VolkerWessels UK

VolkerWessels UK Limited

Registered number 01179305

Annual Report and Financial Statements

for the year ended 31 December 2025

Financial key performance indicators 2025

£1,486,565k Revenue (2024: £1,491,399k)	**£150,445k** Gross profit (2024: £126,277k)
10.1% Gross profit margin (2024: 8.5%)	**£66,139k** Operating profit (2024: £44,144k)
4.4% Operating profit margin (2024: 3.0%)	**£70,510k** Profit before tax (2024: £48,065k)
4.7% Profit before tax margin (2024: 3.2%)	**£165,186k** Cash and cash equivalents (2024: £171,939k)
£103,506k Net assets (2024: £134,357k)	**£1,435,182k** Forward secured order book (2024: £1,512,714k)

Non-financial key performance indicators

Health and wellbeing | Safety **0.07** Accident frequency rate (AFR) (2024: 0.07)	**Natural environment** | Raw material **97%** Waste diverted from landfill (2024: 99%)
Natural environment | CO2 emissions **13.8** Carbon dioxide footprint in kilotons (tonnes/million revenue) (2024: 14.6)	**People and culture** | Employee engagement **80%** Employee survey score (across 4 key engagement metrics) (2024: 81%)

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Principal activities

VolkerWessels UK Limited ("VolkerWessels UK" or "Group") is a multidisciplinary contractor that delivers innovative engineering solutions across the civil engineering and construction sectors including rail, highways, airport, marine, energy, water and environmental infrastructure and commercial and industrial building.

VolkerWessels UK has five core business units (VolkerFitzpatrick, VolkerRail, VolkerStevin, VolkerHighways, and VolkerLaser which includes P J Davidson (UK) Limited), which undertake various activities across the UK infrastructure market and work together to provide integrated construction project solutions to clients. These businesses are supported by VolkerServices which provides the majority of back office support services.

Our key market focussed activities include:

- Rail infrastructure – delivery of renewals and enhancements of rail systems such as track, signalling and power, rail depots, stations and core infrastructure for heavy and light rail, as well as provision of operated plant to the mainline railway.
- Highways and airport infrastructure – provision of highways maintenance and renewals, airport infrastructure and paving.
- Marine, energy, water and environmental infrastructure – extensions to ports and harbours, marine piling, outfalls, flood alleviation and coastal protection, water utilities infrastructure, horizontal directional drilling and high voltage cable laying.
- Commercial, industrial and educational construction – construction of industrial and commercial buildings.

Business review

The financial highlights and key performance indicators of the Group are summarised as follows:

Financial key performance indicators

	2025	2024
	£000	£000
Revenue	**1,486,565**	1,491,399
Gross profit	**150,445**	126,277
Gross profit margin	**10.1%**	8.5%
Operating profit	**66,139**	44,144
Operating profit margin	**4.4%**	3.0%
Profit before tax	**70,510**	48,065
Profit before tax margin	**4.7%**	3.2%
Cash and cash equivalents	**165,186**	171,939
Net assets	**103,506**	134,357
Forward secured order book[1]	**1,435,182**	1,512,714

Non-financial key performance indicators

		2025	2024
Health and wellbeing			
Safety	Accident frequency rate (AFR)[2]	**0.07**	0.07
Natural environment			
Raw material	Waste diverted from landfill (percentage)	**97%**	99%
CO_2 emissions	Carbon dioxide footprint in kilotons (tonnes/million revenue)[3]	**13.8**	14.6
People and culture			
Employee engagement	Employee survey score across 4 key engagement metrics	**80%**	81%

Footnote

[1] Forward secured order book is calculated by taking the value of future secured work, where the relevant contract or letter of intent has been received, the terms are agreed and the contract has been executed or will in all certainty be executed by both parties.

[2] The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) excluding dangerous occurrences are used in the Accident Frequency Rate (AFR) calculation. The AFR is the most commonly used measure for benchmarking safety performance in the UK. Accident Frequency Rate (AFR) = (number of RIDDOR reportable injuries ÷ total work hours) x 100,000.

[3] Our carbon emissions intensity metric has been amended to include those emission sources that align with the requirements of the Streamlined Energy and Carbon Reporting guidance. This includes natural gas, petrol, diesel, mileage, gas oil, burning oil, electricity, air travel and train travel.

Business review (continued)

Summary

The Directors are pleased to present the results of the Company for the year ending 31 December 2025. Our focus as a business remains on sustainable growth in earnings and exceeding the expectations of our clients, rather than significantly increasing revenues. In this context the result for the year is considered strong and has achieved expectations.

Our overall aim in respect of margin return is to achieve growth by focussing on high quality operational delivery, adding value for our clients, and through the appropriate management of risk throughout the life cycle of our projects. The Group has delivered a gross profit in 2025 of 10.1%, an increase compared to the return achieved for the prior year (2024: 8.5%). The Group generated a profit before tax for the year which, at £71m, is £22m above that achieved in 2024 after overhead and interest. This equates to a return of 4.7% (2024: 3.2%).

In addition to the Directors' objective to deliver profitable growth, they are equally focussed on ensuring that the Group maintains a strong financial position, which can provide resilience in difficult times, enables investment in the business, and gives confidence to clients, suppliers, people and other stakeholders when they enter into contract with the business. The Directors believe the closing balance sheet position of the Group once again meets these objectives. Net assets at 31 December 2025 were £104m (2024: £134m), supported by cash and cash equivalents of £165m (2024: £172m). The strong performance enabled the payment of a dividend from retained earnings to shareholders of £86m (2024: £29m) this year.

Overall, the Directors are pleased with the Group's performance this year, which reflects the strength of our long-term robust business strategy and the dedication of our people, despite challenging geopolitical, economic and market conditions.

In terms of non-financial performance indicators, we are pleased to report positive results across "safety" and "natural environment". Our Accident Frequency Rate (measured fiscally) is consistent compared to 2024 at 0.07 (2024: 0.07). Our waste management performance also remains impressive with 97% of waste being diverted from landfill (2024: 99%). Our Carbon dioxide footprint in kilotons (tonnes/million revenue) for the year was 13.8 (2024: 14.6). We pride ourselves on delivering long-term social value in the communities in which we work, forging relationships with likeminded clients and supply chain partners to make responsible and forward-thinking choices about the way our projects are executed.

Our employees are fundamental to who we are as a business and critical to our future success. Their engagement and feedback is vitally important to us. During 2025 we undertook a new and refreshed employee engagement survey, and we are pleased to reflect upon an engagement score of 80 (2024: 81) from their response to this exercise, which continues to be above industry average. We will once again act on learnings from this, by implementing actions that further support and develop the positive culture that exists across the Group.

For further discussion of non-financial performance indicators please see the s172 statement section of this report.

Operational review and future developments

The Group organises and manages its activities through its five core business units and the operational review for the year is set out below reflecting these arrangements.

VolkerFitzpatrick a multi-disciplinary contractor with a strong track record of delivering demanding, high quality projects, often to fast-track programmes and in challenging 'live' environments. We bring together the specialist building, civil engineering and industry focussed skills from across our business in integrated teams to deliver complex projects in a range of market sectors including commercial, industrial and distribution, education, rail, airports, environmental, energy and other infrastructure.

Industrial & Distribution

VolkerFitzpatrick remains strong in the construction of industrial and distribution facilities, working with major developers and end users in the sector. Flexible delivery continues to underline our status as a delivery partner of choice. Aligned with our customers on sustainability and carbon management, our expertise has been demonstrated with industry-leading performance.

During a busy year of activity, VolkerFitzpatrick delivered a BREEAM Outstanding 265,000 ft^2 scheme comprising five distribution units in Hemel Hempstead for a major development and logistics customer. We also completed a 500,000 ft^2 BREEAM Outstanding unit at Rockingham Gateway, including fit out, for a global third-party logistics provider. Strong progress was also achieved on an 827,000 ft^2 development over five units at Biggleswade.

The business has also maintained its presence on the Royal Mail framework, providing a fast-track response to its property portfolio needs.

Commercial Building

The 113,000 ft^2 new build Apex Building, as part of the Tribeca Development in Camden, was completed in 2025. It provides state-of-the-art laboratory and office space in the heart of London's Biotech cluster. Work also commenced on the 85,000 ft^2 Dirac Building for St John's College Cambridge which will provide premium office space and transport hub facilities on an established innovation park.

The key sector of continuing activity is Life Sciences, particularly laboratory-enabled offices in London, Oxford, and Cambridge. The continuing investment in this sector from UK and global pension funds are bringing more opportunities to market.

Building Frameworks - Public Sector

VolkerFitzpatrick delivered the Operations Hub for Cambridge County Council through the Procure Partnership Framework, which was established to set new standards for sustainable municipal infrastructure. This framework is anticipated to provide a good pipeline of both public sector opportunities and non-DfE framework education schemes. The business is targeting other public sector frameworks and expect these to further increase the volume of public sector projects in 2026 and beyond.

Roads and Highways

VolkerFitzpatrick continues to demonstrate its strength in the highways sector, delivering complex, high-value infrastructure projects for both public and private clients. As a trusted Integrator on National Highways' £8.7bn recently extended Regional Delivery Partnership Framework we are driving performance and innovation across the network.

Building on the completion of the A27 East of Lewes and A31 Ringwood schemes, VolkerFitzpatrick is delivering the flagship M3 Junction 9 improvement project, creating free-flowing connectivity between the M3 and the A34, unlocking economic growth and improving journey reliability across South Hampshire.

VolkerFitzpatrick's expertise spans multiple National Highways frameworks, including the Life Cycle Extension Works (Concrete Roads) and Scheme Delivery Frameworks. Through these, we are enhancing asset resilience and maximising pavement life on strategic routes including the A46 at Sixhills, A180 near Grimsby, A120 near Colchester, and M40 near Padbury.

Works continue on the M27 Junction 10 improvement scheme near Fareham for Hampshire County Council and Buckland Development, creating an 'all-moves' junction to support the development of 6,000 new homes. The scheme incorporates an innovative 'box slide' installation whereby we successfully positioned a 60m, 8,500t concrete structure during the Christmas 2025 closure of the M27 at Junction 10, ahead of programme. This precision engineering approach, the first in Hampshire, was delivered in a tight window over the Christmas 2025.

Bridges and Structures

Refurbishment works continue on the steel box girders on the A38 Tame Valley Expressway (Spaghetti Junction) for Birmingham City Council, with works scheduled to complete ahead of programme.

VolkerFitzpatrick's design and delivery capability is demonstrated through the Sturry Link Road for Kent County Council, a major infrastructure project to improve connectivity with a new viaduct over the River Stour and a railway line.

Successes in the year include completion of the Ash Road Bridge for Guildford Borough Council, replacing a level crossing to improve safety and connectivity for new housing developments in the village of Ash. Additionally, we are refurbishing the River Lea Crossing on the A13 for RMS, further reinforcing our reputation in the market.

Operational review and future developments (continued)

Aviation

VolkerFitzpatrick has maintained its leading position in the aviation sector at both civilian & military airports with works being secured through existing long-term frameworks. In the civilian market, work continues to deliver at Birmingham, MAG (Manchester, East Midland & Stansted) and Heathrow (H7) airports, together with a one-year extension to the existing AGS (Aberdeen, Glasgow, Southampton) contract.

VolkerFitzpatrick has continued to deliver airfield upgrades for the RAF and Royal Navy through our Airfield Operating Surfaces framework with the Defence Infrastructure Organisation (DIO). This year saw works for several airbases move through design and enabling work stages, ready for the construction works to start in 2026.

Rail and Depots

VolkerFitzpatrick's heavy rail sector delivers the majority of works through Network Rail and frameworks aligned with the 5-Year Control Periods.

The Camp Hill Line Stations project for the design and build of three new stations: Mosley, Pineapple Road, and Kings Heath for WMCA completed construction activities in December 2025 with an entry into service period running through Q1 of 2026.

Radlett SRFI continued through 2025, delivering the rail corridor signalling systems with main construction activities due for completion in July 2026, and the signalling commissioning due to complete in December 2026.

Work continues on the Early Contractor Involvement contract at Cockfosters Depot for Transport for London (TfL), and the depot market continues to be heavily reliant on new rolling stock provision. Future opportunities include Cockfosters Depot; main works and lower value depot modifications for Siemens and Network Rail.

Southern Renewals Enterprise – Control Period 7 (CP7)

In March 2024, VolkerFitzpatrick was contracted to form part of the Southern Renewals Enterprise. This 10-year arrangement will deliver asset renewals across the Kent, Sussex, and Wessex routes. VolkerFitzpatrick is the chosen delivery partner for the Buildings and Civils Renewals workbank, with other partners are Octavius Infrastructure (E&P), Atkins Realis (Signalling), VolkerRail (Track), and Network Rail Works Delivery (Minor Works). The 'best for portfolio' model incentivises all parties to collaborate to deliver the entire portfolio.

VolkerFitzpatrick built on the previous years' mobilisation and development working on approximately 150 schemes in the year. Development works are also underway for over 350 schemes in the workbank covering the balance of CP7.

High Speed Two

ALIGN (the Joint Venture in which VolkerFitzpatrick participates) made excellent progress on its key section of phase one of the HS2 high speed rail network between London and Birmingham. On 24 July 2025, the team achieved the major milestone of completing the 16km-long Chiltern Tunnel and on 13 August 2025 the completion of the 3.4km-long Colne Valley Viaduct.

Work on the project will continue throughout 2026 and into 2027, with additional works being instructed by HS2 following the excellent performance of the ALIGN team.

Operational review and future developments (continued)

VolkerRail specialises in the engineering construction of all types of track systems together with whole life asset management, maintenance and renewals services for railways, metros and light rail networks. The business also provides specialist rail infrastructure services. This includes the hire of specialist plant and equipment, high and low voltage engineering services and overhead line system construction, design and implementation of signalling and power systems, maintenance and renewal of infrastructure, and track welding services.

East West Rail Phase 2 Alliance (EWR2)

Following the successful completion of works for Connection Stage 1 (CS1) in December 2024, East West Rail Alliance (EWRA) has continued to support the next phase of development for the service introduction to Bedford and eastwards beyond by delivering the Option Selection Report for the Marston Vale Line Acceleration (MVLA) by April of 2025. The next phase of the project will facilitate an additional one train per hour in each direction between Oxford and Bedford by December 2029.

Through 2025 the Alliance has remobilised a team following the completion of Section 5, and since July, have been developing the ES4 design for the MVLA scope, including the renewal of structure BFO1B in Bletchley, supported by VolkerLaser who successfully assisted with the delivery of a key structure in the previous phase.

Building upon its proven ability to successfully deliver multi-disciplinary railway projects the Alliance continues to support its customers through the delivery of MVLA with ES5 design and enabling works due to commence Spring 2026 with a Target Cost due for submission April 2026 valued at approximately £150m with award expected September 2026.

Transpennine Route Upgrade (East) Alliance (TRUe Alliance)

The aim of the TRUe Alliance is to transform the East of Leeds route allowing people to travel faster, more reliably and in greater comfort between York and Leeds. The TRUe Alliance received the contract award in July 2024 for Section 8.1 - Project E2 Enabling and E3/4; contributing towards the TRUe programme benefits of improved punctuality (resilience), increased capacity, environmental improvements, faster journeys and enabling North Powerhouse Rail (a major strategic rail programme, designed to transform connectivity between the key economic centres of the North). We are working in equal partnership with J Murphy & Sons, Siemens and Network Rail. The TRUe Alliance has had an extremely busy year on multiple fronts, including E1 Church Fenton to York, E234 Leeds to Church Fenton and Shipley Train Care Depot.

Section E1 (Church Fenton to York)

Incorporated in January 2021, to enhance all elements of the infrastructure so trains can travel faster, cleaner and more reliably between York to Church Fenton. A significant volume of work has been delivered throughout 2025 to meet project milestones. The East Coast Mainline overhead line connection at Colton Junction, involved the commissioning of a unique arrangement of tangential wiring. Unique due to the geometry in the area, it needed to be modelled from first principles. Final commissioning was in March 2025, followed by the successful running of test trains on the 10-mile section to prove the system. In addition, there was completion of significant track installations throughout the year. Notably, in March an increase in line-speed was commissioned across the section facilitating timetable opportunities for key stakeholders. In October/November the team installed five Switch and Crossing (S&C) units and over 2,000m of track in three separate weekend closures. These activities brought E1 to substantial completion, successfully delivering on safety performance, schedule and quality.

Section E2, 3 & 4 (Leeds to Church Fenton)

Incorporated in July 2024, this section of infrastructure enhancement is a continuation of works from Church Fenton to Leeds Station. The focus for 2025 was Entry into Service (EIS) milestone U. This involved the commissioning of new power, telecoms and signalling systems throughout the route and data and screens commissioned in York Regional Operating Centre. Work included installation of lineside assets, bases and cable containment, replacement of six bridges, significant track and overhead line interventions and enhancements, installation of several hundred kilometres of new cable, high and low voltage power and telecoms infrastructure. Final activity commenced during a scheduled thirty-three-day closure starting on Christmas Eve 2025 with the first four days focussed on the successful systems commissioning activity before moving into a period of infrastructure re-modelling at Church Fenton where track and station are modified to increase line speeds in the area.

To support wider project milestone EIS W (electrification of the route) the team has, in parallel with EIS U activity, installed more than 600 items of tubular piled foundations and main part steel work. This activity is ongoing throughout 2026 ready for entry into service during Christmas 2026.

Looking to the future and to conclude the project, unlocking the full benefit of the scheme, is the remodelling of the Neville Hill train maintenance depot and associated rail system infrastructure. Planning and design for this final section is due to commence in 2026, concluding in 2028.

Shipley Train Care Depot

For the Alliance to remodel Neville Hill, there is a requirement to provide alternate train maintenance and stabling facilities for the train operating companies. To support this the Alliance secured land on the footprint of a scrap yard in Shipley. At the year end 2025, VolkerRail are in contract for the design and early works, with the main construction works still at the bid stage. During 2025 the site was cleared of materials, the ground was remediated, and major earthworks and retaining structure installation activity commenced. If successful in the next stage, the planned work will continue throughout 2026 and 2027, with operational handover to the train operating company to support the Neville Hill closure.

Following the conclusion of EIS U in January 2026, the Alliance will be focusing on Shipley Depot and the remaining scope at Neville Hill. Works will continue during 2026 on EIS W towards the electrification of the complete route from York to Leeds. The Alliance are looking at strategic opportunities beyond 2028 to secure the future of this successful delivery mode.

Operational review and future developments (continued)

Southern Renewals Enterprise (SRE)

Throughout 2025 VolkerRail maintained the weekly drumbeat of delivery, completing 55 core renewals including 6 S&C, 44 plain line and 3 conductor rail projects across the three routes (Kent, Sussex, Wessex). These renewals were undertaken in extended blockades of the regional rail network, where passenger and freight service operation is suspended, renewal activity undertaken and service resumed directly on works completion. These 'access' opportunities are predetermined in terms of location and duration, creating discrete, critical weekly delivery milestones. Significant effort and focus is required to assure guaranteed success of each of the weekly delivery milestones, ensuring the impact to railway operation is minimised. Early focus in 2026 will be the agreement to the Network Rail year 3 (April 2026 to March 2027) delivery plan, with VolkerRail's continuing involvement throughout Network Rail Control Period 7 (CP7) (to March 2029).

The VolkerRail track team now exceeds 150 individuals, supported by local and internal ecosystem partners. Further organisational changes, both within the track team and the wider Southern Integrated Partner teams (Network Rail, VolkerFitzpatrick, AtkinsRealis and Octavius), have been made to support the 'one-team' approach and accelerate performance improvements through 2026, including advanced planning for works to be delivered in CP8 (April 2029 to March 2034).

Rail Electrification Alliance (REAL)

The REAL portfolio continued to deliver strong results throughout 2025, with key milestones achieved across the programme. Highlights included the submission of 24 Health & Safety (H&S) files, the successful EIS of Grantham, and completion of all Return Screening Conductor (RSC) bonding works. Delivery at Bretton progressed well with Midpoint Track Sectioning Cabin (MPTSC) EIS achieved, alongside improvements at Corey's Mill and maintaining strong performance. Importantly, the team successfully met all targets for the December timetable change, reinforcing our commitment to operational excellence.

Looking ahead to 2026, focus will shift to finalising EIS for Coreys F3 & F4 and Bretton, while preparing for Little Barford and Autotransformer Feeder (ATF) in 2027. Remaining H&S files for completed sites will be submitted, and new scope at Bretton will be delivered, including an independent feeder cable installation.

Hope Valley Capacity Project (Hope Valley)

The Hope Valley project delivers a series of major enhancements including increased line speeds between Edgeley Junction and New Mills South Junction, a new passing loop at Bamford to reduce conflicts between passenger and freight services, a remodelled junction connection from the Midland Main Line, doubling of Dore Station Junction, redoubling of the platforms at Dore & Totley Station, and improved standage on the Dore South Curve.

In the first quarter of 2024, following three years of design and implementation, the project successfully commissioned and brought into use the journey time improvement works and the main construction elements. Throughout the remainder of 2024, substantial progress was achieved on recovery activities and finishing works, with overall project completion forecast for the third quarter of 2025. By the end of 2025, the finishing works were completed, including the catch pit works delivered over the Christmas period. As the project moves into 2026, only minor telecoms activities remain outstanding, which are scheduled for completion within the first quarter of the year.

Midland Rail Hub (MRH)

Following an intense Network Rail procurement event, the team (VLA Alliance) comprising the East West Rail alliance partners (VolkerRail, Laing O'Rouke and AtkinsRéalis), were named preferred partner for the Civils and Track element of the Midland Rail Hub enhancement programme. The scope includes all track, overhead contact systems, station upgrades, structures enhancements and renewals.

Aligned with a separately procured SP&C partner, Siemens, the preferred new alliance will design and develop plans and support the build phase needed to transform passenger journeys.

The overhaul of the railway in Birmingham and the West Midlands, including changing how the city's three main stations - New Street, Moor Street and Snow Hill - are served by train services, will have significant benefits to local, regional and national passenger journeys. The biggest change will be connecting the Chiltern main line, which runs into Moor Street, with the Camp Hill lines, which run towards the Southwest and East Midlands via two new chords in Bordesley, near Birmingham city centre.

The Stage 1 Contract was successfully executed in December 2025, delivering surveys and design through to 2028. Through 2026 the team will focus on early mobilisation activity; Alliance team development (including organisation structure, culture and behavioural charter), scope and programme definition, advanced site surveys and design activity. During stage 1 the Alliance will also develop the proposal for the subsequent detailed design and construction phase, likely to commence in 2028.

Metro & Rail Projects

The Metro & Rail Projects division brings together the Group's skills in light rail projects, depot and industrial sidings maintenance, the provision of track support to Network Rail, Tier 1 Buildings and Civils contractors and several small works contracts and welding services.

The market for this division is growing, particularly the tram systems track renewals market. Competition remains fierce and this division is now a market leader, securing contracts on both experience and quality of work. The focus for 2026 is on further developing the order book and securing light rail frameworks and term maintenance contracts.

Operational review and future developments (continued)

Plant

The Plant division owns, operates and maintains specialist rail plant, providing its services both within the VolkerWessels UK Group and externally to Network Rail and other rail customers within the UK rail industry. The primary focus is on the provision of operated highly-specialist and high-investment plant for the UK market, with a secondary focus on the supply of less specialist rail-specific plant and equipment for use by VolkerRail project teams and associated alliances.

The largest single area of the plant business during 2025 has been the final 3 months of the outgoing and first 9 months of the incoming framework contracts for the provision of OTM services to Network Rail. The contract for this new award commenced on April 1st 2025 and the outgoing contract ended on the 31st March. This new contract is expected to run to at least 31st March 2033 with provision for extension until 31st March 2035.

The nature of the division is that growth and sustainability are heavily linked to capital investment in equipment (both new machines and major overhaul/life-extension work) and specialist training and skills development, so these remain critical aspects in all planning. Significant capital investment is planned from 2026, to replace the oldest machines serving the new OTM contract.

The division operates out of a dedicated rail-linked engineering depot and office facility in Frodingham, North Lincolnshire. Capital expenditure during 2025 helped to further improve the depot's rail infrastructure.

A large proportion of turnover was generated by internal trading, supplying plant and equipment to other VolkerRail business areas, and associated alliances. This was an equal split of operated plant and self-drive, user-operated equipment.

The demand in all areas continued to fluctuate significantly during the year but the impact of reduced Network Rail funding in various areas has created a generally reduced market. Industry-wide workload remains heavily dependent upon Network Rail's track access timetables, with peak demands heavily focussed on weekends and track closures during the Christmas holidays, when the rail network can be most readily disrupted.

Reactive response to industry emergencies (for example by supporting recovery of derailed trains or plant) also created unpredictable workload peaks.

The Plant division have maintained an active focus upon continued improvement, organisational refinement and innovation, which has supported cost reductions, allowed ageing machines to remain in service and provided another year of market-leading safety statistics. 2025 marked the 12th year with an Accident Frequency Rate (AFR) of zero which is another consecutive record safety performance across the industry peer-group.

Power & Civils

The Power & Civils division continued to deliver specialist services in electrical distribution, critical infrastructure, civils, piling, and ground investigation (GI) across complex operational environments. This integrated capability remains central to VolkerRail Specialist Businesses' position as a trusted provider of overhead line electrification and Electrification and Plant (E&P) renewals, as well as standalone specialist services across the rail sector.

The year was shaped by a significant restructuring programme, which reduced headcount and aligned the business to the accessible CP7 market for power works. While the process required investment in redundancy payments and resulted in periods of unproductive cost, it has created a more appropriately sized and resilient operating model for the medium term. The streamlined structure positions the division to operate more efficiently and respond effectively to the level of demand anticipated over the next phases of CP7.

Operationally, the division maintained steady delivery across core frameworks. NW&C contracts performed in line with expectations, with key milestones achieved and collaborative delivery maintained throughout. Additional scope secured during the year has extended these works into 2026, reinforcing continuity for both delivery teams and clients. Activity on the Scotland SP&C Framework advanced through client engagement and the commencement of design development; however, programme timings meant that these opportunities did not convert into site works during the year. These schemes are now expected to provide a more substantial workflow from 2026 once design phases conclude.

The business also broadened its routes to market. New opportunities were realised through Piling and Civils contributions on SRE, demonstrating the value of integrated capability and early supply chain involvement. Collaborative working with the Metros division generated further activity on the Radlett and DP World contracts, strengthening internal synergies and providing an additional pipeline of civils–led works.

As CP7 progresses, the division remains well–placed to meet increasing demand for integrated systems delivery across the NW&C, Eastern and Scotland regions. With a right–sized organisation, a diversified portfolio and a growing network of inter–company and external partnerships, Power & Civils enters the year ahead with improved resilience, clearer market focus and a strong platform for sustainable growth.

Signalling & Telecoms

In 2024 the Signalling & Telecoms division were successful in securing two additional Network Rail CP7 (2024 to 2029) Frameworks. The first of which was a 10-year framework with our partner Hitachi (previously Thales) for the national roll out of ETCS (European Train Control Systems). CP7 will see the development of the Hitachi product to UK specification in readiness for deployment in CP8. The second was an SP&C Renewals Framework for Scotland. This Framework exceeded its forecast in 2025, with further growth in future years expected.

In May 2025 the division secured the second of an optional three single year extensions from Network Rail for the London NW&C S&T Framework held since 2019.

Whilst the first two years of CP7 has not presented the work bank hoped, due to Network Rail deferment of the renewals work bank, the future framework pipeline opportunities look strong. In 2025 the division expanded its in-house telecom design and engineering resource to support the growth of telecoms work within and outside the frameworks. This puts us in a great position for market expansion in 2026 and beyond. Outside of the signalling frameworks, the business is supporting the wider VolkerRail Group business in delivery of TRUe Alliance, SRE and for Colas as a Tier 2 contractor.

Operational review and future developments (continued)

VolkerStevin specialises in providing complex engineering solutions across maritime, flood risk management, water, energy, land remediation and regeneration.

Infrastructure

VolkerStevin is widely regarded as one of the UK's leading maritime infrastructure providers. Our expertise includes design and construction services for port-related infrastructure - jetties, quay walls, dolphins, marinas, piers, breakwaters and lock gates, from single discipline to multidisciplinary projects and programmes of work.

During 2025, we have maintained a strong position in this sector through the delivery of several high-profile projects. We remain a key supplier on the Crown Commercial Service Construction Works and Associated Services framework (under Lot 8 - Maritime) which is available to all public sector bodies in the UK.

In the year we were reappointed to the North East Procurement Organisation's (NEPO) next generation Civils and Infrastructure framework, securing primary positions across six regional and national lots, including a national lot for marine works.

We completed the prestigious Keel Crossing, helping to knit communities in Sunderland together and creating a vital link for people to move across the River Wear. The new bridge is one of the UK's most ambitious urban regeneration projects, connecting existing and newly created residential communities with the excellent employment, leisure, and cultural opportunities the city has to offer.

VolkerStevin is a strategic supplier to the Ministry of Defence (MoD) in the provision of specialist support to maintain, enhance and renew the UK's critical defence infrastructure, including maritime assets, both in the UK and overseas. Our relationship with the Royal Navy, DIO and various defence primes continues to develop and mature, and our portfolio of work is seeing steady, sustainable growth.

We look to broaden our portfolio of work in the defence sector, both in our own right and in collaboration with other VolkerWessels UK business units and/or external partners, with our focus being on the delivery of capital schemes.

Overall, we expect this market to continue to provide a stable pipeline of opportunities from which we are able to be selective and adopt a targeted approach. With our current and identified mix of work well balanced between major projects and long-term frameworks, we are well positioned for sustainable growth in this sector.

Water

VolkerStevin's prominence and reputation in the water sector is well established. We provide a full range of civil engineering and mechanical, electrical, instrumentation, control and automation (MEICA) services for the water industry.

In 2024, our C2V joint venture with Jacobs was appointed by United Utilities as a delivery partner for their AMP8 capital investment programme, building on a 10-year relationship. C2V delivers project management, design, build and commissioning solutions for complex capital projects covering water and wastewater treatment, pumping stations, reservoirs, and bioresources and energy. All partners on the framework along with United Utilities have formed an integrated delivery organisation to deliver the circa £3 billion capital programme over the next five years, with an option to extend for an additional five years to 2035.

As a regulated sector, spending is largely insulated from external market pressures. Current business plans are underpinned by robust regulatory targets with water companies fined for poor performance.

Environment

VolkerStevin is a market leader in flood and coastal risk management (FCRM), working in partnership with key customers including the Environment Agency and local authorities throughout the UK.

We provide a full range of engineering solutions from feasibility through to construction and maintenance, covering sheet piled and reinforced concrete flood walls, earth embankments, river re-alignment, habitat and wetland protection and creation, de-mountable flood protection systems, lock gate installation and refurbishment, hard and soft landscaping and MEICA works.

Building on a partnership spanning over 20 years with the Environment Agency, we remain a sole contractor under its Collaborative Delivery Framework (CDF) in two regions: the North West and South East. The framework promotes innovative ways of working between delivery partners and local communities from the initial planning stages of a project through to completion. Following a successful four-year initial phase, the framework has since been extended to 2027.

In the period we commenced work on additional frontages on our multi-year, six phase Southsea Coastal Defence Framework for Coastal Partners and Portsmouth City Council, including Frontage 3 along Southsea Common. This includes important work close to the Naval War Memorial where we have engaged with the Commonwealth War Graves Commission to secure their support for the design around this Grade I listed structure.

Operational review and future developments (continued)

Energy

VolkerStevin has reestablished itself as a leading player in the EHV cabling market. We collaborate with our sister business, VolkerFitzpatrick, to deliver the full range of civil engineering works and services to facilitate EHV cable installation for electricity transmission projects, including direct delivery of landfall and onshore horizontal directional drilling (HDD).

From an onshore cabling perspective, we deliver EPC cable systems projects for transmission owners, such as National Grid, in support of their RIIO-T2/T3 and ASTI business plans, along with civil engineering works associated with onshore cable infrastructure for private offshore wind developers, such as Ørsted.

Elsewhere, we are supporting nuclear customers with complex HDD projects, drawing on their specialist trenchless expertise and access to significant technical resources.

VolkerGround Engineering

In 2025, VolkerGround Engineering divested its concrete piling assets with the business focussing instead on driven and in-situ steel piling, plus associated geotechnical support and foundation engineering. This decision, along with VolkerGround Engineering's strong presence in certain markets, such as flood and coastal risk management, has enabled the business to remain resilient.

Inter-Group trading continues to provide a core workload for this business, working with VolkerStevin, VSBW and C2V. Further core workload is available outside the VolkerStevin Holding Limited business, with VolkerFitzpatrick and VolkerRail in particular.

We have maintained our focus on delivering technically challenging and logistically demanding steel piling works for major flood defence, maritime, wastewater treatment and transportation projects.

VolkerMarine Services

We continue to see a growing home and export market for the hire and sale of our LinkfloteTM pontoons. Owning the largest for-hire stock of modular pontoons (sectional barges) in the UK, our versatile, transportable and easily handled modular floatation pontoons provide an effective and economical solution to client needs.

The current design and manufacture of units is constantly reviewed with new fabrication processes and technical enhancements introduced in recent years to increase load bearing capacity and optimise the design. LinkfloteTM pontoons can be easily configured for a variety of applications including marine work platforms, causeways, floating and swing bridges, access ramps and landing stages.

VolkerSite Services

Our site establishment and site accommodation business has continued to experience growth with opportunities and orders coming from within VolkerWessels UK and associated joint ventures. We have also explored the external market where risk is low and margins remain stable.

Sustained investment in Containex units has facilitated growth and provided a modular accommodation system which is becoming increasingly popular with our clients. We will continue to invest in further site accommodation to support the ongoing growth of this part of the business.

Operational review and future developments (continued)

VolkerHighways specialises in public and private sector highways and lighting term maintenance contracts, civil engineering and civil engineering/ public realm projects. Specialist divisions provide surfacing, traffic management, street lighting and SmartCity technology services to both the highways and lighting term contracts as well as VolkerWessels UK Group companies and external private and public sector clients.

Highways Term Maintenance Contracts

Highways term maintenance is at the core of our business. We provide highway infrastructure services for A-roads, major urban traffic routes, and residential and rural roads for local authorities. Our services include reactive and planned maintenance of road surfaces, maintaining footpaths, street lights, drainage, road markings and highway-related structures, as well as providing full street cleansing services. Our highways network management service also delivers emergency response, winter gritting and infrastructure improvements. Our contracts with local authorities typically range in duration of term from five to ten years, during which we prioritise the importance of collaborative and value-adding relationships.

Through both our term maintenance contracts and competitive tendering, we undertake public realm improvement schemes and bespoke projects. These range from large schemes, such as high street regeneration and junction and bridge improvements, to smaller schemes, such as single footpath installations and cycleways. As a part of the wider VolkerWessels UK Group our clients are able to benefit from the services of our sister companies in these projects, leading to more efficient and cost effective outcomes.

Through our highways term maintenance contracts, during 2025 we have maintained in excess of 9,500 km of highways networks.
On 1st April 2025, we successfully mobilised our contract with West Sussex Country Council. With an initial seven year term, we are already delivering successfully for this client and adding value, such as achieving full HVO adoption across our fleet, yielding a significant saving in CO2.

Street Lighting

Alongside our integrated highways maintenance business, we deliver standalone street lighting term maintenance contracts for local authorities. We are responsible for the design, installation and maintenance of street lighting assets under these contracts and we provide bespoke street lighting installation schemes for private sector clients. Our works include Light Emitting Diode (LED) lighting upgrades, architectural and feature lighting and central management systems, future proofing the networks for our clients.

In addition to providing ongoing maintenance activities during the year, we have also continued with significant LED and column replacement schemes across our term maintenance client portfolio. In the London Boroughs of Kingston and Sutton, 95% of street lights have now been converted to LED. In Oxfordshire, we have continued to deliver our clients column and lantern replacement programme, and in Bournemouth, Christchurch and Poole, we completed a restoration project of the historical columns and lanterns along the sea wall at sandbanks. Following award in late 2024, we also completed a successful first year delivering maintenance service to Somerset County Council.

Beyond our long-term maintenance contracts, we have successfully delivered a number of standalone lighting schemes for VolkerWessels UK Group companies as well as other third-party clients during the year.

VolkerSmart Technology

Through our VolkerSmart Technology business we are a leading installer and maintainer of smart infrastructure for the connected and sustainable communities of the future. We specialise in providing commercial and on-street electric vehicle (EV) charging solutions for our clients which include many of the major Charge Point Operators in this fast growing market. We are also an Independent Connections Provider (ICP) enabling us to connect directly onto the local power network on metered or unmetered highway electrical assets, without the reliance on the statutory provider. This improves efficiencies and helps to secure on-time project delivery for our clients.

During the year, we have continued to deliver for a number of repeat clients including Yunex, Trojan Energy and Ubitricity. This included the installation of 2,000 lamppost EV chargers across Tower Hamlets in just 4 months for Ubitricity. The EV charging market continues to offer significant opportunities for the business, however the pace of public funding availability has so far not matched the ambition of the Charge Point Operators plans.

Traffic Management

We offer a full in-house traffic management service, which provides traffic management solutions to our term maintenance contracts, fellow VolkerWessels UK Group companies and other third parties. Our services include scheme design and planning, CAD design, full contraflow systems and full/part road/lane closures. We also supply bespoke signage, temporary traffic signals, pedestrian management, TSCO/TSS services and provide 24-hour emergency call outs.

We continue to provide traffic management services for the VolkerFitzpatrick ALIGN joint venture to deliver one of the central sections of High Speed 2 together with work for Costain Skanska Strabag on the northwest London section. During the year we provided services to RMS on the A13 in East London and supported our highways and lighting term maintenance operations with their traffic management requirements. We also secured a place on Network Rails Southern Renewals Enterprise (SRE) framework, supporting VolkerFitzpatrick and VolkerRail.

Operational review and future developments (continued)

VolkerLaser is one of the leading specialist contractors in the UK delivering excellence for its clients: specialising in waterproofing, strengthening and repair of concrete, brick and steel structures, it is renowned for delivering innovative and problem solving solutions. VolkerLaser is a multi-disciplinary specialist with a track record of delivering industry leading solutions in challenging 'live' environments that brings together all specialist activities in integrated teams to deliver complex projects across a range of markets.

Structural Repairs

Our three main divisions focus on the delivery of structural repair projects as a main contractor, subcontractor or framework contractor. Our key market segments are highways, rail, ports, car parks and structures. The industry trend is moving towards extending the lifespan of existing assets rather than the capital investment in new structures – aligning with our focus on repair over replace. VolkerLaser is standalone in terms of breadth of delivery offering a specialist structural repair package including concrete repairs, cathodic protection, steelwork repairs, blasting and coating.

Successful contracts delivered in 2025 include a strengthening solution on the A34 Thames Wytham, concrete repairs and access solutions at the M1 River Avon crossing, structural rehabilitation and cathodic protection works on P76 M5 Oldbury, as well as a series of essential structural and safety upgrades across the National Highways Scheme Delivery Framework (SDF). We have also commenced work on a number of key projects including A167 (M) Central Motorway in Newcastle, Tay Road Bridge in Dundee, Forth Road Bridge in South Queensferry and A90 Glamis Strathmartine.

Our strategic decision to expand our presence within the Scottish market in 2025 with a newly formed division has proven successful, delivering profitable revenue.

Special Projects

Our Special Projects division remains focussed on the delivery of spray applied and sheet waterproofing systems and the installation of bridge joints, working on complex projects for our own structural repair divisions as well as other contractors. Our key market segments are highways, rail and car parks, and we have a strong positioning with key manufacturers, allowing us to remain the contractor of choice.

VolkerLaser continues to develop and invest into new activities and products such as polyureas, spray foam and portable pump technology, as well as creating a robust succession plan to transfer and retain our core skill set.

Successful contracts delivered in 2025 include the Landmark HS2 project Colne Valley Viaduct, expansion joint replacement on the M6 Junction 9 Bescot Viaduct, several Nation Highways SDF projects as well as continuing complex works at HS2 Green Tunnels.

Temporary works and Access

Our Temporary Works and Access delivers the design and construction of temporary works solutions for access and jacking, hire of owned bespoke access solutions with V-Deck and Fast Beam, as well as small scale steelwork and painting projects.

Our key market segments are highways, rail, industrial and marine, and the ability to offer these services as part of a wider package of works provides VolkerLaser with a differentiator in competitive tenders.
Project delivery includes the blasting and coating works at North Bridge in Edinburgh and the ongoing work on Newport Transporter Bridge and the Whorlton Suspension Bridge.

2026 and beyond

The focus for the coming year is on the further development of existing and new specialist skills and activities as well as leveraging our existing core skillset to target other sectors beyond our traditional markets to unlock new growth opportunities.

There will be a focus on the following markets across our various divisions: water, defence, airports, ports, renewable energy, industrial and rail, as well as exploring the inspection and testing market as an additional arm of the business.

On the back of a successful year, we will be continuing to focus on highway structure refurbishment spend in the Scottish market which offers a lower level of competition and an increased margin when compared to the rest of the UK.

VolkerLaser is focused on maintaining and further broadening our delivery scope with National Highways with the SDF 2 Framework.

Our core culture that underpins the business is to innovate and invest in training, research and development and information technology to facilitate lean construction and continuous improvement.

Operational review and future developments (continued)

Secured order book

The Group has a strong pipeline of quality work across a balanced portfolio of work in both public and private sectors. We adopt a robust risk-based approach to our order book by only including signed contracts and, for framework contracts, only including work packages agreed with our clients. We continue to focus on providing a quality product and service for all clients.

At 31 December 2025, the Group secured order book stood at £1,435m (2024: £1,513m). The award of SRE-CP7 during 2024 has increased the order book while the progression of the HS2 contract has driven a reduction in the order book during the year.

We remain confident that our approach to winning work, provides us the resilience to respond to challenges arising from market pressures, and other economic uncertainties.

Going concern

Looking ahead we must recognise that the impacts of global political events and economic uncertainty will continue to provide challenges to our business. We have developed comprehensive and flexible contingency plans and continue to deliver on site, adapting to the requirements of emerging market conditions, changes to government legislation and guidance, always focussing on delivering for our clients with the safety and wellbeing of our partners, teams and supply chain as our unerring priority. For further discussion on the risks with regard to business interruption see the Risk Management section of this strategic report.

Given the Group's net current assets position and strength of the forward secured order book, the Directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for 12 months from the date of signing the financial statements (see note 2.3 for further details).

Risk management

Risk management is a key foundation of our governance. We vigorously identify and manage our risks in all areas across our business and operations under the framework of the VolkerWessels UK Group risk management guidelines set out set in the below table. We work closely with our clients pre and post construction to ensure that risks are fully identified, understood, managed, and clearly apportioned, which is the bedrock of any successful projects business. We employ dedicated risk managers who are fully embedded in the whole lifecycle of a project. We operate professional and responsible risk management to all financial, commercial, operational, and contractual aspects of the delivery of construction projects and oversight of our Group.

Risk	Impact on group	Assessment of change in risk year-on-year	Mitigation of risk
Health, safety and quality - The nature of our construction activities could cause harm to our employees and other stakeholders through injuries, health implications, damage, and financial loss.	Reputational damage and enforcement action.	No change in risk status for health and safety. Health and safety risk remains as important as before and we are not seeing any marked improvement or increase in industry* or company performance (*based on UK HSE statistics). No change in risk for quality. The challenge of information management remains ever present in an increasingly digitised working environment.	• Culture, policy, and strategy established by effective leadership. • Clearly defined management systems, registered to ISO standards. • Interfaces and responsibilities that are understood and accepted by all. • Board level focus on all Health, Safety, Environment and Quality matters. • Behavioural safety programmes, mental health, and well-being programmes. • A collaborative safety culture seeking engagement and feedback from everyone working on our behalf. • Performance monitoring tracking a variety of leading and lagging indicators. • Corporate governance, inspection, and audit. • Updated procedures for Document Retention and Disposal covering legal, business and privacy requirements.
People, culture and values - We are unable to recruit, motivate, develop or retain sufficient high-quality people to deliver for our customers.	To maintain a successful business, we must ensure our people are central to our delivery, and this requires successful recruitment, development, engagement and retention of our exceptional workforce who consistently share our core values and culture and meet performance expectations.	Risk is potentially significant due to the challenge of recruiting a skilled workforce in challenging conditions across the sector.	• Focus on recruiting, developing and retaining our people to maintain our skilled, engaged and diverse workforce. This is underpinned by monthly board-level discussions on the People Plan, quarterly business unit-level reviews and a new Fairness, Inclusion and Respect (FIR) strategy that was launched in September 2025. • Continued monitoring and delivery of our People Plan. • Ongoing development and implementation of our new FIR Strategy. • Talent and succession planning for all business units, including cross-Group talent mapping for critical roles. • Investment in skills and learning to benefit all levels of the organisation. • Focus on developing a high-performance culture, including performance management at all levels of the organisation.
Integrity - Poor conduct and acts of fraud, bribery and corruption.	Damage to the reputation of the business through poor conduct and acts of fraud, bribery and corruption, can all adversely impact corporate reputation and cause financial loss and loss of business.	Economic factors are leading to an increase in financial crime generally in the UK. However, we have strong measures and controls in this area to minimise the probability of this risk occurring. A new corporate criminal offence of failure to prevent fraud came into effect on 1 September 2025 which placed further obligations on organisations to ensure they have reasonable procedures in place to prevent fraud.	• We believe that integrity is paramount in the workplace and integrity is one of the company's core values. • Our integrity, fraud and anti-bribery and corruption policies set out how the company expects its employees and representatives to behave and make it clear that any unethical behaviour will not be tolerated. • A compliance officer has been appointed who reports to the VolkerWessels UK board and who has responsibility for integrity matters across all VolkerWessels UK companies. • Various measures and controls are in place to prevent unethical behaviour which are reviewed regularly by the compliance officer and the board. • It is our policy that all employees must successfully complete the company's online suite of integrity training. • Clear reporting mechanisms are in place for individuals to report any suspected fraudulent or unethical behaviour. • All statutory directors sign an annual declaration declaring that they have complied with the anti-bribery and corruption policy.

Risk management (continued)

Risk	Impact on group	Assessment of change in risk year-on-year	Mitigation of risk
Sustainability - Relating to the impact of our operations on the natural environment and in the communities in which we work.	Sustainability performance may expose the business to risks including breaches of legislation, reputational damage, supply chain disruption and environmental harm. This may result in fines and penalties, loss of future work and a disengaged workforce.	The risk level has become more critical due to the impact of climate change on a national and global level, as well as on our operational sites. The increasing breadth of sustainability related reporting and legislation requires greater reporting and communication rigour.	• Our sustainability framework, People-Planet-Purpose, affirms the legacy that we want to leave by 2030 and beyond - to be known as a business with a diverse, inclusive and safe workforce; and one that inspires the next generation, protects the natural environment and connects communities. The framework was last updated in 2025. • Maintaining an environmental management system compliant with the requirements of ISO 14001. • We have science-based emissions reduction targets, approved by the Science Based Targets Initiative (SBTi), committing us to reducing absolute scope 1 and 2 emissions by 63.29% and absolute scope 3 emissions by 37.5% by 2035 from a 2023 base year, and achieving Net Zero greenhouse gas emissions across the value chain by 2050. • Carbon management system verified to the requirements of PAS 2080 (Carbon Management in Buildings and Infrastructure). • We have an ESG Leadership group that provides a dedicated platform to discuss sustainability risks, mitigation and opportunities with our CEO, Board and Heads of Sustainability. • A suite of reporting, training and communication channels to support the empowerment and growth of our workforce to become sustainable leaders. • Interfaces and responsibilities are understood and accepted by all, supported by behavioural programmes, inspection, and audit.
Pre-construction - It is established that most mistakes are made either at pre-contract stage or through poor supply chain selection.	Failure to accurately identify, estimate and manage the key risks associated with the project deliverables, programme, price including the impacts of inflation, conflict, insolvency risk and the contractual terms could result in significant financial losses.	The risk is elevated due to a number of continuing insolvencies with the threat also supported by industry statistics. Our specialist supply chain is the highest risk area.	It is our vision to lead the industry in our approach to project risk management which starts at opportunity identification and pre-construction stage, including supply chain selection. To maintain high standards at pre-construction stage, it is important not to overstretch our central and local tendering and operational teams to maintain quality, so bid selection is fundamental. Specific mitigations in place include the following: • Through a VolkerWessels UK Group opportunity forum, we aim to identify as early as possible the right clients and projects including the likely terms of engagement and risk profile. • Repeat business is at the heart of our strategy to continuously improve relationships with both clients and supply chain. • New markets are treated with caution. • A process is in place for entering into any partnering arrangements including joint ventures, alliances and consortiums. We look for both a strategic and cultural fit with each partner complementing the other. The parties must be aligned on risk appetite and ideally have a history of working together. • Consistent pre-contract processes are fully adopted across the business. Terms and conditions red lines are identified and not entertained. • We systematically carry out staged divisional and central reviews to challenge the quality and accuracy of our risk and tender assumptions, pricing including allowances for inflation and market volatility. Peer reviews are conducted where appropriate. • We listen to our clients to meet and exceed their expectations in all areas including risk identification and precise allocation of these risks. • Market analysis is continually carried out to provide insight into inflation/other risk including materials, supply chain and transportation costs. • Supply chain selection is examined for each tender including experience, availability, and relationship. • Robust design management processes including selection, integration matrices, risk assessment and understanding our own deliverables. • Margin and contingency allowances must always be commensurate to risk with minimum EBIT guidelines always applied. • Defined delegated authority levels are in place for approving all tenders including parent sign off where appropriate. • All tenders >£10m are formally signed off by the VolkerWessels UK Group CEO and Commercial Director. • Through the VolkerWessels UK risk forum, we regularly review all aspects of our risk processes including pre-contract and seeks to improve controls and contractual risk using third party advice where required. Through this forum we ensure lessons learnt are applied through our tender review processes. • Pre-contract risks are captured digitally to track for consistency and for transparency for contract execution and beyond. • Introduction of Project Optimise which reinforces mandatory risk controls, good practice and guidance around planning, design and change from pre-contract to handover.

Risk management (continued)

Risk	Impact on group	Assessment of change in risk year-on-year	Mitigation of risk
Engineering and operational delivery - Successful delivery of our complex engineering and construction projects is dependent on the effective implementation and continuous improvement of operational and commercial procedures and controls.	Failure to deliver projects safely, on time, to budget and to specification including quality could result in disputes, claims, damages, and significant cost overruns which in turn will impact our profitability and reputation.	This risk is stable. No specific factors have been identified that either reduce or enhance the risk compared to the prior year.	• Within the VolkerWessels UK Group, key operational senior leaders meet to share best practice across all engineering and operations teams, driving the implementation of and continuous improvement to, digital site-based solutions, quality design, planning, project delivery and programme management. • Recruitment and retention of talented people and use of robust and trusted supply chain. Consideration of providing some works via self-delivery where appropriate. • Strong project and information management, cost and commercial controls. • Excellent risk and opportunity management tracked from pre-construction. • Focused visiting management ensuring the design, programme, cost, and change are optimised. • Procure quality components through sustainable and ethical sourcing. • Clear and transparent financial and commercial reporting. • Ensure high quality standards through various audits and application of lessons learnt. • Introduction of Project Optimise which reinforces mandatory risk controls, good practice and guidance around planning, design and change from pre-contract to handover.
ICT systems and processes - Our business success continues to rely on strong processes, controls, and IT systems to ensure data integrity, availability, and security. As we embrace new technologies and scale operations, maintaining resilience and adaptability in our ICT environment remains critical.	Effective management and investment in ICT systems and processes enable us to support business growth, innovation, and security. Failure to do so could lead to operational disruption or reduced agility, but our proactive approach significantly mitigates this risk.	While reliance on IT systems continues to grow, we have strengthened our capabilities through improved governance, enhanced monitoring, and robust contingency planning. Risk remains present but is being actively managed, with positive progress in system resilience and security posture.	• Ongoing investment in modern, scalable systems and processes to support growth and efficiency. • Clear governance structures and responsibilities embedded across ICT operations. • Continuous monitoring of system performance and security, supported by automation. • Regular testing and refinement of contingency and disaster recovery plans. • Rigorous pre-deployment testing and security reviews for all new systems. • Comprehensive third-party risk assessments for SaaS and cloud providers. • Expanded cyber security training and awareness programmes for all employees.

Risk management (continued)

Risk	Impact on group	Assessment of change in risk year-on-year	Mitigation of risk
Cybersecurity - Directly impacts the company's ability to protect sensitive data, ensure continuity of operations, meet regulatory obligations, and maintain customer and stakeholder trust.	An attack on our systems and/or networks - whether designed to expose, alter, disable, destroy, steal, or gain unauthorised access to information - could result in loss of access to critical data, operational disruption, reputational damage, adverse media coverage, and reduced customer confidence. Additional consequences include regulatory penalties, litigation, third-party liability, financial loss, and long-term business impact if data integrity or service availability is compromised.	Cybersecurity risks continue to escalate in 2025. The growing maturity of cybercriminal groups, the widespread availability of AI-driven attack tools, and the increasing use of deepfake-enabled social engineering significantly elevates the threat landscape. The company's expanding reliance on cloud-based services and third-party SaaS providers also increases exposure to supply-chain attacks and cloud misconfigurations. Regulatory environments in the UK, EU, and global markets continue to tighten, raising the cost of non-compliance and the scrutiny applied during security incidents. Although the company strengthened its security posture considerably in 2025, the overall risk remains heightened due to external factors and the increasingly sophisticated, financially motivated cybercrime ecosystem.	• Application Control / Whitelisting: Only authorised applications can run on corporate devices, reducing attacker capability following initial compromise. • Secure Email Gateway: Maintains 99.998% effectiveness at detecting and blocking malicious emails, with continuous tuning to address evolving phishing and BEC threats. • Identity Security (MFA, SSO, and Zero-Trust Access): MFA enforced across all possible systems, phishing-resistant authentication rolled out where available, and continuous strengthening of conditional access policies. • Technical Debt / Legacy Technology Reduction: Progress made in 2025, with further decommissioning of legacy systems planned for 2026 to reduce exploitable attack surfaces. • Employee Training & Awareness: Ongoing training for staff, including tailored content for government and defence contracts, deepfake/social-engineering awareness, and a continuous security-education campaign supported by updated 2025 training materials. • Endpoint Security: A benchmark of 400+ controls implemented across all laptops, with enhancements planned in 2026, including improved EDR/XDR capabilities and automated remediation. • Vulnerability & Patch Management: Over 96% of critical/high vulnerabilities remediated in 2024 & 2025, 2026 programme expands into cloud misconfiguration management and continuous threat-exposure monitoring. • Backups & Disaster Recovery (DR): Rubrik-based immutable backups and third-party DRaaS ensure rapid data and system restoration. Annual testing confirms restoration of on-premise servers within 2–3 hours, with cloud failover options available. • Certification: Continued compliance with Cyber Essentials Plus and adherence to best-practice frameworks such as NIST and also UK MOD Secure By Design Assurance, which significantly reduce incident likelihood. • Penetration Testing & Managed SOC Monitoring: Regular internal and external penetration testing, proactive threat-hunting, SIEM monitoring, and 24/7 SOC oversight provide continuous visibility and early detection. • Zero Trust Architecture: Critical servers, applications, and sensitive data are isolated by default to reduce lateral-movement risk and limit breach impact. • Network Access Control: Device certificates enforce strict access control, with non-compliant devices isolated on a restricted network until remediated. • Third-Party & Supply-Chain Assurance: Strengthened due-diligence assessments of SaaS and cloud vendors, with continuous monitoring of supplier security posture to be introduced in 2026. • Cyber Insurance: Insurance maintained for security and privacy liability, aligned with enhanced insurer control-verification requirements for 2025.
Physical Security / terrorist threat - Theft, wilful damage, protest groups, lone working, anti-social behaviour and environments, conflict and terrorist attack affecting our workplaces.	Significant injury/loss of life, adverse media coverage, operational disruption and significant impact on revenue and costs.	No change in risk status. The risk level is associated with the current geopolitical climate.	• Security measures in place at offices and projects to protect people and infrastructure. • Business continuity measures in place to react and adjust to any event which may disrupt the ordinary course of business. • Close collaborations with clients. • Insurance is in place in respect of damage.

Risk management (continued)

Risk	Impact on group	Assessment of change in risk year-on-year	Mitigation of risk
Adequacy of insurance and impact of claims - Failure to understand the terms of our insurance could lead to inadequate insurance cover.	Lack of adequate insurance could result in inability to tender work, potential uninsured events and/or inadequate cover, resulting in financial loss or penalties. Due to high excesses and premium impact, professional indemnity claims are to be avoided.	This risk is stable. No specific factors have been identified that either reduce or enhance the risk compared to the prior year.	• Suitable arrangements exist centrally and through our broker to underpin and support the operations and services, including small claim handling and uninsured losses. • All tender insurance requirements are routed through our broker for advice and costing where required for specific project policies. Terms of project policies and difference in conditions are examined during this process. • Supply chain insurances and liability caps are captured at pre-contract stage and form part of the reviews. • Joint ventures, alliances, consortiums and frameworks carry their own insurances where possible. • Contract, divisional and central reviews look to ensure timely insurance notices are made. • A simplified schedule of our suite of insurances, what they cover and excesses applicable are distributed within the business. • Regular review of our position with our broker and insurers to ensure that the optimum cover including terms is in place. • Monthly broker reports and meetings are in place to review notices, claims and trends. • Internally, we operate a small insurance team who manage risk, notices, major claims and the subrogation process where applicable. • Insurance claims are tracked and captured in monthly reporting cycles.
Financial risk - It is essential to fully understand the financial position of our partners in all of our contractual relationships.	Failure of our partners including financial institutions, customers, joint-venture partners and our supply chain could potentially affect short-term cash flows.	This risk is stable. No specific factors have been identified that either reduce or enhance the risk compared to the prior year.	• Due diligence including credit reviews of our clients, partners, supply chain and other stakeholders. • Insure credit where appropriate to do so. • Procedures to monitor and forecast cash flow. • Committed credit facilities to ensure we have adequate cash when required.
Political, market and economic risk - Political, market and economic factors play a significant part in client investment and decision making. In turn we adapt our strategies for our business working with our supply chain and other partners. Current considerations include reviewing the impact of the fiscal changes from the recent budget. Understanding where there are opportunities from public spending plans and what partnerships can be leveraged in the private sector.	Failure to recover cost price increase from clients could impact the profitability and cash flow of the business. Changes in the economic environment, government policy and regulatory developments may impact on the number of new projects in the market, and the cost of delivering those projects, which in turn may impact on the profitability and cash flow of the business.	Global events and the ensuing turbulence whilst not currently affecting the UK are watched closely to monitor possible escalation that can impact the economy. The impact from global events earlier in the decade have passed through but there are still European and global threats as a result of conflict and ongoing uncertainty around some trade tariffs in the coming year.	• Regular reviews to ensure that we are not overly exposed to any one aspect of market risk and appropriately responding to changes in legislation and policy. Reporting includes tracking trends on raw and manufactured materials, analysing government labour and output data and speaking with our critical supply chain to better understand supply bottlenecks and future risks. • Actively engage with our supply chain and clients to ensure that price changes reflect market movements and form part of ongoing tender and contract negotiations. • Actively engage with our industry peers, financial partners, clients, and supply chain to ensure that we are aware of, and anticipating, budgetary changes or those in our market sector, the wider UK economy, and the global marketplace. • The Board and senior managers actively monitor the wider global impact around major global events, any market stimulation or new legislation enacted by the UK government, and the consequential impact on the supply chain on availability or input costs. We will adapt strategy as necessary to ensure our business can accommodate or adapt to provide business continuity and improvement.

We have reviewed the above risks, considered the potential impacts and on balance, believe that we have sufficient mitigations in place.

Section 172(1) statement

This statement has been prepared solely to provide information to assess how the Board of Directors have performed their duty to promote the success of the Group. Any forward-looking statements are made in good faith, based on the information available up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Board continues to take account of the impact of its decisions on all our stakeholders, who include our customers, supply chain, partners, employees, industry bodies, local community, and shareholders. We continue to ensure that the health, safety and wellbeing of our people and stakeholders remains central to everything we do.

The Directors have acted in good faith and in a way that is most likely to promote the success of the Group for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term
(b) the interests of the company's employees
(c) the need to foster the company's business relationships with suppliers, customers, and others
(d) the impact of the company's operations on the community and the environment
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act as between members of the company

In the following section, we detail our key stakeholders, how the Directors have engaged with them, and how that engagement has influenced the decision making of the Board:

Clients

Introduction

We invest considerable time and effort to understand our clients' exacting needs to ensure full alignment with our service offering, and that we deliver with certainty on our commitments. We do this by effectively managing expectations and putting health, safety, environment, wellbeing, quality and customer satisfaction at the forefront of everything we do.

We take a collaborative and strategic approach in choosing the clients and projects we engage with. This ensures the optimal utilisation of our highly skilled resources, enabling us to deliver with excellence and develop sustainable, long-term relationships.

How we engaged

Monthly business review meetings provide a forum for the Board to understand and challenge business leadership on areas such as customer engagement and satisfaction, operational and commercial performance, and customer initiatives.

Market outlook is a standing item on the agenda for each of these meetings and the Board regularly assesses the impact of external factors on business strategy and engagement with our clients.

The Directors regularly meet with key client stakeholders and ensure that teams work in partnership with common goals and objectives. Coordination of client interactions is especially important where clients are common to more than one of our business units.

Outcomes and actions, we took from our engagement

We develop open, collaborative and professional relationships with our clients at every level of the organisation.

We are careful to ensure our sites are established to the highest standards that reflect positively on our clients. Performance is continuously monitored against these standards and independently evaluated through the Considerate Constructors Scheme, consistently achieving excellent scores across the organisation.

Our behavioural safety programmes, environmental, social and governance (ESG) strategies and our approach to fairness, inclusion and respect (FIR) enables us to deliver a wider range of benefits for and with our clients. Each business unit develops a five-year strategic plan setting out its proposed sector focus and client base.

Section 172(1) statement (continued)

Supply Chain and Joint Venture Partners

Introduction

Our supply chain and joint venture partners form an integral part of our commitment to offering our clients a quality service. We establish mutually rewarding, ongoing relationships with our suppliers and sub-contractors, and today work with many organisations with which we have a long and successful history of co-operation.

How we engaged

We hold business to business meetings with our largest suppliers and subcontractors prior to the start of a project and periodically as needed throughout every project.

We seek feedback from our internal stakeholders and our supply chain on projects during and upon project completion seeking to improve efficiency and to gather 'lessons learned'. We encourage discussion on best practice, sustainable solutions and innovation coming into the marketplace. Regular communication is underpinned by our annual '360' survey to our most important supply chain partners.

We have regular relationship management meetings with our most important supply chain as part of our strategy to engage with and support our supply chain. These may be annually, half yearly or more often to suit mutual business needs.

We also host several supplier events and specialist workshops with our supply chain.

Outcomes and actions, we took from our engagement

In 2025 we continued to use various platforms at our disposal including those of external partners Constructionline that support our accreditation and onboarding process. We have Dunn & Bradstreet and Companywatch to monitor the financial health of our key supply chain. We have new internal platforms - a document management system that collaborates with our partners to improve exchanges of information and data within our supply chain. We are enhancing our vendor databases to collaboratively combine and improve visibility and functionality of our supply chain for senior managers and site teams throughout the group.

We prioritise and receive support from our most important supply chain to ensure that we get the best outcome at pre-construction stage, building a foundation for an excellent outcome on the project. Support can include competitive pricing, qualitative method statements, process planning, site staffing, material specification recommendations, and new ways of working. This advice will sit alongside overarching health and safety and sustainability planning where we work together on a 'strategic business to business' basis.

Key performance indicators and other relevant statistics

Supplier payment performance for the year showed that the average time to pay an invoice was 29 days (2024: 28 days) and 82% (2024: 76%) of invoices were paid within the agreed terms with suppliers

95% (2024: 95%) of invoices were paid within 60 days

Section 172(1) statement (continued)

Employees

Introduction

At VolkerWessels UK, we are focussed on delivering success through our people, and their commitment to excellence is essential for our clients. We strive to create a balanced and sustainable business to the benefit of all stakeholders, with an engaged and committed workforce who are motivated to deliver consistently and are rewarded appropriately. The health, safety and wellbeing of our people is a top priority, and we aim to create a culture that is inclusive of everyone.

How we engaged

Our 2025 annual engagement survey received another record response from our employees, and we maintained our sector-leading engagement levels.

Investment in the development of our people is a key priority, with a continuous focus on recruiting and retaining the best talent in our industry to ensure we maintain the strongest possible pipeline of internal talent. This is supported by a range of activities to promote our opportunities across the Group, as we look to develop our talent at all levels of our business.

Our recently launched FIR strategy embeds our Respect agenda as a core foundation for our business and will create a legacy for 2030 and beyond that we can be proud of.

Outcomes and actions, we took from our engagement

2025 saw further positive progress in delivering our People Plan, as the focus on our people became increasingly embedded in our business management practices:

- Regular Board and SMT reviews of the progress of our People Plan delivery.
- Board level analysis of our talent across the Group, with a focus on developing our people to fulfil their potential.
- Proactive performance management with regular reviews and discussions now established.
- Launch of a new FIR strategy to 2030.
- Introduction of a 'Regional Spotlight' campaign to provide a regular focus on the range of opportunities we can offer across the Group and the UK, to support our focus on developing and retaining our internal talent.
- Regular and improved communication with all employees using a range of platforms to share business updates and celebrate success.

Section 172(1) statement (continued)

Key performance indicators and other relevant statistics

Health and Safety

- Accident Frequency Rate (AFR)[1] of 0.07 (2024: 0.07)
- Close Call Frequency Rate (CCF)[2] of 232 (2024: 232)
- Lost Time Frequency Rate[3] of 0.15 (2024: 0.18)
- Minor Injury Frequency Rate (IFR)[4] of 0.75 (2024: 0.96)
- All Reported Injury Rate[5] of 0.82 (2024: 1.04)
- Total number of incidents of 620 (2024: 491)

[1]Accident Frequency Rate (AFR) = (number of RIDDOR reportable injuries ÷ total work hours) x 100,000.

[2]Close Call Frequency Rate (CCF) = (count of close calls ÷ total work hours) x 100,000

[3]Lost Time Injury Frequency Rate = (number of injuries with lost time ÷ total work hours) x 100,000

[4]Minor Injury Frequency Rate (IFR) = (number of minor injuries ÷ total work hours) x 100,000

[5]All reported injury rate = (all injuries ÷ total work hours) x 100,000

Section 172(1) statement (continued)

Communities and Industry Bodies

Introduction

Our People-Planet-Purpose sustainability framework was refreshed in 2025. The updated framework reinforces the legacy we want to leave by 2030 and beyond: to be recognised as a business with a diverse, inclusive, and safe workforce; and one that inspires future generations, protects the natural environment, and connects communities.

Each of the People-Planet-Purpose pillars now has two themes, with an ambitious legacy statement and key measure of success. These elements are supported by internal action plans and other performance measures to support the practical delivery of our strategy, drive collaborative, and innovative growth, and enhance transparency and credibility in our reporting.

Specifically, through our Purpose pillar, we are committed to connecting communities to deliver long-term social value and aim to deliver £1bn social value by 2030. By partnering with schools and employment support initiatives, we will help to equip people with skills for the future. We will build relationships with like-minded, diverse supply chain partners to embed long-term social value and leave a lasting community impact.

How we engaged

As defined in our Purpose pillar, we are committed to building connected communities and procuring with purpose to deliver £1bn worth of social value by 2030.

To ensure the meaningful delivery of social value, we have three enablers of change; transparency - to build trust and ensure rigour in our governance and reporting; focusing on local needs - to make sure initiatives are relevant and responsive to the communities we are there to support; and working collaboratively - both internally with functional teams and externally with specialist partners.

Our projects and teams work with clients, stakeholders and local communities to set key performance indicators and create bespoke social value delivery plans that will benefit from our companywide collective ambition, shared resources and mutual partnerships.

Outcomes and actions, we took from our engagement

To quantify the added value to society and the natural environment, we adopt a range of metrics from the Impact Evaluation Standard and record related activity in the Thrive social value platform. This ensures we have a defensible, transparent and consistent way of reporting tangible social value to our internal and external stakeholders. We have a suite of core metrics, aligned to People-Planet-Purpose, to add clear focus and direction for the company on the outcomes we want to achieve.

Our employees across the VolkerWessels UK Group have worked collaboratively with local communities and, during 2025, generated in excess of £1.57 billion of social value through procurement with SME's and VCSE's, local employment, school engagement, apprentices, work experience and other volunteering.

Key performance indicators and other relevant statistics

At the end of 2025, 94% (2024: 90%) of our live company car fleet and 98% (2024: 96%) of new car orders are either fully electric or hybrid

Shareholders

Introduction

As a member of the privately owned Dutch group, Koninklijke VolkerWessels B.V, VolkerWessels UK Limited and its subsidiaries apply the internal regulations set out by the group to ensure that it acts as between members of that company.

How we engaged

We engage with our shareholders and broader group through many informal as well as formal routes with a quarterly business review and reports.

Through knowledge sharing across the Group we are able to share innovation in construction methods, sustainability and value engineering between the UK and our international counterparts.

Our Dutch parent business is able to obtain and share onwards relevant news content and information that VolkerWessels UK provides through a variety of channels, including the corporate and business unit websites, social media and traditional media outlets, and the annual review publication.

Outcomes and actions, we took from our engagement

Our objectives are set and agreed through our three-year rolling business planning process and we review our sustainability and other non-financial targets as well as, financial targets with them on a regular basis.

VolkerWessels UK has contributed to the promotion of the group's success by the sharing of UK content for the parent company's annual report, and internal Spotlight newsletter.

Non-financial and sustainability information statement

VolkerWessels UK are pleased to share with our stakeholders our climate-related governance, strategy and risk management, as well as the metrics and targets we use to track our carbon reduction progress, aligned with the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022.

From January 2025, James McMorrow was appointed into the role of Sustainability Director, demonstrating our commitment to further embedding our People-Planet-Purpose strategy across all our operations, and in October 2025 our science-based emissions reduction targets were approved by the Science Based Targets initiative (SBTi), marking a significant milestone in our sustainability journey. This includes our near and long-term science-based emissions reduction targets, and validation of Net Zero science-based target of 2050.

In November 2025, VolkerWessels UK achieved independent third-party certification from BSI confirming we are working in accordance with the requirements of PAS 2080: Carbon management in buildings and infrastructure. This confirms that our carbon management processes are robust across all VolkerWessels UK business units, and demonstrates our commitment to identifying, managing and reducing carbon emissions.

Our Carbon Reduction Strategy was also refreshed in 2025, outlining four drivers of change to facilitate us achieving these targets - ensuring robust data, creating targeted emission plans for key emissions sources, an inspiring and education and awareness programme, and collaboration with our clients and supply chain.

Governance

The VolkerWessels UK Board of Directors has oversight of all climate-related matters which includes ensuring climate related risks and opportunities are identified, considered and managed. This is controlled through the following channels:

ESG Leadership Group and Board

The VolkerWessels UK ESG Leadership Group meets quarterly and is chaired by our Sustainability Director. Its members include our Chief Executive Officer (CEO) the Managing Directors (MDs) of the individual businesses, who also sit on the VWUK Board, and the Heads of Sustainability for each of the businesses. If decision making is required at these meetings, it is tabled by the Sustainability Director. With this level of senior representation, the Group is able to make many of the strategic decisions related to climate-related risks and opportunities.

The purpose of this group is to identify and consider sustainability and carbon related risks and opportunities with a specific focus on the carbon regulatory horizon, sustainable methods of construction, innovation, reporting and reduction planning. Discussions also over work winning; new or impending national, industry, or client requirements; strategic impact of major incidents; carbon reduction initiatives; energy; waste; biodiversity; and social value. Each meeting agenda also includes a standing item for new issues, enabling any participant to raise matters for discussion. Outputs can be varied and may include, for example, no further action; changes to the management system; updates to our aspect and impact assessment; increased or reduced monitoring; new processes or methodologies; revised product selection or the allocation of additional resources.

The Sustainability Director provides monthly updates to the VolkerWessels UK Board on carbon, and wider sustainability issues. Any sustainability related decision making required at Board level, including those linked to climate related governance are tabled and managed through the Sustainability Director. In addition, the MD's include relevant climate updates in their monthly business unit review (BUR) meetings which are attended as a minimum by the business unit MD and Commercial Director, alongside the VolkerWessels UK CEO, VolkerWessels UK CFO, VolkerWessels UK People Director, and VolkerWessels UK Commercial Director as a minimum.

The feedback loop between the Board meetings, BURs, and the ESG Leadership Group ensures effective and timely decision making on strategic, groupwide matters affecting our business.

Carbon Reduction Action Planning

Climate-related risks and opportunities are identified both through a top-down and bottom-up approach, recognising the role leadership, functional specialists and our operational teams have in this process. The VolkerWessels UK Carbon Reduction Action Plan - refreshed in 2025 - consolidates those company level risks and opportunities which benefit from central coordination. Where risks and opportunities apply only to an individual business, these are recorded in that business's own Carbon Reduction Plan. Each plan outlines the actions required to address the identified issue, the barriers and implementation status. Examples of key strategic discussions and decisions in 2025 include energy efficiency, fuel alternatives, business travel, materials innovation, and whole life carbon.

Both the VolkerWessels UK and individual business Carbon Reduction Action Plans are reviewed quarterly by the ESG Leadership Group. This provides a formal platform to review progress, share best practice, maximise efficiencies and seek to resolve challenges. Each business will also update their Carbon Reduction Action Plan fully at least once per year. The "annual refresh" (as a minimum) results in the publication of updated plans, including the progress made during the year and any strategic changes.

The review also assesses whether our carbon reduction plans are effective in driving change; in line with current developments technology and/or science; aligned to our business activities, client requirement, industry best practice and practical experience. A specific example of this in 2025 was the review of our Hydrogenated Vegetable Oil (HVO) position statement following the publication of industry best practice. Although our position didn't change, the formal review ensured that the latest guidance on second generation HVO from sustainable feedstock and biogenic carbon emissions associated with HVO was taken into consideration.

Management Systems

In accordance with our Management Procedure 'Q19 - Determining the context of our organisation', the natural environment has been recognised as 'creating conditions and events which affect our activities, products and services'. Conditions created by climate change can involve a sudden change, which is typically explained by an extreme situation, but these conditions are also subject to gradual change. Preparing for, and managing the consequences of, such conditions and events support business continuity.

VolkerWessels UK acknowledges the challenge of climate change, and we recognise the importance of mitigating our adverse impacts on the environment. Our Integrated Management System encompasses procedures for the protection of the natural environment, and our People-Planet-Purpose framework facilitates our responsible attitude towards playing our part in protecting and, where possible, enhancing the environments in which we work.

Non-financial and sustainability information statement (continued)

Risk Management

We have a robust governance system in place to identify and assess all business risks, including those risks relating to climate change. The company risk register is reviewed at least once per year and is managed by our Group Risk Director. The Sustainability Director, as chair of the ESG Leadership Group, and the interaction between VolkerWessels UK Board, and the Group Risk Director culminates with the Group Risk Statement. These are internal documents updated annually for the VolkerWessels Management Board.

The following is an extract from the Group Risk Statements which notes risks relating to climate change:

Sustainability performance may expose the business to risks including breaches of legislation, reputational damage, supply chain disruption and environmental harm. This may result in fines and penalties, loss of future work and a disengaged workforce. The risk level has become more critical due to the impact of climate change on a national and global level, as well as on our operational sites. The increasing breadth of sustainability related reporting and legislation requires greater reporting and communication rigour.

- *Our sustainability framework, People-Planet-Purpose, affirms the legacy that we want to leave by 2030 and beyond - to be known as a business with a diverse, inclusive and safe workforce; and one that inspires the next generation, protects the natural environment and connects communities. The framework was last updated in 2025.*
- *Maintaining an environmental management system compliant with the requirements of ISO 14001.*
- *We have science-based emissions reduction targets, approved by the Science Based Targets Initiative (SBTi), committing us to reducing absolute scope 1 and 2 emissions by 63.29% and absolute scope 3 emissions by 37.5% by 2035 from a 2023 base year, and achieving Net Zero greenhouse gas emissions across the value chain by 2050.*
- *Carbon management system verified to the requirements of PAS 2080 (Carbon Management in Buildings and Infrastructure)*
- *We have an ESG Leadership group that provides a dedicated platform to discuss sustainability risks, mitigation and opportunities with our CEO, Board and Heads of Sustainability.*
- *A suite of reporting, training and communication channels to support the empowerment and growth of our workforce to become sustainable leaders.*
- *Interfaces and responsibilities are understood and accepted by all, supported by behavioural programmes, inspection, and audit.*

Climate related risks and opportunities are identified and managed by the ESG Leadership Group (see above). The process consists of a top-down and bottom-up approach with inputs from our business leaders and functional specialists represents all activities undertaken by the business. Risks and opportunities are discussed in the ESG Leadership resulting from various inputs but also prompted by a number of standardised items for discussion during the meeting.

Emerging risks are identified through a formal review of the climate change regulatory horizon during the ESG Leadership Group meeting which includes discussions about progress against objectives as well as any change in risk or opportunity levels. It also includes a review of performance, and this may include inputs from internal or external audit, or any of the various monitoring processes built into our management systems such as HSEQ meetings, SMT meetings, and management system review meetings.

The climate-related risks and opportunities register, maintained by the Sustainability Director, as Chair of the ESG Leadership Group, is a summary of the material physical and transitional risks and opportunities, their potential impact on the VolkerWessels UK group of businesses, an assessment over what time period these risks and opportunities would likely have an impact and the current and future strategic arrangements to address these risks and opportunities.

The following definitions are applicable to the climate related risks and opportunities register:

- **Acute physical risks** – the higher frequency or severity of climate-related events such as winter storms, surge floods, hail and wildfires.
- **Chronic physical risks** – longer-term changes to climate and associated impacts for example sea-level rises, temperature fluctuations and droughts.
- **Transitional risks** – the technological, policy, market, legal and reputational risks associated with mitigation of and adaption to climate change.
- **Short term** – by 2029 – this allows us to focus on those activities that will contribute to our near term and long-term carbon reduction targets over the next 3 years
- **Near term** – by 2035 – is aligned to our near-term target to reduce emissions by 63% by 2035
- **Long term** – by 2050 – is aligned to our long-term Net Zero target
- **Current mitigation arrangements** – these are the arrangements that are currently in place at VolkerWessels UK to mitigate against the climate risks identified.
- **Future mitigation arrangements** – these are the arrangements that are required to be put into place in order to mitigate against the residual risks and effects of climate change that our current arrangements do not currently address.

Non-financial and sustainability information statement (continued)

Scenario Analysis

In 2023, we analysed the Company's business approach and strategic resilience in relation to where climate change results in a global temperature increase of over 2 degrees, and a low carbon future where climate change results in a global temperature increase of up to 1.5 degrees (in line with the Paris Agreement, and our SBTi targets). This analysis is based on the 'IPPC Special Report on Global Warming' which compared the anticipated climate impacts based on these two climate scenarios (reference – A Degree of Concern: Why Global Temperatures Matter – Climate Change: Vital Signs of the Planet (nasa.gov)) and will be reviewed as a minimum of every three years.

ISO 14004:2016 describes that an organisation has the freedom to choose its approach when determining risks and opportunities that need to be addressed. We follow one of the examples provided in ISO 14001:2015 where we can determine environmental aspects, compliance obligations and other issues and requirements, and then determine associated risks and opportunities that need to be addressed for each of these. We identify the aspects of VolkerWessels UK's activities which have an impact (positive or negative) upon the environment and identify control measures to reduce this impact.

ISO standards such as ISO 14001 and 14004 require an organisation to determine and define its stakeholders / interested parties, external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended result(s) of its management systems. An organisation implementing or improving its management system or integrating its management system within its existing business processes should review its context in order to gain knowledge of the relevant issues that can affect the management systems. VolkerWessels UK defines our context through a process which includes the identification of relevant external and internal issues, which relate to our activities, products and services. We have determined that the most notable climate change related impacts for VolkerWessels UK relate to:

Extreme temperature – *according to the IPCC's 'Special Report on Global Warming of 1.5 degrees', at 1.5 degrees Celsius warming, about 14% of Earth's population will be exposed to severe heatwaves at least once every five years, while at 2 degrees warming that number jumps to 37%. Extreme heatwaves will become widespread at 1.5 degrees Celsius warming. In Earth's high latitudes, the coldest nights will be about 4.5 degrees Celsius (8.1 degrees Fahrenheit) warmer at 1.5 degrees of warming, compared to about 6 degrees Celsius (10.8 degrees Fahrenheit) warmer at 2 degrees of warming.*

Extreme precipitation – *according to the IPCC's 'Special Report on Global Warming of 1.5 degrees' at 2 degrees Celsius warming, some places will see an increase in heavy rainfall events compared to at 1.5 degrees warming, especially in the Northern Hemisphere high latitudes. More of Earth's land areas will also be affected by flooding and increased runoff.*

These impacts will be experienced across the whole of the UK and will therefore affect VolkerWessels UK in its entirety due to the breadth of our operations geographically. To help us assess what the geographical variations are of these scenarios, we have used the BBC's 'climate change visualisation tool'. Whilst our operations cover the entirety of the UK, assessments of our key office locations indicate the following impacts of climate change. The impacts in the table have been incorporated into the 'Climate Related Risks and Opportunities' table in the 'increased frequency of chronic weather conditions' and 'increased frequency of acute weather conditions' sections.

Non-financial and sustainability information statement (continued)

Office location	Summer	Winter
Hoddesdon - (VolkerFitzpatrick, VolkerHighways, VolkerServices)	**Temperatures** The hottest summer day in the 30 years from 1991 to 2019 was 36.9C. If global average temperatures increase 2C above pre-industrial levels, the hottest summer day could be about 38.4C. If global temperatures rise by 4C, it could be about 42.5C. In the 30 summers from 1991 to 2019, there were 5 days above 25C per month on average. If global temperatures rise by 2C, there could be 10 days. With a 4C rise, there could be 19 days. **Precipitation** In the 30 years from 1991 to 2019, there were 8 rainy days on average per month in summer. If global average temperatures rise by 2C, this could be 8 days per month. At a 4C rise it could be about 6 days. On the wettest summer day of the 30 years from 1991 to 2019, 37mm of rain fell. At a 2C rise, this could be about 54mm. And at a 4C rise, it could be about 50mm, which is 35% more than now.	**Temperatures** The warmest winter day in the 30 years from 1991 to 2019 was 18.9C. If global average temperatures increase 2C above pre-industrial levels, the warmest winter day could be about 19.4C. If global temperatures rise by 4C, it could be about 20.9C. **Precipitation** In the 30 years from 1991 to 2019, there were 10 rainy days on average per month in winter. At both 2C and 4C rises, the number of rainy days per month could be roughly the same. On the wettest winter day of the 30 years from 1991 to 2019, 29mm of rain fell. At a 2C rise, this could be about 34mm. And a 4C rise, it could be about 37mm, which is 26% more than now.
Doncaster - VolkerRail	**Temperature** The hottest summer day in the 30 years from 1991 to 2019 was 35.1C. If global average temperatures increase 2C above pre-industrial levels, the hottest summer day could be about 36.6C. If global temperatures rise by 4C, it could be about 40.3C. In the 30 summers from 1991 to 2019, there were 3 days above 25C per month on average. If global temperatures rise by 2C, there could be 7 days. With a 4C rise, there could be 15 days. **Precipitation** In the 30 years from 1991 to 2019, there were 9 rainy days on average per month in summer. If global average temperatures rise by 2C, this could be 9 days per month. At a 4C rise it could be about 7 days. On the wettest summer day of the 30 years from 1991 to 2019, 61mm of rain fell in your area. At a 2C rise, this could be about 74mm. And at a 4C rise, it could be about 67mm, which is 10% more than now.	**Temperature** The warmest winter day in the 30 years from 1991 to 2019 near you was 17.7C. If global average temperatures increase 2C above pre-industrial levels, the warmest winter day could be about 18.3C. If global temperatures rise by 4C, it could be about 19.9C. **Precipitation** In the 30 years from 1991 to 2019, there were 9 rainy days on average per month in winter. At both 2C and 4C rises, the number of rainy days per month could be roughly the same. On the wettest winter day of the 30 years from 1991 to 2019, 31mm of rain fell in your area. At a 2C rise, this could be about 33mm. And a 4C rise, it could be about 38mm, which is 22% more than now.

Non-financial and sustainability information statement (continued)

Preston - VolkerStevin	**Temperature** The hottest summer day in the 30 years from 1991 to 2019 near you was 31.9C. If global average temperatures increase 2C above pre-industrial levels, the hottest summer day could be about 33.6C. If global temperatures rise by 4C, it could be about 37.8C. In the 30 summers from 1991 to 2019, there were 1 day above 25C per month on average. If global temperatures rise by 2C, there could be 3 days. With a 4C rise, there could be 7 days. **Precipitation** In the 30 years from 1991 to 2019, there were 12 rainy days on average per month in summer. If global average temperatures rise by 2C, this could be 12 days per month. At a 4C rise it could be about 9 days. On the wettest summer day of the 30 years from 1991 to 2019, 50mm of rain fell in your area. At a 2C rise, this could be about 53mm. And at a 4C rise, it could be about 55mm, which is 9% more than now.	**Temperature** The warmest winter day in the 30 years from 1991 to 2019 near you was 18.9C. If global average temperatures increase 2C above pre-industrial levels, the warmest winter day could be about 18.9C. If global temperatures rise by 4C, it could be about 20.3C. **Precipitation** In the 30 years from 1991 to 2019, there were 14 rainy days on average per month in winter. At both 2C and 4C rises, the number of rainy days per month could be roughly the same. On the wettest winter day of the 30 years from 1991 to 2019, 52mm of rain fell in your area. At a 2C rise, this could be about 55mm. And a 4C rise, it could be about 58mm, which is 12% more than now.
Worcester - VolkerLaser	**Temperature** The hottest summer day in the 30 years from 1991 to 2019 near you was 34.4C. If global average temperatures increase 2C above pre-industrial levels, the hottest summer day could be about 36.8C. If global temperatures rise by 4C, it could be about 41.3C. In the 30 summers from 1991 to 2019, there were 4 days above 25C per month on average. If global temperatures rise by 2C, there could be 8 days. With a 4C rise, there could be 17 days. **Precipitation** In the 30 years from 1991 to 2019, there were 9 rainy days on average per month in summer. If global average temperatures rise by 2C, this could be 8 days per month. At a 4C rise it could be about 6 days. On the wettest summer day of the 30 years from 1991 to 2019, 85mm of rain fell in your area. At a 2C rise, this could be about 86mm. And at a 4C rise, it could be about 75mm, which is 11% less than now.	**Temperature** The warmest winter day in the 30 years from 1991 to 2019 near you was 18.2C. If global average temperatures increase 2C above pre-industrial levels, the warmest winter day could be about 18.6C. If global temperatures rise by 4C, it could be about 20C. **Precipitation** In the 30 years from 1991 to 2019, there were 11 rainy days on average per month in winter. At both 2C and 4C rises, the number of rainy days per month could be roughly the same. On the wettest winter day of the 30 years from 1991 to 2019, 40mm of rain fell in your area. At a 2C rise, this could be about 43mm. And a 4C rise, it could be about 47mm, which is 17% more than now.

Resilience of our business strategy

The qualitative analysis of our business strategy, both in terms of current and planned strategic arrangements in the ‘Climate Related Risks and Opportunities’ table below, demonstrate that we are positioning ourselves well to understand the proactive actions required to ensure the ongoing resilience of our business based on a 2-degree Celsius future through our mitigation plans. In summary:

- Our mandated policies and procedures detail control measures required to proactively mitigate against climate scenarios. We are committed to ensuring these are regularly reviewed and updated based on current knowledge.
- We are proactively engaging with our supply chain and clients to collaborate.
- We are partnering with third party experts to provide business insights to enable us to make informed business decisions.
- Our ESG Leadership Group provides a dedicated forum for reviewing climate related risks and opportunities, and for legal and regulatory horizon scanning.
- Externally certified carbon data to enable data-based decision making.
- Provision of ongoing training, awareness, and education for all employees, with specific focus on identified high influencing roles including directors, operational leaders, procurement teams and sustainability professionals.

Non-financial and sustainability information statement (continued)

Metrics and Targets

Our Carbon Reduction strategy was refreshed in 2025, following our carbon reduction targets being approved by SBTi. This confirmed our near term, long term and Net Zero targets align with the science to limit global warming to 1.5°C above pre-industrial levels. Our SBTi verified and published targets are:

- **Net-Zero** - We commit to achieve Net-Zero greenhouse gas emissions across the value chain by 2050.
- **Near-term** - We commit to reduce absolute Scope 1 and 2 greenhouse gas emissions by 63.29%, and Scope 3 emissions from purchased goods and services by 37.5% by 2035 from a 2023 baseline.
- **Long-term** - We commit to reduce absolute Scope 1 and 2 greenhouse gas emissions by 90%, and Scope 3 emissions from purchased goods and services by 90% by 2050 from a 2023 baseline.

We use Key Performance Indicators (KPI's) to assess progress against targets used to manage our climate-related risks. These indicators are aligned to the 'Climate Related Risks and Opportunities' table below where applicable.

KPI's supporting Long-Term and Net Zero target:

- **Absolute and % reduction in Scope 1, 2 and 3 emissions** – full reporting scope in line with SBTi reporting requirements *(measured in tCO2e against a 2023 baseline)*

KPI's supporting Near-Term target:

- **Absolute and % reduction in Scope 1, 2 and limited Scope 3** emissions (business travel, waste, water, well to tank, and transmission and distribution) *(measured in tCO2e against a rolling baseline)*
- **GHG emissions intensity per £m turnover for Scope 1, 2 and limited Scope 3** (business travel, waste, water, well to tank, and transmission and distribution) *(measured in tCO2e per £m turnover)*
- **GHG emissions intensity per employee for Scope 1, 2 and limited Scope 3** (business travel, waste, water, well to tank, and transmission and distribution) *(measured in tCO2e per employee)*
- **% of sites powered using renewable electricity** *(REGO certified electricity measured in kWh / total electricity consumption)*
- **% of company cars that are fully electric or hybrid on fleet** *(number of electric or hybrid company cars / total company cars)*
- **% of company car orders that are fully electric or hybrid** *(number of electric or hybrid company car order / total company car orders)*
- **% waste diversion rate from landfill** *(tonnes of waste diverted from landfill / total waste)*

In specific relation to Products and Services, we recognise the challenge of reducing the embodied carbon in materials we procure, and the need for a pivotal shift by manufacturers in our supply chain to achieve this. To support our near-term target to reduce emissions associated with purchased goods and services, we are focusing on five key materials which have significant embodied carbon, namely concrete, aggregate, asphalt, steel and timber. The carbon associated with these products is outside of our direct control and carbon reduction will rely on the technical innovation of our supply chain so we continue to work with clients, designers, supply chain and procurement teams to challenge inappropriate design and specification and promote sustainable selection of materials to stimulate a downward trend in emissions. We also, therefore, have the following KPI in relation to our SBTi Products and Services target:

- **Absolute emissions associated with steel, aggregate, asphalt timber and concrete consumption** – these are the top 5 materials procured by the business. *(measured in tCO2e)*

We also have a data quality improvement plan to ensure data is accurate and credible.

Progress is reviewed monthly and/or quarterly by the Sustainability Director, the VolkerWessels UK board and in other meetings as appropriate, through the distribution of performance information in monthly and quarterly reports. Our carbon emissions are also externally verified in line with ISO 14064:1 on an annual basis.

Non-financial and sustainability information statement (continued)

Measure	Performance		
	2023	2024	2025
Absolute % reduction in total Scope 1, 2 and 3 emissions *(in line with SBTi reporting requirements against a 2023 baseline)*	Base year emissions *324,805 tCO2e*	-20% *259,005 tCO2e*	+11% *289,365 tCO2e*
Absolute and % reduction in Scope 1, 2 and limited Scope 3 emissions *(measured in tCO2e against a rolling baseline)*	30,568 tCO2e *+11% (+3,388 tCO2e)*	30,080 tCO2e *-2% (-487 tCO2e)*	29,359 tCO2e *-2% (-703 tCO2e)*
GHG emissions intensity per £m turnover *(Scope 1, 2 and limited Scope 3 as per above)*	21.3	20.2	19.7
GHG emissions intensity per employee *(Scope 1, 2 and limited Scope 3 as per above)*	8.1	7.9	8.0
% of sites powered using renewable electricity	83%	96%	98%
% of company cars that are fully electric or hybrid	84% *980 vehicles*	90% *1231 vehicles*	94% *1434 vehicles*
% of company car orders that are fully electric or hybrid	90% *122 vehicles*	96% *165 vehicles*	98% *95 vehicles*
% waste diversion rate from landfill	98% *411k tonnes diverted*	98% *382k tonnes diverted*	98% *359k tonnes diverted*
Absolute emissions associated with steel, aggregate, asphalt timber and concrete	47,164 tCO2e	52,759 tCO2e	24,315 tCO2e

We also recognise the challenge of reducing the embodied carbon in materials we procure, and the need for a pivotal shift by manufacturers in our supply chain to achieve this. We are focusing on five key materials which have significant embodied carbon, namely concrete, aggregate, asphalt, steel and timber. The carbon associated with these products is outside of our direct control and carbon reduction will rely on the technical innovation of our supply chain. We work with clients, designers, supply chain and procurement teams to challenge inappropriate design and specification and promote sustainable selection of materials to stimulate a downward trend in emissions.

Progress towards our Net Zero target is externally verified through our Planet Mark certification, to ensure credibility and transparency. Based on the assessment conducted within this verification, Planet Mark concludes that there is no evidence to suggest that the carbon emission assertion in the data provided is not materially correct and is not a fair representation of VolkerWessels UK's carbon footprint. There is also no evidence to suggest that the report has not been prepared following the GHG Protocol with regard to quantification and reporting.

Non-financial and sustainability information statement (continued)

Climate related risks and opportunities

Risk / Opportunities description	Type of risk	Potential impact on VolkerWessels UK	Time period	Current mitigation arrangements	Future mitigation arrangements
Increased frequency and intensity of acute weather events (caused by temperature and precipitation specifically) on our construction activities, construction sites, offices and employees (such as storms, floods, hail and temperature extremes)	Physical - Acute	Extreme ground conditions causing loss of productivity, downtime and programme delays. Increased risk of pollution events (and associated legal action). Damage to assets, site and materials caused by high winds (physical damage to structures) and precipitation (physical damage and increased risk of silt run off on sites). Health and safety risks for our workforce associated with extreme weather e.g. heat stroke, cold and stress.	Short - Medium - Long	Procedures and control measures are in place and managed through our Integrated Management System (IMS). Considerations made in respect of the storage and use of plant, equipment, and materials on site, particularly if they are vulnerable to adverse weather prior to installation such as storage away from known flood risk areas, security arrangements and monitoring of controls. Established working practices which are considerate of the risk of weather events such as the impact of construction work on water tables, runoff, and discharges to waterways. Close monitoring of weather forecasts to ensure employee and site safety and preparation for extreme events. Evaluation of climate risks at tender stage. Monitoring of carbon impact. **Related KPI's:** • Absolute and % reduction in Scope 1, 2 and 3 emissions • Absolute and % reduction in Scope 1, 2 and limited Scope 3 • GHG emissions intensity per employee for Scope 1, 2 and limited Scope 3 • GHG emissions intensity per £m turnover for Scope 1, 2 and limited Scope 3 • % of sites powered using renewable electricity % of company cars that are fully electric or hybrid on fleet • % of company car orders that are fully electric or hybrid • % waste diversion rate from landfill • Absolute emissions associated with steel, aggregate, asphalt timber and concrete consumption	Education and awareness for site management to increase the resilience of sites to extreme weather events by improving defences e.g. increasing mitigation relating to increased flood events, surface water run off etc and contingency plans relating to extreme weather.

Non-financial and sustainability information statement (continued)

Risk / Opportunities description	Type of risk	Potential impact on VolkerWessels UK	Time period	Current mitigation arrangements	Future mitigation arrangements
Increased frequency and intensity of chronic weather events (caused by temperature and precipitation specifically) on our construction activities, construction sites, offices and employees (such as sea-level rises, temperature fluctuations, long-term floods and droughts)	Physical - Chronic	Extreme ground conditions causing loss of productivity, downtime and programme delays. Droughts leading to increased cost of operations due to higher water prices and restrictions on water consumption. Damage to assets, sites and materials caused by extreme weather events and mean temperature increases. Insurance premiums increase / become unavailable due to more stringent insurance policies and increased expenditure on adaptation measures. Challenging working environments impacting on the health and safety of our workforce associated with extreme weather e.g. heat stroke, cold and stress. Lower production capabilities and revenue due to unexpected disruption and / or delays in the transportation and delivery of products and materials. Reduction in work pipeline as major infrastructure projects become increasingly costly to fund.	Medium - Long	Procedures and control measures are in place and managed through our Integrated Management System (IMS). Considerations made in respect of the storage and use of plant, equipment, and materials on site, particularly if they are vulnerable to adverse weather prior to installation such as storage away from known flood risk areas, security arrangements and monitoring of controls. Established working practices which are considerate of the risk of weather events such as the impact of construction work on water tables, runoff, and discharges to waterways. Evaluation of climate risks at tender stage and ongoing including those specific to locations near watercourses and coasts. Monitoring of carbon impact **Related KPI's:** • Absolute and % reduction in Scope 1, 2 and 3 emissions • Absolute and % reduction in Scope 1, 2 and limited Scope 3 • GHG emissions intensity per employee for Scope 1, 2 and limited Scope 3 • GHG emissions intensity per £m turnover for Scope 1, 2 and limited Scope 3 • % of sites powered using renewable electricity % of company cars that are fully electric or hybrid on fleet • % of company car orders that are fully electric or hybrid • % waste diversion rate from landfill • Absolute emissions associated with steel, aggregate, asphalt timber and concrete consumption	Utilising third party expertise and/or employing internal specialist resource for climate modelling to understand physical risks and likelihood of climate events affecting our works and workforce

Non-financial and sustainability information statement (continued)

Risk / Opportunities	Type of risk	Potential impact on VolkerWessels UK	Time period	Current mitigation arrangements	Future mitigation arrangements
Increasing demand for low carbon materials and technologies	Transitional - market	Disruption caused by volatile availability of products and materials leading to increase in prices, procurement challenges, longer lead time for deliveries and transportation difficulties. The inability of supply chain to react and adapt to changing requirements. Lack of technological enhancements to ensure suitable materials on the market to meet client needs and protection against climate impacts. Write off / early retirement of existing assets due to materials not being able to withstand changing climate. Risk of innovation failures with associated costs, time delays and client dissatisfaction. Increased demand for 'low carbon projects' and the use of low emission materials. Retrofit opportunities to facilitate upgrade to support adaptation for severe weather events.	Medium - Long	Ongoing due-diligence when setting up agreements with new suppliers. Continue to maintain strong relationships with supply chain partners. Continue working with clients, designers, and procurement teams to challenge inappropriate design and specification and promote sustainable selection of materials to stimulate a downward trend in emissions. Involvement with industry groups to ensure company is abreast of innovation / technology / research and development. Support material trials through engagement and collaboration with supply chain and clients. **Related KPI's:** • Absolute emissions associated with steel, aggregate, asphalt timber and concrete consumption	Support arrangements in place with our supply chain in terms of education and awareness of climate related risks, opportunities and mitigation arrangements. Continue working with clients, designers, and procurement teams to challenge inappropriate design and specification and promote sustainable selection of materials to stimulate a downward trend in emissions. Support material trials through engagement and collaboration with supply chain and clients. R&D and Innovation funding including appropriate sign off process for innovation / technology trials to ensure due diligence is applied.
Fluctuating costs of energy (fuel, gas, electricity, and water)	Transitional - market	Unknown / unpredictable fuel, electricity, gas and water costs causing issues for forward cost planning for business and projects budgets.	Short	During 2025, the following arrangements continued to provide sufficient mitigation. Energy broker in place to assist with providing energy market insight. A new broker was onboarded during 2025. Ongoing pressure to reduce energy consumption in offices and on projects. Use of energy management systems to identify energy hot spots and support necessary energy reduction interventions. Commitment to increase annual sourcing of renewable electricity from 74% in 2022 to 100% by 2030. Ongoing review and research into alternative sources of energy. Monitoring of carbon impact. **Related KPI's:** • Absolute and % reduction in Scope 1, 2 and 3 emissions • Absolute and % reduction in Scope 1, 2 and limited Scope 3 • % of sites powered using renewable electricity % of company cars that are fully electric or hybrid on fleet • % of company car orders that are fully electric or hybrid	Ongoing engagement with energy broker to understand the energy market and when best to secure contracts. Engagement with work winning teams on energy market insight to ensure accurate energy cost predictions are factored into tenders.

Non-financial and sustainability information statement (continued)

Risk / Opportunities	Type of risk	Potential impact on VolkerWessels UK	Time period	Current mitigation arrangements	Future mitigation arrangements
Lack of knowledge and understanding of changing legal and regulatory demands / frameworks, and associated fines/penalties on VolkerWessels UK operations.	Transitional - legal and reputational	Poor execution of demands leading to legal action. Increased operational costs to meet new regulatory controls. Costs associated with penalties if found in breach of new legislation. Negative reputational risk and stakeholder perception making it hard to win new contracts, impacting revenue.	Short - Medium	ESG Leadership Group implemented in 2023, responsible for climate-change legal and regulatory horizon scanning. Review of legal compliance and ISO 14001 Aspects and Impacts assessment. Defined responsibilities associated with execution of climate-related legal and regulatory requirements. Participation in industry consultation and best practice groups. Monitoring of carbon impact **Related KPI's:** • Absolute and % reduction in Scope 1, 2 and 3 emissions • Absolute and % reduction in Scope 1, 2 and limited Scope 3 • GHG emissions intensity per employee for Scope 1, 2 and limited Scope 3 • GHG emissions intensity per £m turnover for Scope 1, 2 and limited Scope 3	Continuation of current arrangements. Horizon scanning.
Growth in existing and future revenue streams for VolkerWessels UK from green infrastructure projects, and projects with enhanced climate aware requirements	Transitional - market Opportunity	Increase in demand for renewable and low carbon energy use will increase revenue and positive impact on our reputation as a sustainable business. Opportunity to expand business capability and skillset. Development of new local-carbon construction and design methods. Collaboration with new and sustainable clients, aligning with our own vision and values.	Short - Medium	Client relationship management in place Carbon data and reporting in place. Competent workforce	Focus on sustainable design. Ongoing research into low carbon markets. Continued recruitment of employees with green skills.

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

AS Harris
Director

25 June 2026
Company registered number: 01179305

VolkerWessels UK Limited
Hertford Road
Hoddesdon
Hertfordshire
EN11 9BX

The Directors present their annual Directors' Report and audited financial statements for the year ended 31 December 2025.

Results and dividends

The profit for the financial year after taxation was £53.3m (2024: £35.6m). The directors do not recommend the payment of a final dividend (2024: £nil).

An interim dividend of £85.6m was paid during the year (2024: £29.0m).

Directors

The directors who held office during the year and to the date of signing this report were as follows:

RA Offord
JA Cox
AS Harris
JR Hindes
R Leijnse
JM Suckling
A Vos
MG Woods

Directors' indemnities

The Group has arranged qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Employees

The Group is an equal opportunities employer.

The culture of the Group ensures that staff are trained to very high standards with each individual's technical and development skills continually being reviewed and enhanced. This culture has ensured that the Group has the management skills available to maintain growth underpinned by a robust internal promotion scheme.

The Group's policy is to consult and discuss with employees matters likely to affect their interests. The Group also encourages the involvement of employees in the Group's performance in many ways including its remuneration package.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, whenever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitude and abilities.

Employee Engagement

For further detail on this, please refer to the Section 172(1) statement.

Business relationships

For further detail on this, please refer to the Section 172(1) statement.

Political donations

During the year the Group and Company made no political donations and did not incur any political expenditure (2024: £nil).

Energy and Carbon reporting

VolkerWessels UK have reported on all sources of GHG emissions and energy usage as required under Streamlined Energy and Carbon Reporting Regulations 2018.

GHG emissions and energy usage

GHG emissions and energy usage data for period 1 January to 31 December 2025

	2025		2024	
Metric	**Tonnes of CO_2 emissions**	**Units**	**Tonnes of CO_2 emissions**	**Units**
Emissions from the combustion of natural gas (scope 1)	44.7	244,211 kWh	61.2	334,508 kWh
Petrol (scope 1)	128.7	62,213 litres	116.6	56,108 litres*
Diesel (scope 1)	14,915.9	5,802,040 litres	15,607.6*	6,210,875 litres*
Mileage (scope 1)	1,401.6	19,601,491 km	2,211.2	23,861,891 km
Gas Oil (scope 1)	1,882.8	683,325 litres	1,840.33	667,899 litres
Burning Oil (scope 1)	5.1	2,000 litres	5.6	2,218 litres
Biodiesel (scope 1)	33.7	946,849 litres	21.9	616,192 litres
Refrigerants (scope 1)	1.4	2 kilograms	20.0	21 kilograms
Scope 1 total	**18,413.9**	**-**	**19,884.2**	**-**
	39.2	3,733,467 kWh	77.6*	4,034,701 kWh*
Electricity - Market-Based (scope 2)	376.1	11,970,090.4 kWh	416.5	11,618,237.4 kWh
Scope 2 total	**415.3**	**-**	**494.1**	-
Mileage (scope 3)	1,331.3	7,972,927 km	942.4*	5,864,675 km*
Air Travel (scope 3)	148.6	923,954 km	186.8*	813,737 km*
Train Travel (scope 3)	243.4	6,862,099 km	203.6*	5,741,061 km*
Scope 3 total	**1,723.3**	**-**	**1,332.8**	**-**
Grand Total	**20,552.6**	**-**	**21,711.1**	**-**
Intensity Ratio (Total/£m Revenue)	**13.8**		**14.6**	

** During 2025 we introduced a new carbon reporting tool which has helped us to improve data quality. There were some issues identified with 2024 data which has been corrected and updated in the table above.*

Summary of changes between reporting periods

Between 2024 and 2025, we saw emissions fall both in absolute terms and in terms of intensity. There were some important shifts to note between fuel types and scopes.

- **Scope 1** emissions fell by 7% with notable reductions recorded against natural gas (-27%), refrigerants (-93%), diesel (-4%) and mileage (-37%), with increases recorded in petrol consumption (+10%) and biodiesel (+54%)
- **Scope 1** – emissions associated with refrigerants have now been included for both 2024 and 2025
- **Scope 2** – we have now included Scope 2 emissions associated with the electricity used for business mileage in electric and hybrid vehicles
- **Scope 3** emissions increased by 29%, most notably relating to mileage emissions which increased by 41%, with air travel emissions reducing by 20%

Reporting boundary and methodology

The VolkerWessels UK People-Planet-Purpose sustainability framework was updated in 2025. The document defines our strategic direction and collective sustainability ambition, whilst allowing our businesses – VolkerFitzpatrick, VolkerStevin, VolkerRail, VolkerHighways, VolkerLaser and PJ Davidson, and their projects, to focus on the areas that matter most to their stakeholders. The refreshed version of People-Planet-Purpose affirms the legacy that we want to leave by 2030 and beyond – to be known as a business with a diverse, inclusive and safe workforce; and one that inspires the next generation, protects the natural environment and connects communities.

There are three pillars within the People-Planet-Purpose framework, each of which has two 'themes'. Our 'Planet' pillar states that *'we will drive sustainable change by reducing carbon emissions, preventing pollution, preserving biodiversity and embracing circular economy principles'*. Our 'Reducing Carbon Emissions and Building Climate Resilience' theme recognises the role we have in reducing the harmful emissions that contribute to climate change and the need for resilience against climate related physical, financial and legal risks to future proof our business.

We first published our Carbon Reduction Strategy in 2021, along with a Carbon Reduction Plan in accordance with PPN 06/21 (now PPN 006) for each of our businesses. This was refreshed in 2025 which sets out our carbon reduction targets which have been validated by Science Based Target Initiative (SBTi), as aligning with the science to limit global warming to 1.5°C above pre-industrial levels.

During 2025 we continued to deliver on our four drivers for change: data quality, emission specific reduction plans, workforce education and collaboration. VolkerWessels UK will continue to work with our clients and supply chain to reduce indirect Scope 3 impacts and promote a downward trend in emissions resulting from the use of materials on our projects.

In November 2025, VolkerWessels UK achieved independent third-party certification by BSI confirming we are working in accordance with the requirements of PAS 2080: Carbon management in buildings and infrastructure. This confirms that our carbon management processes are robust through all VolkerWessels UK business units, and our commitment to identifying, managing and reducing carbon emissions.

To ensure transparency, we will continue to independently validate and certify our annual carbon footprint with The Planet Mark, a certification for business which recognises continuous improvement, encourages action, and builds an empowered community of like-minded individuals. 2025 is our fifteenth year with The Planet Mark, a sign of our long-standing commitment to carbon reduction.

In line with the requirements of SECR, the table above shows the VolkerWessels UK carbon footprint for the reporting period 1 January 2025 to 31 December 2025. The data reflects reporting based on our 'operational control', meaning that we account for all emissions from operations over which we, or one of our subsidiaries, has operational control.

Year on year we are committed to further improving the quality of our data so this important relationship with Planet Mark ensures the data presented is accurate and reflective of our carbon impact. The verification is completed in accordance with ISO 14064-3(2006) 'Specification with guidance for the validation and verification of greenhouse has assertions' and assesses the data in line with the guidance outlined by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) Greenhouse Gas Protocol (the 'GHG Protocol').

Other disclosures

Disclosures in respect of future developments and going concern of the Group are given in the Strategic Report. Information on financial instruments, financial risk management and exposure is given in note 26 of the financial statements.

There are no significant events since the balance sheet date to disclose.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

AS Harris
Director

25 June 2026

Company registered number: 01179305

VolkerWessels UK Limited
Hertford Road
Hoddesdon
Hertfordshire
EN11 9BX

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 financial statements in accordance with United Kingdom adopted international accounting standards. 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 Parent Company and of the profit or loss of the Group and Parent Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group and Parent Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of VolkerWessels UK Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom 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 which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Bribery Act, employee laws, carbon reduction regulations, health and safety and environment matters.

We discussed among the audit engagement team including relevant internal specialists such as IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

As disclosed in Note 2 to the financial statements the Group recognises revenue over time by measuring the progress towards full satisfaction of that performance obligation using an input method. Accordingly, in order for revenue to be recorded appropriately estimation uncertainty exists in relation to assessing the amount of variable consideration that should be included on a contract-by-contract basis and in relation to the forecast total costs for each contract. We have determined that contract revenue within the contract portfolio has a high degree of estimation uncertainty in relation to the accuracy and valuation of unagreed income and the accuracy and completeness of forecast costs to complete and also that contract assets within the contract portfolio have a high degree of estimation uncertainty in relation to their valuation. This has been addressed through:

- obtaining an understanding of relevant manual and IT controls and project accounting processes which management have established to ensure that contracts are appropriately forecast, managed, challenged and accounted for;
- attending a sample of project contract review meetings and business unit review meetings to understand the various levels of challenge applied to the forecasts;
- obtaining an understanding of the contracts including relevant contractual clauses and terms and conditions;
- making inquiries of contract project teams and other personnel to obtain an understanding of the performance of the project throughout the year and at year-end;
- analysing historical contract performance and understanding the reason for in-year movements or changes;
- analysing correspondence with customers to challenge the estimates made by the Group;
- testing a sample of contract assets to subsequent evidence and contractual terms as appropriate;
- testing a sample of unagreed income to subsequent evidence and contractual terms as appropriate; and
- for a sample of contracts, analysing the end-of-life contract margins forecasts and challenging the total cost estimates within the forecasts by considering the amounts already procured, the amounts still to be procured, cost forecasts against run rates, and any risk contingency held.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
James Isherwood
19750BCA07604EA...

James Isherwood ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25 June 2026

Consolidated Income Statement
for the year ended 31 December 2025

	Note	2025 £000	2024 £000
Revenue	*4*	**1,486,565**	1,491,399
Cost of sales		**(1,336,120)**	(1,365,122)
Gross profit		**150,445**	126,277
Administrative expenses		**(84,481)**	(82,154)
Other operating income	*5*	**175**	21
Operating result		**66,139**	44,144
Financial income	*9*	**6,834**	5,743
Financial expense	*10*	**(2,463)**	(1,822)
Profit before tax	*6*	**70,510**	48,065
Income tax	*11*	**(17,227)**	(12,446)
Profit for the year		**53,283**	35,619
Profit attributable to:			
Equity holder of the parent company		**53,275**	35,573
Non-controlling interest		**8**	46
		53,283	35,619

All results derive from continuing operations.

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2025

	Note	**2025**	2024
		£000	£000
Profit for the year		**53,283**	35,619
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains on defined benefit pension plans	*23*	**289**	1,075
Adjustment for restrictions on the defined benefit asset	*23*	**406**	(424)
Tax relating to items which will not be reclassified	*11*	**(108)**	(224)
Other comprehensive income for the year, net of income tax		**587**	427
Total comprehensive income for the year		**53,870**	36,046
Total comprehensive income attributable to:			
Equity holder of the parent company		**53,862**	36,000
Non-controlling interest		**8**	46
		53,870	36,046

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

VolkerWessels UK Limited
Consolidated Statement of Financial Position
as at 31 December 2025

	Note	**2025**	2024
		£000	£000
Non-current assets			
Property, plant and equipment	*12*	**39,431**	43,767
Right-of-use assets	*13*	**50,280**	46,863
Goodwill	*14*	**33,379**	33,379
Intangible assets	*14*	**2,668**	5,937
Trade and other receivables	*18*	**3,735**	6,010
Deferred tax assets	*16*	**1,077**	678
Employee benefits	*23*	**2,121**	1,170
Total non-current assets		**132,691**	137,804
Current assets			
Inventories	*17*	**3,551**	6,968
Trade and other receivables	*18*	**119,555**	111,353
Contract assets	*4*	**100,395**	123,688
Income tax receivable		**-**	1,467
Cash and cash equivalents	*19*	**165,186**	171,939
Total current assets		**388,687**	415,415
Total assets		**521,378**	553,219

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

VolkerWessels UK Limited
Consolidated Statement of Financial Position
as at 31 December 2025

	Note	**2025**	2024
		£000	£000
Equity attributable to equity holder of the parent			
Share capital	*24*	**37,127**	37,127
Share premium		**1,503**	1,503
Capital reserve		**15,547**	14,668
Retained earnings		**49,266**	81,004
		103,443	134,302
Non-controlling interest		**63**	55
Total equity		**103,506**	134,357
Non-current liabilities			
Lease liabilities	*20*	**31,710**	30,035
Deferred tax liabilities	*16*	**1,918**	2,274
Total non-current liabilities		**33,628**	32,309
Current liabilities			
Lease liabilities	*20*	**17,954**	15,785
Trade and other payables	*21*	**286,568**	291,194
Contract liabilities	*4*	**59,989**	61,422
Provisions	*22*	**13,647**	18,152
Income tax payable		**6,086**	-
Total current liabilities		**384,244**	386,553
Total liabilities		**417,872**	418,862
Total equity and liabilities		**521,378**	553,219

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

These financial statements were approved by the board of directors on 25 June 2026 and were signed on its behalf by:

AS Harris
Director
Company registered number: 01179305

VolkerWessels UK Limited
Company Statement of Financial Position
as at 31 December 2025

	Note	2025 £000	2024 £000
Non-current assets			
Investments	*15*	**108,706**	108,706
Trade and other receivables	*18*	**17,900**	34,300
Total non-current assets		**126,606**	143,006
Current assets			
Trade and other receivables	*18*	**31,720**	37,256
Income tax receivable		**13,786**	13,150
Cash and cash equivalents	*19*	**125,665**	143,005
Total current assets		**171,171**	193,411
Total assets		**297,777**	336,417
Equity attributable to equity holder of the company			
Share capital	*24*	**37,127**	37,127
Other reserves		**15,547**	14,668
Share premium		**1,503**	1,503
Retained earnings		**3,842**	44,224
Total equity		**58,019**	97,522
Current liabilities			
Trade and other payables	*21*	**239,758**	238,895
Total current liabilities		**239,758**	238,895
Total liabilities		**239,758**	238,895
Total equity and liabilities		**297,777**	336,417

The profit for the parent company for the year was £45.2m (2024: £18.3m).

The notes on pages 53 to 90 form an integral part of the consolidated financial statements. The Company has not published a separate Income Statement in accordance with the exemptions in s408 of the Companies Act 2006.

These financial statements were approved by the board of directors on 25 June 2026 and were signed on its behalf by:

AS Harris
Director
Company registered number: 01179305

VolkerWessels UK Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2025

	Attributable to equity holders of parent						
	Share capital £000	Capital reserve £000	Share Premium £000	Retained earnings £000	Total £000	Non-controlling interest £000	Total equity £000
Balance at 1 January 2024	37,127	14,668	1,503	74,004	127,302	17	127,319
Comprehensive income							
Profit for the year	-	-	-	35,573	35,573	46	35,619
Other comprehensive income							
Actuarial gains on defined benefit pension plans, net of tax and adjustment for restrictions on defined benefit assets	-	-	-	427	427	-	427
Total comprehensive income	-	-	-	36,000	36,000	46	36,046
Transactions with owners							
Dividends paid (note 25)	-	-	-	(29,000)	(29,000)	(8)	(29,008)
Balance at 31 December 2024	**37,127**	**14,668**	**1,503**	**81,004**	**134,302**	**55**	**134,357**
Balance at 1 January 2025	37,127	14,668	1,503	81,004	134,302	55	134,357
Comprehensive income							
Profit for the year	-	-	-	53,275	53,275	8	53,283
Other comprehensive income							
Actuarial gains on defined benefit pension plans, net of tax and adjustment for restrictions on defined benefit assets	-	-	-	587	587	-	587
Total comprehensive income	**-**	**-**	**-**	**53,862**	**53,862**	**8**	**53,870**
Transactions with owners							
Dividends paid (note 25)	-	-	-	(85,600)	(85,600)	-	(85,600)
Capital contribution	-	879	-	-	879	-	879
Balance at 31 December 2025	**37,127**	15,547	**1,503**	**49,266**	**103,443**	**63**	**103,506**

Capital reserve relates to contributions made to the Company from its parent undertaking.

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

VolkerWessels UK Limited
Company Statement of Changes in Equity
for the year ended 31 December 2025

	Share capital £000	Capital reserve £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 January 2024	37,127	14,668	1,503	54,908	108,206
Comprehensive income					
Profit for the year	-	-	-	18,316	18,316
Total comprehensive income	**-**	**-**	**-**	**18,316**	**18,316**
Transactions with owners					
Dividends paid (note 25)	-	-	-	(29,000)	(29,000)
Balance at 31 December 2024	**37,127**	**14,668**	**1,503**	**44,224**	**97,522**
Balance at 1 January 2025	37,127	14,668	1,503	44,224	97,522
Comprehensive income					
Profit for the year	-	-	-	45,218	45,218
Total comprehensive income	**-**	**-**	**-**	**45,218**	**45,218**
Transactions with owners					
Dividends paid (note 25)	-	-	-	(85,600)	(85,600)
Capital contribution	-	879	-	-	879
Balance at 31 December 2025	**37,127**	**15,547**	**1,503**	**3,842**	**58,019**

Capital reserve relates to contributions made to the Company from its parent undertaking.

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

VolkerWessels UK Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2025

	Note	2025	2024
		£000	£000
Profit for the year		**53,283**	35,619
Adjustments for:			
Depreciation of property, plant and equipment	*6*	**4,846**	5,561
Depreciation of right-of-use assets	*6*	**18,903**	17,078
Amortisation of intangible assets	*6*	**3,269**	3,322
Financial income	*9*	**(6,834)**	(5,743)
Financial expense	*10*	**2,463**	1,822
Gain on sale of property, plant and equipment	*5*	**(175)**	(21)
Payments to defined benefit plans		**(256)**	(554)
R & D expense credit		**(6,295)**	(6,874)
Income tax	*11*	**17,227**	12,446
Operating cash flows before movements in working capital		**86,431**	62,656
(Increase)/decrease in trade and other receivables		**(5,048)**	16,445
Decrease/(increase) in contract assets		**23,293**	(40,717)
Decrease in inventories		**3,417**	3,446
(Decrease)/increase in trade and other payables		**(4,626)**	14,899
(Decrease)/increase in contract liabilities		**(1,433)**	1,824
(Decrease)/increase in provisions		**(4,505)**	11,656
Cash flows from operating activities		**97,529**	70,209
Interest paid		**(158)**	-
Income tax paid		**(4,243)**	(1,267)
Net cash from operating activities		**93,128**	68,942
Cash flows from investing activities			
Proceeds from sale of plant, property and equipment		**3,678**	1,216
Interest received		**6,834**	5,493
Acquisition of plant, property and equipment		**(4,013)**	(4,042)
Net cash from investing activities		**6,499**	2,667

	Note	2025 £000	2024 £000
Cash flows from financing activities			
Dividends paid to Group's shareholders	*25*	**(85,600)**	(29,008)
Interest paid on lease liabilities		**(2,241)**	(1,771)
Repayment of lease liabilities	*20*	**(18,477)**	(16,972)
Net cash used in financing activities		**(106,318)**	(47,751)
Net (decrease)/increase in cash and cash equivalents		**(6,691)**	23,858
Cash and cash equivalents at 1 January		**171,939**	148,128
Effect of exchange rate fluctuations on cash held		**(62)**	(47)
Cash and cash equivalents at 31 December	*19*	**165,186**	171,939

The notes on pages 53 to 90 form an integral part of the consolidated financial statements.

VolkerWessels UK Limited
Company Cash Flow Statement
for the year ended 31 December 2025

	Note	**2025 £000**	2024 £000
Profit for the year		**45,218**	18,316
Adjustments for:			
Financial income		**(7,080)**	(6,600)
Financial expense		**9,384**	8,527
Dividend received		**(50,800)**	(32,400)
Income tax		**(2,052)**	(2,411)
Operating cash flows before movements in working capital		**(5,330)**	(14,568)
Decrease in trade and other receivables		**11,218**	11,260
Increase/(decrease) in trade and other payables		**4,268**	(896)
Cash from/(used in) operating activities		**10,156**	(4,204)
Interest paid		**(9,384)**	(8,527)
Income tax paid		**1,416**	(216)
Net cash from/(used in) operating activities		**2,188**	(12,947)
Cash flows from investing activities			
Interest received		**7,080**	6,600
Dividends received		**50,800**	32,400
Net cash from investing activities		**57,880**	39,000
Cash flows from financing activities			
Dividends paid to Company's shareholders	*25*	**(85,600)**	(29,000)
Cash pool funding		**8,192**	23,559
Net cash used in financing activities		**(77,408)**	(5,441)
Net (decrease)/increase in cash and cash equivalents		**(17,340)**	20,612
Cash and cash equivalents at 1 January		**143,005**	122,393
Cash and cash equivalents at 31 December	*19*	**125,665**	143,005

The notes on pages 53 to 90f form an integral part of the consolidated financial statements.

1 General information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The principal activities of the Company are included on page 3. The address of the Company's registered office is shown on page 1.

2 Accounting policies

2.1 Basis of preparation

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

Both the parent company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with United Kingdom adopted international accounting standards. On publishing the parent financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement, statement of comprehensive income and related notes that form part of these approved financial statements.

These financial statements are presented in Pound Sterling (£), which is the currency of the primary economic environment in which the entity operates and are rounded to the nearest thousand pounds (£000) unless otherwise stated.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

2.2 Measurement convention

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 13. In addition, note 26 to the financial statements includes the Group objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through a centrally maintained group facility provided by the Company.

The VWUK Group has produced cash flow forecasts to assess the liquidity requirements throughout the going concern period and enable management to formulate appropriate and timely mitigation strategies. These demonstrate the VWUK Group has sufficient cash reserves and facilities to enable the Company and Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

The Directors therefore have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Directors of the VWUK Group will closely monitor cash conversion over the future period and have ensured that there are a number of mitigating actions that can be taken, including a potential delay in capex spend and the raising of additional finance.

2.4 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities and is exposed or has right to variable returns from its involvement with the subsidiary. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

2.5 Jointly Controlled Operations

The Group has entered into a number of Jointly Controlled Operations (JCOs) with different partners for the purposes of undertaking specific contracts. Interests in JCOs are accounted for by recognising the Group's share of income and expenses and assets and liabilities measured according to the terms of the arrangements.

2 Accounting policies (continued)

2.6 Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency (Pounds Sterling) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2.7 Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of PPE have different useful lives, they are accounted for as separate items of PPE. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of PPE. Land is not depreciated. The estimated useful lives are as follows:

Buildings:	3 to 25 years
Plant, machinery and motor vehicles:	2 to 25 years
Furniture, fittings, tools and equipment:	2 to 8 years
Leasehold buildings	Length of the lease

Depreciation methods, useful lives and residual values are reviewed at each year-end.

2.8 Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2.9 Intangible assets and goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Other intangible assets excluding goodwill that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. Other intangible assets held in the course of construction are not amortised until the assets are available for use and are tested annually for impairment and carried at cost less accumulated impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software:	3 to 10 years
Other intangibles:	2 to 10 years

2 Accounting policies (continued)

2.10 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture, photocopiers and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used), and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

2.11 Employee benefits

Defined contribution plans

The Group operates defined contribution pension schemes. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pensions plans are recognised as an expense in the income statement as incurred. The assets of the schemes are held separately from those of the Group in independently administered funds.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the year-end on AA credit rated bonds denominated in the currency of, and having maturity dates approximate to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

2.12 Contract assets and contract liabilities

Contract assets represent the Group’s right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

Contract liabilities are the Group's obligations to transfer goods or services to a customer for which the entity has received consideration from the customer.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Cost is determined using the weighted average cost method.

2 Accounting policies (continued)

2.14 Impairment excluding financial assets, inventories and deferred tax assets

The carrying amounts of the Group's assets are reviewed at each year-end to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of any asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.15 Financial instruments

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

a. They include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

b. Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.16 Derivative financial instruments

Derivative financial instruments comprise instruments used to manage exposures to fluctuations in foreign currencies. The Company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised in the statement of financial position at fair value on the date the transaction is entered into and are subsequently re-measured at their fair values.

Changes in the fair value of the derivatives are recognised in the income statement.

2 Accounting policies (continued)

2.17 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, financial instruments at amortised cost, cash and cash equivalents, loans and borrowings, and trade and other payables.

Investments in subsidiaries are carried at cost in the parent company financial statements.

Financial instruments at amortised cost are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on actual incurred historical data. Impairment is recognised in an allowance account which is deducted from the gross total.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.18 Impairment of financial instruments

The Group assesses lifetime expected credit loss (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast economic conditions including the time value of money where appropriate.

For all other financial instruments, the Group recognises ECL when there has been a significant increase in risk since initial recognition. When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis. The assessment is based on the Group’s historical experience and includes forward-looking information. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the 12–month ECL as defined below.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12–month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

2.19 Provisions

A provision is recognised on the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Provisions are made based on the Directors' best estimate of the position of known legal claims, investigations and actions at the year end. The Group takes legal and other third-party advice as to the likely outcomes of such actions, and no liability or asset is recognised where the Directors consider, based on that advice, that an action is unlikely to succeed, or where the Group cannot make a sufficiently reliable estimate of the potential obligation or benefit.

2.20 Financing income and expenses

Financing expenses comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprises interest receivable on funds invested, dividend income and net foreign exchange gains.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2 Accounting policies (continued)

2.21 Income Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the year-end, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year-end.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.22 Contingent liabilities

In the normal course of business, the Group is involved in disputes, arbitrations and legal procedures. This can relate to contracts with customers on topics such as claims, design changes, variation orders, project delays and other variations, throughout the various stages of such contracts. But also, in relation to discussions with governmental bodies or taxing authorities. In accordance with the current accounting standards, the Group recognises a provision with respect to these disputes and/or proceedings if the Group has a current obligation for which an outflow of economic resources is probable and of which the amount can be estimated reliably.

The Group also has various disputes and/or legal proceedings with customers or any other third party, for which the Group expects based on a legal analysis that; it has no obligation; or it is not probable that an obligation will result in an outflow of economic resources. For these legal proceedings, the Group does not recognise a provision.

The outcome of such disputes and/or legal proceedings and discussions is in nature uncertain and the actual outcome, when subsequently resolved in the future, may differ from the current expectations of the Group. This may have a material impact on the Group's financial position, operational result or cash flows. The Group may also enter into discussions regarding settlement of these and other proceedings in the future and may enter into settlement agreements, if it believes settlement is in the best interests of the Group.

2.23 Cash and cash equivalents

Cash and cash equivalents comprise cash balances as well as other deposits and other short term highly liquid investments wit h a maturity of less than three months when deposited.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 19. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

Other short term highly liquid investments comprise of receivables held in accordance with the cash pooling arrangement with VolkerWessels UK (see critical judgements disclosure in note 3).

2 Accounting policies (continued)

2.24 Revenue

Revenue recognition is determined according to the requirements of IFRS 15 'Revenue from contracts with customers'. IFRS 15 prescribes a five-step model to distinguish each distinct performance obligation within a contract with a customer and to recognise revenue on the level of those performance obligations, reflecting the consideration that the Group expects to be entitled to, in exchange for those goods or services.

For each performance obligation identified in the contract, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

Performance obligations satisfied over time

The Group's construction and service contracts are satisfied over time where the following criteria are met;

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs it; or
- The Group's performance creates or enhances an asset that the customer controls; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group's construction contracts are typically satisfied over time as the Group's performance creates or enhances an asset that the customer controls. The Group's service contracts are satisfied over time where the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs it.

The Group recognises revenue over time by measuring the progress towards full satisfaction of that performance obligation. The objective when measuring progress is to depict the Group's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of the Group's performance obligation).

For service contracts and construction projects with a fixed cost base, progress is measured using an input method, i.e. cost incurred divided by total expected costs. Costs incurred which do not result in a transfer of control to the customer are excluded. Examples of costs where control is not transferred are uninstalled materials, costs of inefficiencies and set-up costs.

For contracts that are based on unit-rates or milestones, progress is measured based on the number of units produced or achievement of milestones, i.e. an output method.

Performance obligations satisfied at a point in time

If the criteria for satisfying a performance obligation over time is not met, revenue is recognised at the point in time when control of the good or service transfers to the customer. Indicators that control has transferred include the Group having contractual rights to payment, legal title has transferred to the customer, the customer has possession of the asset, the customer has accepted the asset or the customer has the significant risks and rewards of ownership.

Variable consideration i.e. variations, claims and incentive payments are recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once any uncertainty associated with the variable consideration is subsequently resolved. The Group considers both the likelihood and the magnitude of the potential revenue reversal.

Further details on revenue recognition are included in note 3 and note 4.

The Group recognises an asset from the costs to fulfil a contract where, the costs relate to a contract or anticipated contract that the entity can specifically identify and the costs generate or enhance resources that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. Assets recognised will be amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Construction contracts

The Group's construction contracts span the civil engineering and construction sectors and include rail, highways, airport, marine, energy, water and environmental infrastructure, commercial building and industrial building. The contract term depends on the nature and complexity of the project and the Group's role on the project.

Under the terms of these construction contracts, the Group does not create an asset with an alternative use to the entity and has an enforceable right to payment for work done. Revenue is therefore recognised over time using an input method to calculate percentage completion relative to the estimated total contract costs or in the case of some cost-plus contracts revenue is calculated based on cost plus an agreed margin. Costs which do not result in a transfer of value to the customer do not contribute to the percentage completion. The directors consider that this input method is an appropriate measure of progress towards complete satisfaction of the performance obligations under IFRS 15 as it faithfully depicts the transfer of control to the customer.

The transaction price for the main contract is agreed with the customer before any work is undertaken. Where the contract contains multiple performance obligations then the transaction price is allocated based on the standalone selling price of each performance obligation. The standalone selling price is the observable price of a good or service when the Group sells that good or service separately in similar circumstances and to similar customer. The standalone selling price is estimated as cost plus an appropriate margin where there is no observable price.

2 Accounting policies (continued)

For variations and claims where the transaction price is not explicitly included in the contract or agreed with the customer in writing, the directors will consider the facts including anticipated cost and margin, contract volumes and industry rates as well as the directors prior experience to estimate the transaction price.

The Group becomes entitled to invoice the customer based on certification of goods and services completed. Depending on the contractual terms the customer may be entitled to hold back a percentage of the invoiced amount as a retention for defects or rework. Retentions are included in trade and other receivables as the Group has a contractual right to payment which is contingent on the passage of time. Payment terms are rarely greater than 45 days. Goods and services transferred to the customer which have not been certified are recognised as contract assets. Contract assets are transferred to trade receivables as and when they are certified. If payment from the customer exceeds the revenue recognised using the input method, the Group will recognise a contract liability for the difference.

Service and maintenance

Service contract revenues primarily relate to Highways Term Maintenance contracts and National Rail Maintenance contracts. Revenue recognition is based on a head agreement which contains a schedule of rates agreed with the customer for each service contract completed or period of maintenance. The head agreement may include compensation for stand-by time and minimum work requirements. The services are predominantly of short duration (less than one day) and revenue is recognised using an output method as the individual works orders are completed or on a monthly basis depending on the contract. Compensation for stand-by time is allocated evenly across the period to which it relates. The directors consider that this output method is an appropriate measure of revenue under IFRS 15 as it faithfully depicts the transfer of control to the customer.

The Group is entitled to invoice the customer as the works orders are completed or on a monthly basis depending on the nature of the works. Where services are completed or partially completed but have not been invoiced the Group recognises a contract asset equal to the expected revenue receivable under the contract.

Plant hire revenues

Plant hire revenues primarily relate to the short-term hire of specialist plant and equipment. Revenue is based on schedules of rates for each item of plant. The contracts are predominantly of short duration and revenue is recognised using an output method as the hire period is completed or on a monthly basis depending on the contract.

The Group is entitled to invoice the customer when the hire period is completed or on a monthly basis depending on the nature of the equipment and hire term. Where the hire is completed or partially completed but the customer has not been invoiced the Group recognises a contract asset equal to the expected revenue receivable under the contract.

2.25 New and amended IFRS Accounting Standards

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. New amendments to Standards and Interpretations that have been adopted in the annual financial statements for the financial year ended 31 December 2025 are listed below:

- Lack of Exchangeability (Amendments to IAS 21) (effective 1 January 2025)

The new amendments had no significant impact on the Group's results.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early as listed below:

- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) (effective 1 January 2026)
- Power purchase arrangements (Amendments to IFRS 9 and IFRS 7) (effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective 1 January 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

The Group does not expect the above standards issued by the IASB, but not yet effective, to have a material impact on the Group's results.

3 Accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. The nature of estimation and judgement means that actual outcomes could differ from expectation and may result in a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, the Directors have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Categorisation of contracts

The five-step model included in IFRS 15 requires a number of judgements to be made which may have an impact on the timing of revenue recognition. Key judgements include whether a contract with a customer contains multiple performance obligations, how the transaction price is allocated to the performance obligations, whether revenue should be recognised at a point in time or over time and on an input or output basis.

The Group has determined the revenue recognition policy to use for each contract by applying the definitions and guidance of IFRS 15 including the core principle that "an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services".

Intercompany cash pooling receivables classified as cash equivalents

The VolkerWessels UK Group has a cash pooling arrangement with BNP Paribas and HSBC. As part of this, VolkerWessels UK (VWUK) holds the master account while its subsidiaries hold separate secondary accounts that are balanced off to zero against the master account daily. The sweeping of secondary accounts created intercompany balances that were previously offset against the external master account. The master account is used to make payments by VolkerWessels UK as part of its working capital requirements and is managed by the central treasury function for the VolkerWessels UK Group.

The amounts deposited by and owing to subsidiaries have been classified to trade and other payables on the company statement of financial position. The overdrawn cash used by and due from subsidiaries have been classified as trade and other receivables on the company statement of financial position. Movements in these amounts have been classified as cash pool funding movements as a financing activity in the company cash flows statement if they relate to intercompany payables and investing activity if they relate to intercompany receivables.

The remaining cash within the cash pool is considered to meet the definition of cash and cash equivalents per IAS 7 as it is an actual cash balance and has been disclosed as such in the statement of financial position. These amounts are therefore included as a component of cash and cash equivalents in the cash flow statement.

Key Sources of Estimation Uncertainty

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

Notwithstanding this, as a significant portion of the Group's activities are undertaken through long term construction contracts the Group is obliged to make estimates in accounting for revenue and margin. These amounts may depend on the outcome of future events and may need to be revised as circumstances change. The relevant areas are detailed below:

Revenue and margin recognition

The Group’s revenue and margin recognition accounting policies, which are set out in Notes 2.24, are central to how the Group values the work it has carried out in each financial year. These policies require forecasts to be made of the outcomes of long-term contracts, which require estimates to be made of both cost and income recognition on each contract. Estimates are reviewed regularly throughout the contract life based on latest available information and adjustments are made where necessary. The Group continues to regularly assess these estimates.

As at 31 December 2025, the Group’s contract assets, contract liabilities and contract provisions amounted to £100.4m, £60.0m and £11.3m respectively as set out in Notes 4 and 22. The Group has considered the nature of the estimates involved in deriving these balances and concluded that it is possible, on the basis of existing knowledge, that outcomes within the next financial year may be different from the Group’s assumptions applied as at 31 December 2025 and could require a material adjustment to the carrying amounts of these assets and liabilities in the next financial year. However, due to the level of uncertainty, combination of cost and income variables and timing across a large portfolio of contracts at different stages of their contract life, it is impracticable to provide a quantitative analysis of the aggregated estimates that are applied at a portfolio level.

4 Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services in the following major activities.

	2025	2024
	£000	£000
Construction contract revenues	**1,293,801**	1,318,591
Service contract revenues	**161,967**	139,300
Plant hire revenues	**30,797**	33,508
Total revenues	**1,486,565**	1,491,399

The Group derives revenue from the transfer of goods and services in the following market sectors:

	2025	2024
	£000	£000
Rail infrastructure	**570,164**	547,153
Highways and airport infrastructure	**443,130**	465,107
Construction for commercial, industrial and education sectors	**153,437**	138,644
Marine, water, environment and energy	**319,834**	340,495
Total revenues	**1,486,565**	1,491,399

All revenue is from contracts with customers. Substantially all revenue relates to sales made in the United Kingdom and is measured over time.

Nature, timing of satisfaction of performance obligations and significant payment terms

Construction contract revenues

The Group provides specialist building, civil engineering and rail expertise to a wide range of industries including commercial, industrial, education, rail infrastructure and depots, airports, waste and energy. It also includes specialist capabilities across the built environment: bridges, highways, marine, car parks, railways and tunnels and special projects i.e. waterproofing, strengthening, civils, concrete repair, expansion joint and bridge bearing replacements.

Revenue is recognised over time using an input method to calculate percentage completion relative to the estimated total contract costs or in the case of some cost-plus contracts revenue is calculated based on cost plus an agreed margin.

Contract lengths vary according to the nature, size and complexity of the contract and can range from a few months for small scale construction works to five years or more for large scale complex construction works.

Invoices or Applications are typically raised monthly, based on valuations of the work completed and have normal commercial payments.

Service contract revenues

Service contract revenues primarily relate to Highways Term Maintenance contracts and National Rail Maintenance contracts.

The Group provides highway maintenance services for local authorities, street lighting, surfacing, traffic management, SmartCity technology including fibre to the home network installation, as well as small civil engineering projects for both the public and private sectors. These services are generally delivered under framework contracts of between two and ten years, however, individual performance obligations under the framework are normally determined on an annual, monthly or ad hoc basis. Revenue is recognised over time as the maintenance services are rendered to the customer.

The Group's service contract segment also includes rail maintenance contracts, providing its services to Network Rail, other rail companies and construction companies. The services are predominantly of short duration and revenue is recognised using an output method as the individual works orders are completed or on a monthly basis depending on the contract.

Service contract revenues include works under all market sectors. Contract lengths vary significantly and may be as little as one day, but longer term contracts may be in place for up to seven years or more.

Invoices are either invoiced monthly or shortly after completion of individual performance obligations. Normal commercial payment terms apply.

Where multiple services are supplied under a single contract they are treated as separate performance obligations (tasks) and revenue is recognised separately as each performance obligation is satisfied or task completed. Services are normally applied for in the following month after completion and then certified by the client within agreed timeframes. Certified items are then invoiced and paid by contract credit terms.

4 Revenue (continued)

Where services are completed or partially completed but have not been invoiced the Group recognises a contract asset equal to the expected revenue receivable under the contract.

Plant hire

The Company's plant hire segment includes the hire of specialist plant and equipment to customers and is available for use by the customer from the point of collection or delivery until its return or notification that it is available for collection.

The services are predominantly of short duration but on occasions it can be extended to over a year and revenue is recognised using an agreed weekly hire rate or on a monthly basis depending on the contract.

Contract lengths can range between a few weeks to over a year. Invoices are either invoiced monthly or shortly after completion of individual performance obligations. Normal commercial payment terms apply. Where the hire is completed or partially completed but the customer has not been invoiced the Group recognises a contract asset equal to the expected revenue receivable under the contract.

Contract balances

The Group has recognised the following revenue related contract assets and liabilities:

	2025	2024
	£000	£000
Contract assets	**100,395**	123,688
Contract liabilities	**59,989**	61,422

The contract assets primarily relate to the Company's right to consideration for construction work completed but not invoiced at the balance sheet date. The contract assets are transferred to trade receivables when the amounts are certified by the customer. All contract assets held at 31 December 2025 are expected to be invoiced and transferred to trade receivables within the next 12 months.

The contract liabilities primarily relate to the advance consideration received from customers in respect of performance obligations which have not yet been fully satisfied and for which revenue has not been recognised. All contract liabilities held at 31 December 2025 are expected to satisfy performance obligations in the next 12 months.

Significant changes in the contract assets and contract liabilities during the period are as follows:

	Contract assets	
	2025	2024
	£000	£000
As at 1 January	**123,688**	82,971
Transfers from contract assets recognised at the beginning of the year to receivables	**(111,813)**	(74,338)
Increase related to services provided in the year	**88,520**	115,055
As at 31 December	**100,395**	123,688

	Contract liabilities	
	2025	2024
	£000	£000
As at 1 January	**61,422**	59,598
Revenue recognised against contract liabilities at the beginning of the year	**(60,942)**	(59,022)
Increase due to cash received, excluding amounts recognised as revenue during the year	**59,509**	60,846
As at 31 December	**59,989**	61,422

The amount of revenue recognised in 2025 from performance obligations satisfied in previous periods is £3,927k (2021: £7,851k)

4 Revenue (continued)

Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to performance obligations within contracts with customers that are partially or fully unsatisfied as at 31 December 2025 is £1,435,182k.

Management expects that 59% of the transaction price allocated to the unsatisfied contracts as of 31 December 2025 will be recognised as revenue during the 2026 financial year (£851,320k), 18% during the 2027 financial year (£258,908k) and 23% thereafter (£324,954k).

Assets recognised from costs to fulfil a contract

In addition to the contract assets and contract liabilities, the Group may also capitalise bid/tender costs and site set up costs where Management expects the costs to be recoverable. There were no such balances at year end.

5 Other operating income

	2025	2024
	£000	£000
Profit on disposal of property, plant and equipment	**175**	21

6 Profit before tax

Profit before tax is stated after charging/(crediting):

	2025	2024
	£000	£000
Depreciation of plant, property and equipment		
- owned assets	**4,846**	5,561
- Right-of-use assets	**18,903**	17,078
Amortisation of intangible assets included in administrative expenses	**3,269**	3,324
Lease charges on short-term leases	**1,034**	993
Lease charges on low value leases	**241**	35
Auditor's remuneration		
- audit of these financial statements	**211**	207
- audit of financial statements of subsidiaries	**1,669**	1,621
Foreign currency losses	**64**	51

7 Staff numbers and costs

The monthly average number of people employed by the Group (including directors) during the year, analysed by category was as follows:

	2025	2024
	No	No
Management & administrative	**964**	949
Operational	**3,040**	3,018
	4,004	3,967

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£000	£000
Wages and salaries	**270,428**	262,041
Social security costs	**33,265**	28,873
Contributions to defined contribution plans	**28,792**	26,878
Contributions to defined benefit plans	**664**	565
	333,149	318,357

The Company did not have any employees during the year (2024: None).

8 Directors' remuneration

	2025	2024
	£000	£000
Directors' emoluments	**5,266**	5,100
Company contributions to money purchase pension plans	**62**	84
	5,328	5,184

The emoluments of the highest paid Director were £1,440k (2024: £1,179k) and company pension contributions of £10k (2024: £10k) were made to a money purchase scheme on their behalf.

Retirement benefits are accruing to the following number of directors under:

	2025	2024
	No	No
Money purchase schemes	**6**	6

9 Financial income

	2025 £000	2024 £000
Interest income on short-term bank deposits	**6,758**	5,742
Net interest on the net defined benefit assets	**76**	1
Total financial income	**6,834**	5,743

10 Financial expense

	2025 £000	2024 £000
Interest on lease liabilities	**2,241**	1,771
Other interest	**158**	-
Net foreign exchange loss	**64**	51
Total financial expense	**2,463**	1,822

11 Income Tax

a) Analysis of the tax recognised in the income statement

	2025 £000	2024 £000
Current tax expense		
UK corporation tax:		
Current year	**16,101**	10,778
Adjustments for prior periods	**1,845**	1,075
Foreign tax:		
Current year	**230**	211
Current tax expense	**18,176**	12,064
Deferred tax (income)/expense (see note 16)		
Origination and reversal of temporary differences	**249**	561
Adjustments for prior periods	**(1,198)**	(179)
Deferred tax (income)/expense	**(949)**	382
Total tax expense	**17,227**	12,446

11 Income Tax (continued)

b) Reconciliation of effective tax rate

The total tax charge for the year is lower (2024: higher) than the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained below:

	2025	2024
	£000	£000
Profit for the year	**53,283**	35,619
Total tax expense	**17,227**	12,446
Profit before taxation	**70,510**	48,065
Tax using the UK corporation tax rate of 25.0% (2024: 25.0%)	**17,626**	12,016
Effects of:		
Expenses not deductible for tax purposes	**12,661**	8,208
Non taxable income	**(12,700)**	(8,405)
Depreciation on ineligibles	**120**	144
Effect of research and development tax credit	**(1,328)**	(648)
Overseas tax	**230**	211
Adjustments for prior years	**647**	896
Other	**(29)**	24
Total tax expense	**17,227**	12,446

c) Tax recognised directly in other comprehensive income

	2025	2024
	£000	£000
Deferred tax expense recognised directly in other comprehensive income	**195**	164

d) Factors that may affect future current and total tax charges

The prevailing rate of UK corporation tax for the year was 25.0%. This rate has also been used in the calculation of UK deferred tax assets and liabilities, as the rate of corporation tax that is expected to apply when those deferred tax balances reverse.

To calculate the current tax on profits, the rate of tax used is 25.0% (2024: 25.0%).

12 Property, plant and equipment

Group	Land and buildings £000	Plant, machinery and vehicles £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At 1 January 2024	19,571	75,948	1,777	**97,296**
Additions	85	3,957	-	**4,042**
Disposals	-	(3,671)	-	**(3,671)**
At 31 December 2024	19,656	76,234	1,777	**97,667**
At 1 January 2025	19,656	76,234	1,777	**97,667**
Additions	21	4,513	-	**4,534**
Disposals	(196)	(7,259)	(355)	**(7,810)**
At 31 December 2025	**19,481**	**73,488**	**1,422**	**94,391**
Depreciation and impairment				
At 1 January 2024	8,863	40,299	1,652	**50,814**
Charge for the year	887	4,633	41	**5,561**
Disposals	-	(2,475)	-	**(2,475)**
At 31 December 2024	9,750	42,457	1,693	**53,900**
At 1 January 2025	9,750	42,457	1,693	**53,900**
Charge for the year	702	4,138	6	**4,846**
Transfer from right-of-use assets (see note 13)	-	521	-	**521**
Disposals	(189)	(3,763)	(355)	**(4,307)**
At 31 December 2025	**10,263**	**43,353**	**1,344**	**54,960**
Net book value				
At 31 December 2025	**9,218**	**30,135**	**78**	**39,431**
At 31 December 2024	9,906	33,777	84	43,767

Company

The Company does not hold any property, plant and equipment.

13 Right-of-use assets

Group	Land and buildings £000	Plant, machinery and vehicles £000	Total £000
Cost			
At 1 January 2024	21,586	41,374	**62,960**
Additions	2,548	26,971	**29,519**
Disposals	(2,094)	(7,691)	**(9,785)**
Reclassification	456	-	**456**
At 31 December 2024	22,496	60,654	**83,150**
At 1 January 2025	22,496	60,654	**83,150**
Transfer to property, plant and equipment (see note 12)	339	-	**339**
Additions	2,053	22,279	**24,332**
Disposals	(4,733)	(10,138)	**(14,871)**
Reclassification	33	(56)	**(23)**
At 31 December 2025	**20,188**	**72,739**	**92,927**
Depreciation and impairment			
At 1 January 2024	9,933	18,924	**28,857**
Charge for the year	3,200	13,878	**17,078**
Disposals	(1,987)	(7,661)	**(9,648)**
At 31 December 2024	11,146	25,141	**36,287**
At 1 January 2025	11,146	25,141	**36,287**
Charge for the year	2,596	16,307	**18,903**
Disposals	(3,098)	(9,445)	**(12,543)**
At 31 December 2025	**10,644**	**32,003**	**42,647**
Net book value			
At 31 December 2025	**9,544**	**40,736**	**50,280**
At 31 December 2024	11,350	35,513	46,863

Company

The Company does not hold any right-of-use assets.

14 Intangible assets

Group	Goodwill and other intangibles £000	Software £000	Total £000
Cost			
At 1 January 2024	41,134	22,945	**64,079**
Disposals	-	(3,635)	**(3,635)**
At 31 December 2024	41,134	19,310	**60,444**
At 1 January 2025	41,134	19,310	**60,444**
At 31 December 2025	**41,134**	**19,310**	**60,444**
Amortisation and impairment			
At 1 January 2024	6,794	14,645	**21,439**
Amortisation for the year	192	3,132	**3,324**
Disposals	-	(3,635)	**(3,635)**
At 31 December 2024	6,986	14,142	**21,128**
At 1 January 2025	6,986	14,142	**21,128**
Amortisation for the year	192	3,077	**3,269**
At 31 December 2025	**7,178**	**17,219**	**24,397**
Net book value			
At 31 December 2025	**33,956**	**2,091**	**36,047**
At 31 December 2024	34,148	5,168	39,316

14 Intangible assets (continued)

Goodwill is allocated to the Group's cash generating units (CGUs) which have been identified on a sub-group basis. A summary of the carrying value presented by CGU as at 31 December 2025 and 31 December 2024 is shown below:

	2025	2024
	£000	£000
VolkerFitzpatrick	11,918	11,918
VolkerRail	5,553	5,553
VolkerLaser	5,659	5,659
VolkerHighways	5,498	5,498
P J Davidson (UK) Limited	4,751	4,751
	33,379	33,379

Impairment testing

The recoverable amount for each cash generating unit has been consistently calculated with reference to its value-in-use. The key assumptions of this calculation are shown below:

	2025	2024
Period on which management approved forecasts are based	3 years	5 years
Growth rate applied beyond approved forecast period	2.0%	1.7%
Pre-tax discount rate	12.2%	12.5%

The value in use calculations use cash flows based on detailed financial budgets prepared by management covering a 3 year period. These budgets have regard to historical performance and knowledge of the current market, together with management's views on the future achievable growth and the impact of forward secured and probable order book given trends in the relevant market sector as well as macroeconomic factors. Cash flows beyond this 3 year period are extrapolated using a long-term growth rate.

The key assumptions in the value in use calculations are the long-term growth rate and risk adjusted pre-tax discount rate. The long-term growth rate has been determined with reference to forecast industry growth. Management believes this is the most appropriate indicator of long-term growth rates. The pre-tax discount rate is based on the Group's weighted average cost of capital, taking into account the cost of capital and borrowings, to which specific market-related premium adjustments are made.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Impairment losses

No impairment loss arose in 2025 or 2024 as a result of the impairment test performed.

15 Investments

Company	Shares in Group undertakings £000
Cost	
At 1 January 2024	117,325
At 31 December 2024	117,325
At 1 January 2025	117,325
At 31 December 2025	**117,325**
Provisions	
At 1 January 2024	8,619
At 31 December 2024	8,619
At 1 January 2025	**8,619**
At 31 December 2025	**8,619**
Net book value	
At 31 December 2025	**108,706**
At 31 December 2024	108,706

The shares in Group undertakings are all stated at cost less provisions for impairment.

15 Investments (continued)

The Group and Company have the following investments in subsidiaries and jointly controlled operations:

Subsidiary undertakings	Principal activities	Class of shares held	Ownership % 2025	2024
VolkerWessels Limited *	Holding company	Ordinary	**100%**	100%
VolkerFitzpatrick Limited	Construction	Ordinary	**100%**	100%
VolkerLaser Limited	Construction	Ordinary	**100%**	100%
VolkerHighways Limited	Maintenance	Ordinary	**100%**	100%
VolkerServices Limited	Services	Ordinary	**100%**	100%
VolkerFitzpatrick Overseas Limited	Construction	Ordinary	**100%**	100%
P J Davidson (UK) Limited	Construction	Ordinary	**100%**	100%
Woollensbrook Homes Limited	Property development	Ordinary	**100%**	100%
VolkerStevin Holding Limited *	Holding company	Ordinary	**100%**	100%
VolkerStevin Infrastructure Limited	Construction	Ordinary	**100%**	100%
VolkerStevin Limited	Construction	Ordinary	**100%**	100%
VolkerBrooks Limited	Construction	Ordinary	**100%**	100%
VolkerStevin Specialist Businesses Limited	Construction	Ordinary	**100%**	100%
VolkerInfra Limited	Construction	Ordinary	**100%**	100%
VBA Joint Venture Limited	Construction	Ordinary	**70%**	70%
VolkerStevin Services Limited	Construction	Ordinary	**100%**	100%
MorgenWonen Limited *	Dormant	Ordinary	**100%**	100%
VolkerRail Group Limited *	Holding company	Ordinary	**100%**	100%
VolkerRail Limited	Construction	Ordinary	**100%**	100%
VolkerRail Specialist Businesses Limited	Construction	Ordinary	**100%**	100%
VolkerRail Signalling Limited	Dormant	Ordinary	**100%**	100%
VolkerRail Welding Limited	Dormant	Ordinary	**100%**	100%
VolkerRail Plant Limited	Dormant	Ordinary	**100%**	100%
VolkerRail Power Limited	Dormant	Ordinary	**100%**	100%
VolkerMatrix Limited	Dormant	Ordinary	**100%**	100%
VolkerLaser Holdings (UK) Limited *	Non-trading	Ordinary	**100%**	100%
VolkerLaser Civil Engineering Limited	Dormant	Ordinary	**100%**	100%
VolkerLaser Build Limited	Dormant	Ordinary	**100%**	100%
Woollensbrook Group Limited *	Holding company	Ordinary	**100%**	100%
Woollensbrook Developments Limited	Land solutions	Ordinary	**100%**	100%
Woollensbrook Investments Limited	Holding company	Ordinary	**100%**	100%
Woollensbrook Swaffham Bulbeck Limited	Property development	Ordinary	**100%**	100%

* directly held by the Company

All subsidiary undertakings are incorporated in England and Wales.

The registered office address for the subsidiary undertakings is Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX.

The following companies are exempt from publishing audited accounts under Section 479A of the Companies Act 2006:

Company	Company Registration
MorgenWonen Limited	01301330
VolkerRail Signalling Limited	04417843
VolkerRail Welding Limited	04417852
VolkerRail Plant Limited	05113722
VolkerRail Power Limited	03439458
VolkerMatrix Limited	03298375
VolkerLaser Civil Engineering Limited	04000850
VolkerLaser Build Limited	03991129

15 Investments (continued)

Jointly controlled operations

The Group has entered into Jointly Controlled Operations ("JCOs") with different partners for the purpose of undertaking specific contracts. The Group has recognised the assets that it controls and the liabilities that it incurs; the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the JCOs. All JCO statements of financial position are taken as at 31 December for each year end.

	Principal activities	JCO partner(s)	Addresses	Ownership % 2025	Ownership % 2024
BMV	Construction	BAM Nuttall Limited and Morgan Sindall Construction & Infrastructure Limited	1, 2 & 3	**25%**	25%
VFK (Luton)	Construction	Kier Infrastructure & Overseas Limited	1 & 4	**50%**	50%
ALIGN	Construction	Bouygues Travaux Publics SAS & Sir Robert McAlpine Limited	1, 5 & 6	**20%**	20%
TfL, BRE	Construction	Morgan Sindall Construction & Infrastructure Limited	1 & 3	**50%**	50%
VFK (Lakenheath)	Construction	Kier Construction Limited	1 & 4	**40%**	40%
VFBB	Construction	Balfour Beatty Civil Engineering Limited	1 & 7	**50%**	-
CVU	Highway Maintenance	Colas Limited; AECOM Infrastructure & Environment UK Limited	1, 8 & 9	**40%**	40%
VSD Avenue	Construction	Deme Environmental Contracts nv & Sita Remediation bv	10, 11 & 12	**33.3%**	33.3%
VSBW JV	Construction	Boskalis Westminster Limited	10	**66%**	66%
C2V+	Construction	CH2MUK Ltd	1 & 10	**50%**	50%
C2V (AMP8)	Construction	Jacobs UK Ltd	1 & 13	**50%**	50%
Stafford Area Improvement Plan (SAIP)	Track Renewals, Re-signalling and Civil Works	Laing O'Rourke Construction Limited & Atkins Limited	14, 15 & 16	**33.3%**	33.3%
MPACT	Track Renewals, Maintenance and Civils Works	Laing O'Rourke Infrastructure Limited	14 & 15	**40%**	40%
East West Rail Phase 2 Alliance	Track Renewals, Re-signalling, Overhead Line and Civil Works	Laing O'Rourke Construction Limited & Atkins Limited	14, 15 & 16	**33.3%**	33.3%
VolkerRail Story Joint Venture	Track Renewals, Re-signalling and Civil Works	Story Contracting Limited	14 & 17	**70%**	70%

Address
1. Hertford Road, Hoddesdon, Hertfordshire EN11 9BX
2. St James House, Knoll Road, Camberley, Surrey, GU153XW
3. Kent House, Market Place, London WIW 8AJ
4. Optimum House, Clippers Quay, Salford, M50 3XP
5. 1 Avenue Eugene Freyssinet, 78280 Guyancourt, France - Registered UK Branch, Becket House, 1 Lambeth Palace Road, London SE1 7EU
6. Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TR
7. 5 Churchill Place, Canary Wharf, London. E14 5HU
8. Wallage Lane, Rowfant, Crawley, West Sussex, RH10 4NF
9. Aldgate Tower, 2 Leman Street, London, E1 8FA
10. The Lancashire Hub, Preston City Park, Bluebell Way, Preston PR2 5PE
11. Greenstead House, Wood Street, East Grinstead RH19 1UZ
12. Postbus 40221, 3504 AA Utrecht, The Netherlands
13. Cotton Centre, Cottons Lane, London, SE1 2QG
14. Eagre House, Unit 1A J3 Business Park, Car Hill Road, Doncaster, South Yorkshire DN4 8DE
15. Bridge Place, 1 & 2 Anchor Boulevard, Admirals Park, Crossways, Dartford, Kent, DA2 6SN
16. Woodcote Grove, Ashley Road, Epsom, KT18 5BW
17. Burgh Road Industrial Estate, Carlisle, Cumbria, CA2 7NA

With the exception of ALIGN, all jointly controlled operations' partners are incorporated in England and Wales. ALIGN JCO partner Bouygues Travaux Publics SAS is incorporated in France.

16 Deferred tax assets and liabilities

a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2025 £000	Assets 2024 £000	Liabilities 2025 £000	Liabilities 2024 £000
Property, plant and equipment	**-**	-	**(1,918)**	(2,274)
Intangible assets	**72**	24	**-**	-
Inventory	**-**	92	**-**	-
Employee benefits	**22**	142	**-**	-
Provisions	**983**	420	**-**	-
Tax assets/(liabilities)	**1,077**	678	**(1,918)**	(2,274)

There are no deferred tax assets or liabilities in the Company, either in the current or prior year.

b) Movement in deferred tax in the year

Group	1 January 2025 £000	Charge in profit or loss £000	Charge in other comprehensive income £000	31 December 2025 £000
Property, plant and equipment	(2,274)	357	-	**(1,917)**
Intangible assets	24	48	-	**72**
Inventory	92	(92)	-	**-**
Employee benefits	142	(12)	(108)	**22**
Provisions	420	562	-	**982**
	(1,596)	863	(108)	**(841)**

c) Movement in deferred tax in the prior year

Group	1 January 2024 £000	Charge in profit or loss £000	Charge in other comprehensive income £000	31 December 2024 £000
Property, plant and equipment	(2,396)	122	-	(2,274)
Intangible assets	(19)	43	-	24
Inventory	362	(270)	-	92
Employee benefits	460	(94)	(224)	142
Provisions	533	(113)	-	420
	(1,060)	(312)	(224)	(1,596)

17 Inventories

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Raw materials and consumables	**3,531**	4,138	**-**	-
Land held for development	**20**	2,830	**-**	-
	3,551	6,968	**-**	-

Raw materials and consumables recognised as cost of sales in the year amounted to £65,471k (2024: £93,587k).

18 Trade and other receivables

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade receivables	**109,118**	102,884	**-**	-
Amounts owed by group undertakings (Note 28)	**238**	-	**49,361**	71,177
Prepayments	**9,474**	9,603	**259**	379
Accrued income	**426**	1,628	**-**	-
Other receivables	**4,034**	3,248	**-**	-
	123,290	117,363	**49,620**	71,556
Current	**119,555**	111,353	**31,720**	37,256
Non-current	**3,735**	6,010	**17,900**	34,300
	123,290	117,363	**49,620**	71,556

The directors consider the carrying amount of trade and other receivables approximate to their fair value.

Trade receivables included retentions of £34,658k (2024: £32,959k) relating to construction contracts in progress.

19 Cash and cash equivalents

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Cash and cash equivalents	**165,186**	171,939	**125,665**	143,005

The availability of an amount of £29,452k (2024: £21,968k) is subject to restrictions. This relates to bank accounts where the use of the funds is restricted.

20 Lease labilities

The Group has leases for the land and buildings, plant and machinery, IT equipment and vehicles.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 12). Leases of vehicles and IT equipment generally have a lease term of 1 to 4 years, plant and machinery have a lease term of 1 to 5 years, and leases of property generally have a lease term ranging from 1 to 16 years. Lease payments are all fixed amounts.

During the year the following amounts were recognised in relation to leases:

Amounts recognised in Income Statement

	2025 £000	2024 £000
Interest on lease liabilities (Note 10)	**2,241**	1,771
Expenses relating to short-term leases (Note 6)	**1,034**	993
Expenses relating to low value leases (Note 6)	**241**	35
Depreciation on right-of-use assets (Note 6)	**18,903**	17,078

Lease liabilities in the Balance Sheet

Maturity analysis - contractual undiscounted cash flows	2025 £000	2024 £000
Less than one year	**19,739**	16,818
One to five years	**30,957**	29,695
More than five years	**3,204**	3,230
Lease liabilities - undiscounted cash flows	**53,900**	49,743
Discount	**(4,236)**	(3,923)
	49,664	45,820
Current	**17,954**	15,785
Non-current	**31,710**	30,035
	49,664	45,820

Amounts recognised in the Statement of Cash Flows

	2025 £000	2024 £000
Payments for short-term or low value leases	**1,275**	1,028
Repayment of capital element of leases	**18,477**	16,972
Interest payments on lease liabilities	**2,241**	1,771
Total cash outflow for leases	**21,993**	19,771

21 Trade and other payables

	Group 2025	Group 2024	Company 2025	Company 2024
	£000	£000	£000	£000
Trade payables	**195,539**	192,047	**-**	-
Amounts owed to group undertakings (Note 28)	**195**	-	**238,568**	238,895
Other tax and social security costs	**45,736**	60,975	**-**	-
Non trade payables and accrued expenses	**45,095**	38,172	**1,190**	-
Other payables	**3**	-	**-**	-
	286,568	291,194	**239,758**	238,895
Current	**286,568**	291,194	**239,758**	238,895
	286,568	291,194	**239,758**	238,895

The directors consider the carrying amount of trade and other payables approximate to their fair value.

Included within Trade payables are contract accruals of £148,344k (2024: £145,559k) for the Group and £nil (2024: £nil) for the Company, which comprises of amounts due to subcontractors, goods received not yet invoiced and other contract related accruals.

22 Provisions

Group	Contract provision £000	Insurance provision £000	Total £000
Balance at 1 January 2025	16,219	1,933	18,152
Charged to the income statement	6,099	994	7,093
Utilised in the year	(11,028)	(570)	(11,598)
Balance at 31 December 2025	**11,290**	**2,357**	**13,647**
Analysis of total provisions			
Current	11,290	2,357	13,647
	11,290	**2,357**	**13,647**

Contract provision

The contract provision represents the expected net loss of fulfilling contractual obligations, based on the Group's best estimate of volume levels and of the cost to service the volumes. In estimating the expected net loss the directors made assumptions regarding the volumes of work that would be awarded by the client, the level of staff required to complete this work and the Group's ability to redeploy resources. The provision is expected to be fully utilised over the next 12 months.

Insurance provision

Insurance provision relates to amounts payable by the business in the future in respect to claims settled and the relevant claims settlement expenses. It includes provision for claims incurred but not reported (IBNR), provisions for the estimated cost of settling claims incurred up to, but not paid at, the balance sheet date whether reported or not, together with the relevant claims settlement expenses. Due to the nature of the insurance claims, the timing of the settlement is unknown at the date of these accounts.

23 Employee benefits

Defined benefit plans

The Group operates four defined benefit pension plans:

1. VolkerFitzpatrick Limited Pension Scheme
2. VolkerFitzpatrick Limited Greenwich Pension Scheme
3. Gabriel (Contractors) Limited Pension Scheme
4. Volker Stevin UK Limited Retirement Benefits Scheme

VolkerFitzpatrick Limited Pension Scheme

The VolkerFitzpatrick Limited Pension Scheme is a UK registered trust based pension scheme that provides defined benefits. Pension benefits accrued prior to 1 June 1993 are linked to the members' final pensionable salaries as at 31 May 1997 (or date of leaving if earlier) and service up to 31 May 1993 (or date of leaving if earlier).

Benefits accruing between 1 June 1993 and 5 April 1997 are on a defined contribution basis but subject to a defined benefit underpin. On 31 May 2024, the Trustee carried out an exercise to convert these underpin benefits for each member to a separate stand-alone defined benefit pension (paid from the defined benefit Section of the Scheme) plus a defined contribution pension pot (which was subsequently transferred to the Aviva Master Trust). The Trustee is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustee of the Scheme is required to act in the best interests of the beneficiaries of the Scheme.

VolkerFitzpatrick Limited Greenwich Pension Scheme, Gabriel (Contractors) Limited Pension Scheme and Volker Stevin UK Limited Retirement Benefits Scheme

These schemes are UK registered trust based pension schemes that provide defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee of each Scheme is responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustee of each Scheme is required to act in the best interests of the beneficiaries of the Scheme.

For all four plans, there are three categories of pension scheme members:

- Deferred members: former employees of the Company not yet in receipt of pension
- Pensioner members paid from the Scheme: in receipt of pension which is paid from the Scheme's assets
- Pensioner members secured with an insurance Company: in receipt of a pension which is paid by the insurance Company

For all four plans, the defined benefit obligation is valued by projecting the best estimate of future benefit payments (allowing for revaluation to retirement for deferred members and annual pension increases for all members) and then discounting to the year-end. The majority of benefits receive increases linked to inflation (subject to a cap of no more than 5% pa). The valuation method used is known as the Projected Unit Method. The approximate overall duration of the Scheme's defined benefit obligation as at 31 December 2023 was around 12 years for the VolkerFitzpatrick Limited Pension Scheme, 12 years for the VolkerFitzpatrick Limited Greenwich Pension Scheme, 10 years for the Gabriel (Contractors) Limited Pension Scheme and 11 years for the Volker Stevin UK Limited Retirement Benefits Scheme.

Through the Schemes, the Group is exposed to a number of risks:

- Asset volatility: the Scheme's defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields, however the Scheme invests in growth assets. These assets are expected to outperform corporate bonds in the long term but provide volatility and risk in the short term.
- Changes in bond yields: a decrease in corporate bond yields would increase the Scheme's defined benefit obligation. The Scheme invests in Liability Driven Investments (LDI) assets, which are designed to offset the impact of changes in market yields. Changes in bond yields are therefore not expected to be a significant source of balance sheet volatility other than significant changes in credit spreads.
- Inflation risk: a significant proportion of the Scheme's defined benefit obligation is linked to inflation, therefore higher inflation will result in a higher defined benefit obligation (subject to the appropriate caps in place), although the Scheme's LDI holdings look to hedge inflation rate changes.
- Life expectancy: if Scheme members live longer than expected, the Scheme's benefits will need to be paid for longer, increasing the Scheme's defined benefit obligation.

The Trustee and Group manage risks in the Schemes through the following strategies:

- Diversification: investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- Investment strategy: the Trustee is required to review their investment strategy on a regular basis.
- LDI: the Scheme invests in LDI assets, whose long-term returns are expected to hedge interest rate and inflation rate movements.
- Annuities: in the past the Scheme bought out some members' pensions at retirement with an insurance company. This removes investment, inflation, longevity, and expense risks after these members retired.

23 Employee benefits (continued)

Group

	2025	2024
	£000	£000
Total defined benefit asset	**37,398**	37,659
Total defined benefit liability	**(32,772)**	(33,730)
Net asset for defined benefit obligations	**4,626**	3,929
Opening restriction on the defined benefit asset	**(2,759)**	(2,234)
Movements in the restriction included in profit or loss	**(152)**	(101)
Movements in the restriction included in other comprehensive income	**406**	(424)
Total employee benefits	**2,121**	1,170

Adjustment for restrictions on the defined benefit asset

The Group's defined benefit pensions schemes are currently in a surplus position based on actuarial assumptions in line with IAS 19. However, the surplus has been restricted for the VolkerFitzpatrick Limited Pension Scheme and VolkerFitzpatrick Limited Greenwich Pension Scheme due to the Group not having an unconditional right to a refund of that surplus. This follows the current proposed IFRIC 14 interpretation.

Movement in net defined benefit asset

Group

	Defined benefit obligation		**Fair value of plan assets**		**Net defined benefit asset**	
	2025	2024	**2025**	2024	**2025**	2024
	£000	£000	**£000**	£000	**£000**	£000
Balance at 1 January	**(33,730)**	(37,323)	**37,659**	39,272	**3,929**	1,949
Included in profit or loss						
Interest (cost)/income	**(1,797)**	(2,928)	**2,016**	3,278	**219**	350
Administration cost	**(8)**	(8)	**(468)**	-	**(476)**	(8)
	(35,535)	(40,259)	**39,207**	42,550	**3,672**	2,291
Included in Other Comprehensive Income						
Remeasurements (loss)/gain:						
Actuarial (loss)/gain arising from:						
- Changes in demographic assumptions	**(274)**	248	**-**	-	**(274)**	248
- Changes in financial assumptions	**1,102**	3,378	**-**	-	**1,102**	3,378
- Experience (loss)/gain	**(286)**	597	**-**	-	**(286)**	597
Return on plan assets excluding interest income	**-**	-	**(166)**	(3,148)	**(166)**	(3,148)
	542	4,223	**(166)**	(3,148)	**376**	1,075
Other						
Contributions paid by the employer	**-**	-	**578**	563	**578**	563
Benefits paid	**2,221**	2,306	**(2,221)**	(2,306)	**-**	-
Balance at 31 December	**(32,772)**	(33,730)	**37,398**	37,659	**4,626**	3,929

23 Employee benefits (continued)

Plan assets

Group	**2025**	2024
	£000	£000
Cash and cash equivalents	**35**	635
Equities and other growth assets	**6,202**	9,609
Bonds and liability driven investments	**20,437**	18,592
Government gilts	**5,104**	2,557
Other	**2,173**	2,581
Annuities	**3,447**	3,685
Total	**37,398**	37,659

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA- or AA-rated.

Actuarial assumptions

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

Group	**2025**	2024
	%	%
Discount rate	**5.6**	5.5
RPI inflation	**2.9**	3.1
RPI inflation linked increases in deferment	**2.9**	3.1
RPI or 5% pa if less subject to a minimum of 3% pa pension increases	**3.5**	3.6
CPI inflation	**2.1**	2.7
CPI inflation linked increases in deferment	**2.1**	2.7
CPI or 5% pa if less subject to a minimum of 3% pa pension increases	**3.2**	3.4

The assumptions relating to longevity underlying the pension liabilities at the year-end are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

Group	**2025**		**2024**	
	Male	**Female**	**Male**	**Female**
	Years	**Years**	**Years**	**Years**
Current pensioner aged 65	21.2	23.5	20.9	23.3
Future retiree upon reaching 65 in 20 years	22.1	24.6	21.8	24.5

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by half a percent.

23 Employee benefits (continued)

Group	Change in assumption	2025 +0.5% £000	2025 -0.5% £000	2024 +0.5% £000	2024 -0.5% £000
Discount Rate	+/- 0.5%	**(1,610)**	**1,639**	(1,675)	1,705
Inflation (RPI)	+/- 0.5%	**(1,019)**	**1,019**	(1,069)	1,069

In valuing the liabilities of the pension fund at £32,772k (2024: £33,730k), mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2025 would have increased by £1,223k (2024: 1,042k) before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuations and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Group & Company are aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent court of appeal ruling published in 2024. These ruled that certain amendments made to the NTL Pension Plan were invalid because they were not accompanied by the correct actuarial confirmation.

On 1 September 2025, the Government published a list of amendments to the Pension Schemes Bill, which included changes to address issues arising from the Virgin Media ruling. These changes should mean that schemes are able to retrospectively certify historic benefits changes that met the relevant requirements at the time. As a result, no allowance has been made for this ruling in these disclosures.

Funding

The Trustees are required to carry out an actuarial valuation every 3 years. The latest actuarial valuation of the Schemes as at 1 January 2023 revealed a funding surplus for the VolkerFitzpatrick Limited Pension Scheme, VolkerFitzpatrick Limited Greenwich Pension Scheme and Gabriel (Contractors) Limited Pension Scheme. As such, no deficit contributions are expected to be due to these Schemes from the Group for the accounting year beginning 1 January 2025. The Company normally meets all expenses directly, but the Trustees may agree for any expenses or levies to be paid from the Schemes assets.

The last actuarial valuation of the Volker Stevin UK Limited Retirement Benefits Scheme as at 1 January 2023 revealed a funding shortfall of £1.5 million. To pay off the deficit, the Company agreed to pay deficit reduction contributions from 1 January 2023 to 30 November 2025, starting at £548,280 pa in the year beginning 1 January 2023 and increasing by 2.7% pa on each subsequent 1 January. This was later revised and extended until 30 September 2026. The Company will therefore pay around £445,410 to the Scheme during the accounting year beginning 1 January 2026. The Company will also meet all expenses directly.

Defined contribution plans

The Group also operates a number of defined contribution plans. The total expense for the Group was £28,792k (2024: £26,878k) and the creditor outstanding relating to these plans was £1,130k (2024: £1,087k).

24 Share capital

	Company and Group	
Allotted, called up and fully paid	**Number of shares 000**	**Ordinary shares £000**
At 31 December 2024 and 31 December 2025	**37,127**	**37,127**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

25 Dividends

An interim dividend of £85,600k representing 230.6 pence per share was paid during the year (2024: £29,000k representing 80.8 pence per share). No final dividend is payable (2024: £nil).

26 Financial instruments

a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the year-end if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the year-end if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the year-end.

Contract assets

The fair value of contract assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the year-end if the effect is material.

Contract liabilities

The fair value of contract liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the year-end if the effect is material.

Interest bearing loans and borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the year-end. For lease liabilities, the market rate of interest is determined by reference to similar lease agreements.

There is no significant difference between the carrying amount and fair value of any financial instrument for the Company or Group. The valuation methods of all the Group's financial instruments are classified as Level 2. There are no financial instruments that are measured at amortised cost but for which fair value is classified as Level 1 or Level 3 either in current year or in prior year.

The carrying amounts of each class of financial assets and financial liabilities is summarised below:

		Group		**Company**	
	Note	**2025**	2024	**2025**	2024
		£000	£000	**£000**	£000
Financial assets at amortised cost					
Trade and other receivables	*18*	**111,757**	102,989	**49,361**	71,177
Contract assets	*4*	**100,395**	123,688	**-**	-
Cash and cash equivalents	*19*	**165,186**	171,939	**125,665**	143,005
Total financial assets at amortised cost		**377,338**	398,616	**175,026**	214,182
Total financial assets		**377,338**	398,616	**175,026**	214,182
Financial liabilities at amortised cost					
Trade and other payables	*21*	**195,735**	188,224	**238,568**	238,895
Contract liabilities	*4*	**59,989**	61,422	**-**	-
Lease liabilities	*20*	**49,664**	45,820	**-**	-
Total financial liabilities at amortised cost		**305,388**	295,466	**238,568**	238,895
Total financial liabilities		**305,388**	295,466	**238,568**	238,895
Total financial instruments		**71,950**	103,150	**(63,542)**	(24,713)

Trade and other receivables above exclude prepayments and accrued income.

Trade and other payables above exclude accrued expenses and tax and social security costs.

26 Financial instruments (continued)

b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables and contract assets from customers.

Exposure to credit risk is limited to the carrying amount of financial assets recognised at the year-end, namely cash and cash equivalents, trade and other receivables and contract assets. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. An analysis of amounts that are past due but not impaired is shown below. None of the Group's financial assets are secured by collateral or other credit enhancements. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group manages the collection of retentions through its post completion project monitoring procedures and ongoing contact with clients to ensure that potential issues which could lead to the non-payment of retentions are identified and assessed promptly.

The Group's financial assets are subject to the Expected Credit Loss (ECL) model of IFRS 9. The Group has calculated the ECLs for financial assets at amortised cost and cash and cash equivalents as nil. In order to assess the ECLs instruments were grouped by counterparty type, age and instrument type. For further information on the Group's assessment of ECLs see the accounting policy for the impairment of financial instruments (note 2.18).

Exposure to credit risk

The carrying amount of financial assets for the Group at 31 December 2025 was £377,338k (2024: £398,616k). The maximum credit exposure was £377,338k (2024: £398,616k). The difference between the carrying amount and maximum credit exposure represents the credit insurance in place.

The carrying amount of financial assets and the maximum credit exposure for the Company at 31 December 2025 was £175,026k (2024: £214,182k).

None of the contract assets at the end of the reporting period are past due, and taking into account the historical default experience and the future prospects of the industry the directors consider that no contract assets are impaired.

The maximum exposure to credit risk for trade receivables at the year-end by business segment and type of customer was as follows:

Group	Group **2025**	2024	Company **2025**	2024
	£000	£000	**£000**	£000
Building	**26,028**	19,550	**-**	-
Civil engineering	**72,039**	75,669	**-**	-
Specialist contracting	**8,266**	5,772	**-**	-
Rail	**2,470**	1,589	**-**	-
Other	**315**	304	**-**	-
	109,118	102,884	**-**	-

	Group		Company	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Public sector customers	**55,851**	41,610	**-**	-
Private sector customers	**53,267**	61,274	**-**	-
	109,118	102,884	**-**	-

The Company had no exposure to credit risk for trade receivables at either 31 December 2025 or 31 December 2024.

26 Financial instruments (continued)

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the year-end was as follows:

Group	2025 Gross £000	2025 Impairment £000	2024 Gross £000	2024 Impairment £000
Not past due	**103,604**	**-**	87,127	-
Past due (0-30 days)	**4,631**	**-**	9,923	-
Past due (31-120 days)	**536**	**-**	4,125	-
More than 120 days	**347**	**-**	1,709	-
	109,118	**-**	102,884	-

The expected credit losses in trade receivables are estimated using a provision matrix by reference to past default experience on the debtor and an analysis of the debtor's current financial position, adjusted for specific factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

At 31 December 2025 the Group and the Company had no impairment provision (2024: £nil) and did not provide against any debt during the year. For amounts which are past due at the reporting date, the Group and Company has not provided for as there has not been a significant change in credit quality and the Group and Company considers the amounts are recoverable.

Impairment losses are recorded into an allowance account unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

26 Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk exposure arises for the Group and Company principally from trade and other payables, taxation due, and borrowings. The Group and Company monitor working capital and cash flows to ensure liquidity risk is managed.

VolkerWessels UK Limited has access to £25m of committed revolving credit facilities and £25m of uncommitted overdraft facilities, which are made available to the Company. The committed facilities are available for a minimum of 4 years from December 2025. At the date of signing these financial statements, VolkerWessels UK Limited was not required to draw down on these facilities.

Contractual maturity of financial liabilities

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the effect of netting agreements:

Group 2025	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**5 years and more £000**
Trade and other payables	195,735	196,528	190,055	6,473	-	-
Contract liabilities	59,989	59,989	59,989	-	-	-
Lease liabilities	49,664	53,900	19,739	19,689	11,268	3,204
	305,388	**310,417**	**269,783**	**26,162**	**11,268**	**3,204**

Group 2024	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**5 years and more £000**
Trade and other payables	188,224	192,047	192,047	-	-	-
Contract liabilities	61,422	61,422	61,422	-	-	-
Lease liabilities	45,820	49,743	16,818	11,501	18,194	3,230
	295,466	303,212	270,287	11,501	18,194	3,230

Company 2025	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**
Trade and other payables	238,568	238,568	238,568
	238,568	**238,568**	**238,568**

Company 2024	**Carrying amount £000**	**Contractual cash flows £000**	**1 year or less £000**
Trade and other payables	238,895	238,895	238,895
	238,895	238,895	238,895

26 Financial instruments (continued)

d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the values of its holdings of financial instruments.

Exposure to foreign exchange risk in the Group is limited to a small number of contracts where purchase invoices are settled in foreign currencies. Where these purchases are deemed to be material, then the exposure to potential adverse movements in foreign exchange rates are managed through entering into hedging contracts.

Exposure to interest rate risk in the Group is principally on bank and cash deposits, bank overdrafts and interest-bearing borrowings from its UK parent company.

The Group does not participate in any interest rate hedge or swap arrangements.

Profile of interest-bearing financial instruments

At the year end the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Group	**2025**	2024
	£000	£000
Variable rate instruments		
Financial assets	**165,186**	171,939
Fixed rate instruments		
Financial liabilities	**49,664**	45,820

At the year end the Company had no interest-bearing financial instruments.

A change of 100 basis points in interest would either increase or decrease equity by £1,652k (2024: £1,719k) for the Group. The sensitivity of 100 basis points represents the directors' assessment of a reasonably possible change, based on historical volatility.

e) Capital risk management

For the purpose of the Group's capital risk management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital risk management is to maximise shareholder value.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital through regular forecasts of its cash position to management on both a short-term and long-term basis. Performance against forecasts is also reviewed and analysed to ensure the Group efficiently manages its net cash position.

Net cash is calculated as cash and cash equivalents less total borrowings and lease liabilities.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

27 Contingencies

The Group has contingent liabilities in respect of performance bonds, guarantees and actual and potential claims by third parties under contracting and other arrangements entered into during the normal course of business. Whilst the outcome of these matters is uncertain, the directors believe that appropriate provision has been made within the financial statement in respect of these matters.

The Company, as a result of VolkerWessels UK Limited group registration for VAT, is jointly and severally liable for the VAT liabilities of other group companies under the group VAT registration. At the accounting date, the Group liability was £27,976k (2024: £28,732k).

Provision has been made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed, or that the Group cannot make a sufficiently reliable estimate of the potential obligation.

28 Related parties

Related party transactions

Transactions between the Group and other related parties including jointly controlled entities are noted below.

Compensation of key management

The compensation of key management personnel that form the Executive Committee is as follows:

	Group	
	2025	2024
	£000	£000
Short-term employee benefits	**5,266**	5,100
Post-employment benefits (defined contribution plan)	**62**	84
	5,328	5,184

Pension Schemes

Transactions between the Group and the pension schemes are disclosed in Note 23 to the financial statements.

28 Related parties (continued)

Related party transactions with fellow group undertakings

Related party transactions (excluding cash pooling arrangements) with fellow group undertakings are summarised below:

	Group		Company	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts owed by fellow group undertakings				
At start of year	**-**	41	**-**	-
Sales/income	**238**	-	**-**	-
Receipts	**-**	(41)	**-**	-
At end of year	**238**	-	**-**	-

	Group		Company	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts owed by UK subsidiary undertakings				
At start of year	**-**	-	**71,177**	92,350
Sales/income	**-**	-	**1,000**	939
Receipts	**-**	-	**(1,451)**	(708)
Impairment	**-**	-	**-**	(7,000)
Repayments	**-**	-	**(21,365)**	(14,404)
At end of year	**-**	-	**49,361**	71,177

	Group		Company	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts owed to fellow group undertakings				
At start of year	**-**	1,271	**-**	-
Expenses	**195**	-	**111**	-
Payments	**-**	(1,271)	**-**	-
At end of year	**195**	-	**111**	-

28 Related parties (continued)

	Group		Company	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts owed to UK subsidiary undertakings				
At start of year	**-**	-	**238,895**	226,106
Expenses	**-**	-	**13,697**	15,681
Net payments	**-**	-	**(14,135)**	(2,892)
At end of year	**-**	-	**238,457**	238,895

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

29 Ultimate parent company and parent undertaking of largest group of which the company is a member

The Company is a subsidiary undertaking of VWS International B.V.

The smallest group in which the results of the Company are consolidated is that headed VolkerWessels UK Limited. The ultimate parent and largest group in which the results of the Company for this period are included is Koninklijke VolkerWessels B.V., a company incorporated in the Netherlands. Copies of the consolidated financial statements of both companies may be obtained from their Rijssen office: Reggesingel 10, 7461 BA Rijssen, Postbus 206, 7460 AE, Rijssen, The Netherlands.