000) of its own shares with a nominal value of £25,000 (2024: £23,000). The Trust has waived any entitlement to dividends in respect of its holding of the Company ordinary shares. The market value of these shares at 30 April 2025 was £436,000 (2024: £380,000). During the year 168,292 (2024: 1,150,000) shares were repurchased and transferred into the Trust, with 53,520 reissued on exercise of share options.

11. Share-based payments

For detailed disclosures of share-based payments granted to employees, refer to note 30 of the consolidated financial statements.

12. Reserves

The nature and purpose of each reserve are provided in note 31 of the consolidated financial statements.

13. Related parties

Related party income and expenditure comprise dividends receivable from its subsidiary undertaking, Van Elle Limited, and adjustments for Group relief. Barring acquisition costs in the period of £86,000, and additional contingent payments of £410,000, no other income or expenditure is recognised in the Company accounts and any costs incidental to its operation are borne by Van Elle Limited. The remuneration of the Board, which is the key management personnel of the Company and therefore related parties of the Group, is set out in the annual report on remuneration on page 72 to 73.

The Company does not maintain a separate bank account and instead maintains an intercompany balance with its subsidiary undertaking in respect of internal funding. The amount outstanding from Van Elle Limited at 30 April 2025 was £11,285,000 (2024: £10,040,000).

14. Ultimate controlling party

The Company does not have an ultimate controlling party.

15. Prior period restatement

In 2024, the company made a contribution of £482,000 to the Group Employee Benefit Trust using funds transacted by Van Elle Limited, a subsidiary. This was not disclosed in the company accounts, though the correct position was shown in the Group consolidated presentation. This has been corrected by restating the prior year, resulting in a decrease in equity (via investment in own shares) of £420,000, a decrease in the amount due from subsidiary companies of £482,000 as of 30 April 2024 and an increase in cash and cash equivalents of £62,000 representing the cash held in the EBT as at 30 April 2024.

There is no impact from the above on the opening balance sheet as at 1 May 2023 of the Company or the Group.

There is no impact on the parent company or Group income statement for the year ending 30 April 2024 or 30 April 2025.

CORPORATE INFORMATION

Registered office and advisers

Directors

Frank Nelson (Non-Executive Chair)
David Hurcomb (Non-Executive Director)
Charles St John (Non-Executive Director)
Mark Cutler (Chief Executive Officer)
Graeme Campbell (Chief Financial Officer)

Group Company Secretary

Graeme Campbell (Chief Financial Officer)
Helen Prendergast (Finance Director)

Registered office

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Company registered number

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The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.





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