



NG Bailey



NG BAILEY GROUP LIMITED FINANCIAL STATEMENTS

2026



COMPANY REGISTRATION NUMBER: 1490238



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ABOUT NG BAILEY

We're proud to be the largest independent provider of engineering and infrastructure services in the UK, delivering innovative solutions across our chosen sectors.

PASSION



We are a family-owned group with a strong heritage and a wide range of capabilities in infrastructure services.

Our purpose is to create exceptional environments for present and future generations. We believe in bringing buildings and infrastructure to life and we know that the benefits of our work will be felt by generations to come. Many of our projects are contributing to the increasingly important decarbonisation agenda in the UK.

INTEGRITY



We are proud of the projects and services we've successfully delivered to our customers and society over the years.

We work together with our people, customers, supply chain and communities across our chosen sectors within the building and infrastructure industry. Our innovative, responsible and forward-thinking approach allows us to work on fantastic ground-breaking projects and contracts, providing solutions using the latest tools and technologies with the aim of putting more into society, the environment and the global economy than we take out.

RESPONSIBILITY



We have sites, offices and manufacturing facilities located across the UK with an expanding workforce of c3,650 employees.

EXCELLENCE



Manchester Town Hall, Engineering



FINANCIALLY STRONG

With a balanced, growing pipeline of work across sustainable and resilient sectors.

ORDER BOOK

£1.7bn

2025 £1.6bn

NET ASSETS

£149m

2025 £141m

CASH & INVESTMENTS

£116m

2025 £92m

DEBT

£nil

2025 £nil

Manchester Airport, Engineering

ROSPA AWARDS



ISO AWARDS

ISO 45001
ACHIEVED
ACROSS THE
GROUP



PRESTIGIOUS
ISO 27001
FOR IT SERVICES
AND OUR ICT
DEPARTMENT



NG BAILEY AT A GLANCE



SAFETY FIRST & FOREMOST

Our 'Don't Walk By!' campaign has continued to support the safety and wellbeing of our people in the workplace.

OUR VALUES

of **Passion, Integrity, Responsibility** and **Excellence**, guide the Group's strategy, decision making, processes and culture

We're known for **consistently delivering high-quality flagship projects and services**, while always operating with integrity and doing business in the right way.

We're a family-owned business with approximately

3,650 employees

united by shared values and a commitment to excellence.

A NATIONAL BUSINESS WITH A LOCAL PRESENCE

▼ **Wheatley Substation,
Freedom**

1. **Aberdeen**
2. **Basildon** (Freedom)
3. **Birmingham**
4. **Boldon**
5. **Bradford** (OSM)
6. **Bristol**
7. **Cambridge**
8. **Cardiff**
9. **Catterick** (Freedom)
10. **Cockermouth**
11. **Cumbria**
12. **Drighlington** (OSM)
13. **East Kilbride** (Freedom)
14. **Essex** (Freedom)
15. **Expressway, London** (Freedom)
16. **Glasgow**
17. **Hailsham** (OSM Ventilation)
18. **Leeds** (Group Registered Office)
19. **London**
20. **Manchester**
21. **Perth** (Freedom)
22. **Plymouth** (Engineering)
23. **Plymouth** (Facilities Services)
24. **Reading**
25. **Shawcross** (OSM)
26. **Sheffield**
27. **Stowmarket** (Freedom)
28. **Sutton-In-Ashfield** (ECS)
29. **Wakefield** (Plant and Freedom)
30. **Washington** (Freedom)
31. **Widnes** (Freedom)

OUR LOCATIONS



BAILEY FAMILY GUIDING PRINCIPLES

The Bailey Family Guiding Principles express our shared purpose for NG Bailey Group.

These three principles, Leadership Excellence, Great Place to Work and a Responsible Business form the foundations of our family business. They aim to motivate and empower people, fostering their ability to make meaningful and economic contributions and positive impacts within our communities, both now and in the future.

Leadership Excellence

FAMILY / BUSINESS ALIGNMENT:

Achieve success by aligning the objectives of the family shareholders with the business leaders. Built on a foundation of integrity, trust, support, transparency and responsibility.

STRUCTURE:

Clear, transparent and defined governance, giving a sense of purpose for the business and taking into account all stakeholders. Proficient family directors working in collaboration with the business.

FINANCIAL SUSTAINABILITY:

Exercise prudence, maintain consistency and uphold transparency in our pursuit of a long-term, sustainable and profitable family business.

LONG-TERM SUCCESS:

Committing to investments today to strengthen the success of tomorrow. Effectively managing risks today is a pivotal factor in ensuring a successful family business for the future.

Great Place to Work

SAFETY FIRST & FOREMOST:

Ensuring the safety, health, and wellbeing of our employees is first and foremost, we all share a collective responsibility for it.

PREFERRED EMPLOYER:

We aspire for the business values, culture and policies to set the standard in our industry, creating excellence, along with an inspiring and rewarding employment experience for our people.

DIVERSE & INCLUSIVE:

Fostering a workplace where fairness, inclusion, and respect are ingrained as default behaviours, creating an environment where everyone can thrive.

CONTINUALLY DEVELOPING:

Actively engage with all our employees to nurture and empower both their personal and professional ambitions and aspirations, driving passion and excellence in their careers.

Responsible Business

A CUSTOMER OF CHOICE:

With a partnering ethos, work with customers, end users and our supply chain partners in our chosen markets. Achieving mutually beneficial long-term relationships, built on a foundation of quality, integrity and fairness.

OPERATE WITH INTEGRITY:

Deliver high quality projects and services responsibly, with honesty, passion and innovation throughout. Together delivering a positive impact in all that we do.

ENVIRONMENTAL LEADERS:

Take the lead in minimising our environmental footprint and collaborating with both customers and suppliers to contribute to the realisation of a net positive society.

ENHANCING SOCIETY:

Actively collaborate with industry bodies, communities and charitable organisations to create tangible social value.

The Bailey Family Guiding Principles cascade into the NG Bailey values and strategy.

Our Values:

Underpin and support the Bailey Family Guiding Principles and the way we do business.



Passion



Integrity



Responsibility



Excellence

BUSINESS REVIEW

The Group delivered a solid year of performance in 2025/26, ahead of expectations with encouraging progress in the first year of the Group's Journey to 2030 strategy. The results demonstrate our clear focus on disciplined delivery, selective growth and long-term value creation, with the strategic priorities as set out in the Journey to 2030 strategy translating into tangible financial and operational improvements across the business.

During 2025/26, the Group achieved sales of £707m (2025: £662m), underlying operating profit (which is before amortisation of goodwill and acquired intangible assets and exceptional items) of £21.1m (2025: £15.0m) with the operating margin improving to 3.0% (2025: 2.3%), and cash & investments of £116m at February 2026 (2025: £92m), further strengthening an already robust and resilient balance sheet.

The Group has a growing and increasingly lower risk £1.7bn order book (2025: £1.6bn), with a balanced mix of project and recurring income streams and contract types. The Group's order book and pipeline are focused on markets with high barriers to entry and long-term funding visibility, which tend to be more resilient to economic

downturns and provide greater stability during uncertain times.

Our balanced and focussed strategy is increasingly important given the context of an external environment which remains challenging. Global geopolitical tensions, including the US-Iran conflict, are contributing to volatility in energy markets and broader economic confidence. Combined with ongoing inflationary pressures and sector wide capacity constraints, these factors influence customer decision making, increasing the potential for project cancellations or extended periods between tender submission and contract award.

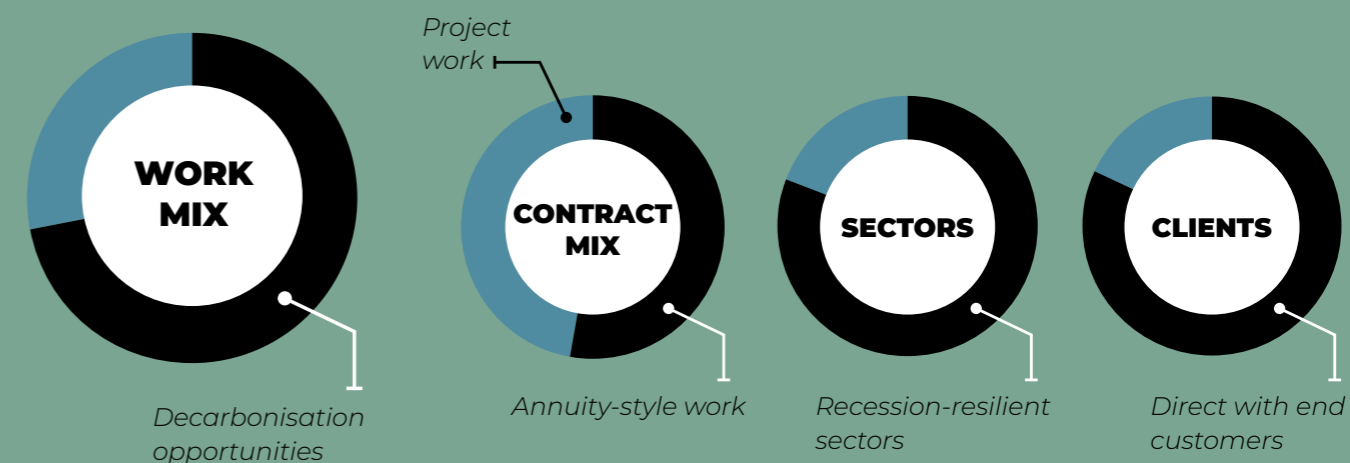
Against this backdrop, the Group remains highly selective in the work it takes on and firmly focused on sectors where long-term funding and demand are being directed. Our strong balance sheet and heavily cash backed financial position remain key differentiating factors, providing customers with confidence in the Group's ability to deliver complex, long-term projects and see them through to successful completion.

The good progress made in the first year of our Journey to 2030 strategy provides confidence that the Group has a solid foundation, a clear direction and is well-positioned to navigate uncertainty and deliver sustainable, long-term growth in the years ahead.



STRATEGIC REPORT

OUR ORDER BOOK



JOURNEY TO 2030 UPDATE

The year to February 2026 was the first full year of the Group's Journey to 2030, with the strategy setting a clear and effective framework for action and decision making. During the period, the Group translated strategic intent into delivery, underpinned by solid financial performance, disciplined execution, a relentless focus on risk management and a strong reputation for quality with clients across our chosen markets. Overall, the Group is on track with its Journey to 2030.

During the period, the Group aligned its operating model to support delivery of the strategic priorities and respond to the changing needs of our customers. Targeted actions were taken across the Group to adapt structures, enhance capability and improve market alignment, positioning the business to deliver sustainable growth:

Built Environment

In March 2026, we brought together our **Engineering, OSM** (formerly Offsite Manufacturing), **Facilities Services** and **Low Carbon** (formerly EV Infrastructure) businesses to form the new **Built Environment division**, collectively focused on our Design, Build, Manufacture and Maintain offering. During the period, the new structure has been embedded, establishing clear accountability and balance between leadership oversight and delivery responsibility. This approach has driven closer collaboration, improved knowledge sharing, enabled more integrated customer solutions and strengthened consistency of delivery across the division.

Recently, we relaunched our EV Infrastructure business as **Low Carbon**, bringing together our electric vehicle infrastructure and low carbon buildings capability as a single proposition. This evolution makes it easier for customers to access the Group's low carbon offering and capabilities, and supports a more coherent, market-facing approach to decarbonisation across the built environment.

As part of our strategy to develop new products and grow into new markets, the Group continues to invest in and remain at the forefront of modern

methods of construction (MMC). With over 25 years' experience, the Group has recently refreshed and restructured our offsite manufacturing business, **OSM**, into five clearly defined specialisms, to enhance our offering and route to market:

- **OSM Consult:** offers early-stage engagement consultancy to help clients ensure their projects optimise the use of MMC and the associated programme, manufacturing solutions and cost benefits
- **OSM Assemble:** manufactures cutting edge MMC solutions that have been developed over the last 25 years
- **OSM Fabricate:** offers nuclear-grade quality structure, piping, spooling and brackets through a mix of high skilled welders, cutting edge machines and robotic welding
- **OSM Ventilation:** manufactures, supplies and installs fire-rated, galvanised and stainless-steel ventilation systems including fire dampers and insulation
- **OSM Hire:** provides reliable hire equipment, logistics and storage for the Built Environment division

Through these capabilities, **OSM** supports improved quality, greater consistency and more predictable delivery, while enabling work to be undertaken in a controlled manufacturing environment. This approach supports repeatable delivery, scalable growth and contributes to lower-carbon and safer methods of construction.

Our **five strategic priorities**

01



INVESTING STRATEGICALLY

Targeted investment to harness emerging market opportunities, embrace technology, attract talent and enhance operational efficiency and capabilities. Growth with purpose, expanding through both organic growth and low-risk acquisitions.

02



DELIVERING STRONG RETURNS

By focusing on getting the basics right, we aim to deliver meaningful returns on our efforts rather than simply driving top-line revenue growth.

03



OPTIMISING OPERATIONS

Careful cost management, productivity focus and strategic investment will maximise value while minimising unnecessary risks. A sensible balance of agility and governance, so we are easy to do business with.

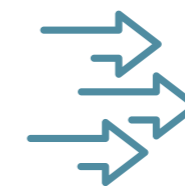
04



PRIORITISING RESILIENCE

Retaining a strong foundation by prioritising profitability over uncontrolled growth ensures we remain resilient in challenging times and aligned with our long-term goals.

05



PLANNING FOR THE FUTURE

Securing the health of our business today, while paving the way for sustainable, stable growth in the years ahead.

The **Freedom** business has extensive expertise in designing, connecting, building, maintaining and renewing electricity infrastructure assets across the UK. During the period, the focus was on embedding the new regional delivery model to enable Freedom's strategy and future growth. This approach has strengthened customer relationships, improved collaboration and integration across teams, and enhanced the agility of the business in responding to evolving customer needs.

The **IT Services** business leverages technical expertise, a consultative approach and strong end-to-end capabilities to deliver transformative solutions across connectivity, data management and analysis. During the period, a strategic reset was implemented to sharpen our external focus, aligning our capabilities with market opportunities, ensuring the business is well positioned to meet customer needs, prioritise opportunities and sustain long-term performance.

Alongside these actions, the Group maintained a disciplined and selective approach to work-winning, concentrating activity in sectors where it has strong capability, long-term client relationships and a clear understanding of risk. This focus has further improved our high quality growing order book, which is aligned to our target markets with funding, and underpins the Group's long-term resilience.

A positive indicator of the Group's progress in delivering consistently high-quality outcomes for customers is the continued improvement in the Group's net promoter score (NPS) during the period reflecting the focus placed on delivery excellence and collaboration. The improvement in NPS provides confidence that the actions being taken as part of the *Journey to 2030* strategy are translating into a positive experience for customers and support repeat business and long-term partnerships.

Selective low-risk strategic acquisitions remain an important component of the Group's growth plans, supported by a strong track record of successful integration and performance of previous acquisitions.

The Group continues to actively consider opportunities aligned to the *Journey to 2030* strategy, particularly where they enhance resilience, strengthen capability and provide access to attractive long-term growth sectors, including water.

In line with this approach and earlier than anticipated, the Group completed the acquisition of Engineering Solutions Group in March 2026. The group, referred to as ECS after its main trading company (ECS Engineering Services Limited), is an established specialist engineering business within the water sector, working on long-standing frameworks and contracts with utility companies and public-sector bodies during a significant industry investment cycle.

The acquisition provides the Group with immediate access to a target sector aligned to long-term funding and demand and strengthens the resilience and breadth of the Group's Built Environment offering, whilst retaining ECS's existing management team and workforce.

The Group also made targeted strategic investment totalling £3.5m during the period to stimulate and accelerate delivery of our *Journey to 2030* growth and profit improvement targets. Investment has been focused on our digitalisation agenda, sales growth, the development of new capabilities and increasing organisational bandwidth as the Group grows.

People are central to the delivery of the Group's *Journey to 2030* growth plans and underpin its ability to deliver quality outcomes for customers. During the period, investment was targeted on developing capability, skills and leadership in a resource constrained market, strengthening effective delivery, succession planning and long-term resilience.

Innovation underpins how the Group continues to evolve its offering and improve delivery outcomes. Rather than being treated as a standalone activity, innovation is embedded across the Group's culture, processes and ways of working, with a clear focus on practical application aligned

to strategic priorities. This includes the disciplined adoption of new technologies, the development of new products and delivery models, and empowering our people to identify and implement ideas that improve productivity, solve complex customer challenges and support confident expansion into new markets.

Digital transformation is a key enabler of the Group's *Journey to 2030* strategy. During the period, the Group continued to progress its digital transformation agenda, with a clear focus on improving productivity, strengthening decision making and supporting consistent delivery across the business. As part of this, the Group recognises the increasing importance of data and artificial intelligence in supporting future performance. During the period, the role of Chief AI Officer was established to provide clear leadership and governance over the adoption of AI across the Group. This role is focused on ensuring that AI opportunities are progressed in a structured and responsible way, aligned with the Group's strategy, values and risk management framework.

The Group's approach to digital transformation is deliberately pragmatic. Investment has been targeted towards initiatives that support operational effectiveness, sales growth and scalability, with early benefits being realised across delivery and ways of working. Digital tools and capabilities are applied where they deliver clear value and advance the Group's long-term objectives. For example, the use of virtual and augmented reality technologies enables remote inspections, improving efficiency and reducing downtime, while also supporting wider sustainability objectives through reduced travel and rework.

During the period, the Group refreshed its Responsibility and Impact strategy, aligned to the *Journey to 2030* strategy. The refreshed approach provides greater clarity on how the Group considers responsibility and impact alongside commercial performance, and how these considerations are embedded in decision making and delivery. This alignment reflects the Group's evolving role in supporting customers to address complex challenges such as decarbonisation, energy efficiency and the long-term resilience of critical assets, which are increasingly central to our core offering. By embedding responsibility and impact considerations into how we develop solutions, adopt innovation and make investment decisions, the Group reinforces its commitment to being a responsible business while creating sustainable, long-term value for customers, partners and other stakeholders. See pages 44 to 57 for further detail on the refreshed Responsibility and Impact strategy.

As part of our *Journey to 2030* strategy, we are positioning the Group for sustainable growth in an evolving market. A key element of this approach is a comprehensive review of our brand and messaging which is taking place during 2026, ensuring they accurately reflect who we are today and where we are heading. This review is focused on aligning our external identity with our strategic ambitions and capabilities, while safeguarding the heritage and values that have defined our success to date. By refining how we present ourselves, we aim to strengthen our market position, enhance customer engagement, and support long-term growth, all without losing sight of the legacy that underpins our brand.

Overall, the actions taken during the period demonstrate clear progress in delivering the *Journey to 2030* strategy. The combination of strong delivery, disciplined risk management and continued strategic investment provides confidence in the Group's ability to sustain momentum and deliver long-term value.

GROUP LEADERSHIP TEAM (GLT) UPDATE

As the Group continues to make solid progress in the execution of its *Journey to 2030* strategy, two senior leadership changes further strengthen the GLT.

Tom Whiteley has been promoted to the newly created role of Group Strategy, Mergers & Acquisitions and Finance Director (Built Environment). In this role, Tom will lead all merger and acquisition activity across the Group, a key component of the Group's strategic agenda, while continuing to oversee the strategic growth and financial control of the Built Environment division. Tom joined the GLT in March 2026.

Clare Salmon has been promoted to Chief Financial Officer (CFO) for the Group from March 2026. Clare will remain a member of both the Board and the GLT, supporting the delivery of the Group's strategy and long-term objectives.

The GLT now comprises seven members, with five promoted from within the business, reflecting the depth of internal talent and the Group's commitment to developing leaders across the organisation.

Cromwell Road, EV

Economic outlook

The external economic environment remains uncertain, shaped by a combination of geopolitical instability, macroeconomic pressures and sector specific challenges. Ongoing conflicts and tensions, including the US–Iran situation, contribute to volatility in global energy markets and supply chains, while inflationary pressures, interest rates and labour availability remain key considerations for the UK construction and infrastructure sector. In this environment, competitive tension can lead to pricing that does not always reflect underlying risk, reinforcing the importance of a disciplined, selective and risk-aware approach to growth.

Notwithstanding this backdrop, the outlook across the Group's chosen markets remains positive. Demand is underpinned by long-term structural drivers, including sustained investment in national infrastructure, the maintenance and renewal of critical assets, the transition to lower carbon energy systems and the increasing importance of resilient, digitally enabled buildings and services. These drivers support steady levels of activity across sectors such as defence, healthcare, rail, energy (nuclear and electricity), water and wider infrastructure, which continue to align well with the Group's capabilities and strategic focus.

The Group remains highly selective in the work it chooses to pursue. A disciplined bid / no bid process, robust estimation and procurement activity, and clearly defined acceptable parameters for commercial terms and conditions underpin decision making across the business. This approach ensures that the Group prioritises sustainable, high quality work and avoids taking on undue risk, particularly when market conditions may encourage more aggressive competition. The Board remains clear that the Group will not chase turnover at the expense of margin quality or risk profile, and that sustainable profitability remains the primary objective.

A good proportion of the Group's sales for the coming years are already secured through its order book, providing confidence and

visibility while maintaining flexibility to remain selective for future opportunities. The resilience of the Group's order book is supported by a balanced mix of contractual arrangements, combining project based work with predictable, recurring income contracts, and a sensible proportion of work contracted directly with end clients alongside long standing relationships with our preferred main contractors. This structure, together with disciplined commercial decision-making and risk management, helps to mitigate exposure to market volatility.

The Group's order book is also largely insulated from inflationary pressures through contractual protections, short pricing windows and advance purchasing once work is secured. Whilst some modest short-term cost increases are being seen as a result of the US-Iran conflict, such as for fuel, these are actively monitored and managed within the Group's existing commercial and operational controls. This supports a measured approach to growth and reinforces the Group's ability to manage capacity, risk and cash effectively in an uncertain environment.

The Group also recognises the structural labour and skills challenges facing the industry. Competition for skilled resources remains intense, and addressing this is critical to sustaining delivery performance over the long-term. Alongside continued investment in training, development and succession planning, a review of the Group's reward and benefits offering is underway to ensure it remains competitive and aligned to evolving needs and expectations. This forms part of the Group's broader focus on attracting, retaining and developing the capability required to deliver its strategy and long-term goals.

Overall, whilst the economic environment remains challenging, the Board believes the Group is well positioned to navigate ongoing uncertainty. The combination of long-term demand drivers in its chosen markets, a strong order book, disciplined commercial decision making and risk management, and continued focus on people and capability provides a robust platform for the year ahead, whilst maintaining an appropriate level of caution and vigilance.



Performance

Health and safety performance

The health, safety and wellbeing of our people and those affected by our activities remains the Group's top priority. We are proud of the standards we set, underpinned by established safety management processes, procedures and governance, supported by strong leadership visibility and a culture that encourages everyone to take ownership and speak up.

All employees routinely have a performance objective linked to health and safety each year, reinforcing personal accountability and consistent leadership behaviours across the Group.

Performance during the period reflected continued progress in both outcomes and engagement. The Group recorded a single RIDDOR reportable incident during the period (2025: 6). Whilst this represents an encouraging improvement, we will not be complacent and the Board remains clear that continued vigilance, learning and improvement are essential. Every incident and near-miss is investigated thoroughly, and lessons learned are shared across the Group to prevent recurrence. Engagement remained strong, with 41,800 Don't Walk By! observations reported in the last 12 months (2025: 36,100) and overall SHE inspections up 35% year-on-year.

The Safety in Mind cultural development programme has been embedded across the Group, with delivery increasingly supported through internal capability, including training transitioned from an external provider to our internal learning & development team. The next stage of the programme introduces a huddle culture in targeted parts of the business. Huddles are brief, topical safety communications cascaded

to supervisors for short team discussions, with an emphasis on proactive intervention and rapid distribution of alerts. This approach is well suited, in particular, to our more remote and dispersed workforces.

The Group's MySafety reporting system (launched in 2023/24) continues to support easier reporting and visibility of incidents and observations, with reporting and inspection activity increasing following the initial rollout. Focus is on strengthening how this data is used to identify trends, prioritise risk and share learnings. Digitalisation in the health and safety arena is advancing, with AI opportunities being explored to enhance risk prioritisation and inform targeted improvement activity.

Overall, the Group remains committed to continuous improvement in health and safety performance, maintaining strong standards and a proactive culture that supports safe delivery across all operations and every employee going home safely each day.

Financial and operational performance

We are pleased to report that in 2025/26 the Group delivered a solid performance ahead of targets with sales of £707m (2025: £662m), underlying operating profit (which is before amortisation of goodwill and acquired intangible assets, and exceptional items) of £21.1m (2025: £15.0m) with the operating margin improving to 3.0% (2025: 2.3%), and cash & investments of £116m (2025: £92m) at February 2026. This performance reflects disciplined work winning and consistent risk management and execution across the Group, underpinned by a balanced contract portfolio and continued focus on cash-backed profitability, supporting early progress in the first year of our *Journey to 2030* strategy.

Our **Freedom** business achieved sales growth of c50% during the year. This reflects higher volumes of work for the UK's electricity distribution network operators (DNOs), the organisations that own and operate the electricity distribution networks, alongside increased privately funded connections projects, including data centre-related connections. Significant future growth opportunities for Freedom are supported by its long-term frameworks, strong customer relationships and DNO investment cycles, with a resilient pipeline driven by sustained structural demand for network upgrades and connections, primarily to enable decarbonisation of the UK economy.

Looking at the **Built Environment** businesses in turn:

- **Engineering** had another positive year of improved results as the benefits of our highly selective approach to work winning, together with a relentless focus on risk management through the contract lifecycle, are reflected in robust contract margins and improved profitability and cash levels across the portfolio. Engineering remains focused on target markets where the Group has leading expertise and experience and where there is funding, such as defence, nuclear, healthcare and rail. The recent acquisition of ECS will also provide access to the regulated water sector. This disciplined approach continues to enhance the quality of the order book and maintains a healthy balance of work under more commercially benign contract structures
- **OSM** remained on a strong trajectory as offsite manufacturing and modern methods of construction (MMC) are increasingly deployed as core enablers of safer, more efficient and lower carbon delivery. Customer recognition of the benefits of this approach continues to grow, with OSM achieving record trading levels for the second consecutive year and momentum building for coming years. During 2025/26, OSM built momentum and resilience, through developing its standard products approach (transitioning repeatable solutions into scalable modules)

and successful integration of OSM Ventilation (our specialist ductwork manufacturing arm acquired in February 2025) which pleasingly delivered a profitable first year of trading

- **Facilities Services** delivered a positive performance during the period, with improved profitability supported by robust margin discipline, high customer retention rates and robust working capital management. The business continued to demonstrate consistency of delivery across its contract portfolio, while ongoing investment in systems transformation as part of the wider digital agenda supports enhanced service delivery and operational insight for our clients
- The **Low Carbon** business was recently launched, bringing together the Group's electric vehicle infrastructure and low carbon buildings capabilities under a single compelling proposition. This provides a clearer and more coherent market facing offer for customers, simplifying the delivery of their decarbonisation programmes and supports a growing pipeline of quality opportunities

IT Services generated healthy margins and cash performance in 2025/26. The strategic reset aligns its capabilities with market opportunities. This gives a clear operating structure going forwards, strengthening the business's ability to meet the evolving needs of its customers.

There were no exceptional items during the period (2025: an exceptional profit of £0.9m linked to the sale of our Leeds office and the associated move). Whilst global uncertainty resulted in some volatility in investment markets during the period, stronger equity markets overall drove an increase in the value of our investment portfolio, generating investment income of £2.9m (2025: £1.2m). Profit before taxation increased to £26.0m (2025: a profit of £17.7m).

Our people

We are immensely proud of our people and the commitment, professionalism and care they bring to the business every day. Across the Group, our teams have continued to work hard, support one another and deliver for our customers. Their dedication remains central to the Group's performance, reputation and long-term success.

During the period, we continued to invest in our culture and the way we work together. Our Ways of Working Charter has played an important role in supporting positive cultural development across the Group, providing a clear and consistent framework for how we work and how we support one another. The Charter has been well received and has helped reinforce shared expectations around collaboration, flexibility and inclusion, while recognising the diverse roles and working patterns that exist across the business.

Our new Leeds office, which opened in March 2025, has now been in use for over a year and has been very well received by colleagues. The space supports modern ways of working, greater collaboration and stronger connections across teams, while also providing an attractive environment for customers, partners and prospective employees.

Learning and development remains a key priority for the Group. We continue to offer a range of development routes to support our people at every stage of their career, from technical and professional training through to broader personal

and leadership development. During the period, our people completed approximately 24,000 training days (2025: 22,000), reflecting our ongoing commitment to building capability, supporting progression and ensuring we have the skills required to meet future demand.

Our early careers offering, including our award winning apprenticeship programme and graduate scheme, continues to play a vital role in building our future talent pipeline. During the period, this work received national recognition in the form of a Princess Royal Training Award, one of the highest accolades for employers delivering training that creates meaningful and measurable impact. The award recognises the quality of our programmes and the dedication of our Early Careers, Apprenticeship and Learning & Development teams in developing the behaviours, skills, knowledge and experience needed to build successful careers. We continue to widen access to early career routes, including through initiatives such as Year in Industry placements, helping to open opportunities to a broader and more diverse range of future talent.

Supporting the wellbeing of our people remains central to our approach. Our Live Well, Work Well programme brings together initiatives that support physical, mental and financial wellbeing, and we regularly review and benchmark our wellbeing offering to ensure it remains relevant, accessible and responsive to the needs of our people. This ongoing focus reflects our commitment to fostering a healthy, supportive and productive

working environment across the Group.

Since 2023, every single person across the Group has received an additional annual wellbeing day, on top of their normal holiday entitlement, providing dedicated time to rest and recharge. Colleagues are also able to take two days of paid volunteering leave each year, enabling them to support their local communities and causes that matter to them. In total, 1,482 days of volunteering were given during 2025/26 (2025: 1,134), reinforcing our commitment to social responsibility and community engagement.

We are committed to maintaining a culture where people feel safe, supported and able to raise concerns. Our Speak Up Policy encourages colleagues to report, in good faith, any concerns about potential wrongdoing or behaviour that is inconsistent with our values, policies or procedures, and we provide a range of channels to ensure concerns can be raised confidentially. These include our independent whistleblowing helpline, Safecall, which is operated by a team of former police officers and provides a professional, impartial and confidential service available 24 hours a day. Together, these arrangements reinforce our commitment to strong governance, ethical behaviour and accountability across the Group.



OUR RESILIENCE

» STRONG AND GROWING ORDER BOOK

A £1.7bn+ order book that continues to grow while becoming lower risk, providing strong visibility of future workload (2025: £1.6bn)

» BALANCED REVENUE STREAMS

A well balanced mix of project work and predictable, recurring income contracts, supporting financial stability and resilience across economic cycles

» STRATEGIC SECTOR FOCUS

Prioritising recession resilient sectors and aligning activity to long-term investment trends, supporting sustainable growth in markets where funding and demand are directed

» DIRECT CUSTOMER RELATIONSHIPS

Strengthening long-term partnerships with end clients, alongside preferred main contractors, to deliver what matters most and maintain balanced contractual exposure

» ROBUST CONTRACT MIX

A disciplined and well balanced mix of contractual arrangements, ensuring commercial terms align with our risk appetite and business principles

» LONG-TERM VIEW

As a family owned business, we make decisions with a clear focus on sustainable, long-term investment and growth, rather than short-term outcomes

» RELENTLESS RISK MANAGEMENT

Highly selective about the work we choose to do and who we work with, maintaining strong financial, commercial and operational discipline at our core

Resilience

The Group's resilience continues to be underpinned by its strong financial position, disciplined approach to risk management and long-term decision making as a family owned business. This combination sets NG Bailey apart in a sector facing ongoing economic uncertainty, inflationary pressures and elevated levels of insolvency across both customer and supply chains.

At February 2026, the Group had further strengthened its robust balance sheet, with net assets of £149m (2025: £141m), strongly cash backed, including cash & investments of £116m (2025: £92m) and no external debt. This financial strength provides stability through economic cycles and enables the Group to invest with confidence in its people, capabilities and long-term growth opportunities, while remaining resilient to short-term market volatility.

During the period, the Group implemented a new strategy for its investment portfolio, which increased to £48m at February 2026 (2025: £45m). The revised approach adopts a more diversified strategy, designed to reduce overall investment risk while maintaining a similar target return over the medium-term. This change further strengthens the resilience of the Group's balance sheet and aligns the management of the investment portfolio with the Group's long-term, risk disciplined approach.

The Group's defined benefit pension scheme remains well-funded, and, during the period, a significant milestone was reached as the scheme became fully-insured (insurance policies were secured from an insurer covering the benefits payable to all remaining members). This represents an important step in removing the Group's long-term exposure to risk associated with the operation of a defined benefit legacy scheme and forms part of a broader, long-term strategy to manage pension obligations responsibly, while continuing to meet commitments to members. The Group, the pension scheme trustee, the plan administrator and their respective advisers are working

closely with the insurer to finalise the buy-in position (a standard process that can take around 12 to 24 months). At February 2026, the pension fund had a net surplus of £23.1m (2025: a net surplus of £34.0m). The Group is not required to contribute towards the funding of the scheme and the scheme pays for its own expenses. The reduction in the net surplus during the period reflects the combination of the insurance transaction completed in November 2025 and changes in actuarial assumptions (in particular a small increase in expected life expectancies).

Notwithstanding ongoing uncertainty in the wider economic environment, the Group's order book has increased to £1.7bn (2025: £1.6bn). The order book remains well balanced, increasingly lower risk and focused on sectors where the Group has deep expertise and where long-term investment and funding are being directed. This provides strong visibility of future workload and supports sustainable growth aligned with the Group's strategic priorities.

Resilience is further strengthened through a relentless focus on risk management at every stage of the contract lifecycle, recognising that maintaining discipline and avoiding complacency become increasingly important as the Group continues to grow. This includes clear 'bid no bid' and tendering processes, well-defined acceptable commercial parameters and a consistent approach to pricing and contract selection. This ensures that the Group only commits to work that aligns with its risk appetite. The Group maintains a balanced mix of contractual arrangements, combining project based work with predictable, recurring income contracts, and a sensible proportion of work contracted directly with end clients alongside long standing relationships with our preferred main contractors.

To mitigate inflationary pressures, the Group operates with short pricing windows for bids, incorporates inflationary protections within its contracts where appropriate, and undertakes advance purchasing once work is secured. As a result, a significant proportion of the Group's sales are protected against the

impact of cost inflation. In parallel, exposure to customers and suppliers is closely monitored to avoid over reliance on individual counterparties, particularly in the context of heightened insolvency risk across the sector.

The Group has a £25m revolving credit facility (RCF) in place and exercised a one year extension option during the period, meaning the facility remains available for a further three years. The RCF remains undrawn and provides additional resilience against working capital fluctuations, particularly given the structural challenges of late and underpayments prevalent in the industry. It also gives headroom for the Group's strategic plans, including selective, low-risk acquisitions. The acquisition of Engineering Solutions Group, completed in March 2026 after the year end, was funded from the Group's existing cash resources, reflecting the strength of the balance sheet and disciplined capital allocation.

Our supply chain partners are integral to the success of the business, and we recognise the importance of paying suppliers on a timely basis, particularly in challenging market conditions. The Group's payment performance remains industry leading, with 99% of invoices paid within 60 days (2025: 99%), supporting supply chain resilience and long-term partnerships.

Further indicators of confidence in the Group's financial strength and growth plans include an increase in bonding capacity from our surety partners during the period, which supports work winning activity, and the retention of our low risk status with HMRC following its periodic business risk review. Together, these factors reinforce the Group's strong governance, financial resilience and ability to operate sustainably over the long-term.

Looking ahead, the Board remains confident in the Group's future prospects and is pleased with the progress made in the first year of the *Journey to 2030* strategy. The combination of a growing yet increasingly lower risk order book, robust balance sheet, disciplined approach to risk management and clear strategic direction provides a solid platform for continued progress.

Whilst the external environment remains uncertain, the Group's focus on markets with high barriers to entry, long-term funding visibility and resilient demand, together with its selective approach to growth, positions it well to navigate economic cycles. Continued delivery against the *Journey to 2030* strategy remains the priority, with emphasis on sustainable growth, strong cash generation and long-term value creation for all stakeholders.

The Board and the Bailey family would like to express their sincere thanks to all our people for their continued hard work, commitment and professionalism throughout the year.

The performance delivered in 2025/26 reflects the strength of the Group's strategy and markets, together with the dedication, capability and values demonstrated by our teams across the business. Their consistent commitment to **Passion, Integrity, Responsibility and Excellence underpins the Group's success and will remain central to the delivery of our *Journey to 2030* strategy.**

WE'RE ON TRACK WITH AN EXCITING FUTURE WHERE **2030 LOOKS LIKE...**



✔ Market-leading **profit margins**

✔ **Industry-leading health & safety** performance

✔ **Excellent employee feedback**

✔ On track with our **roadmap to net zero**

✔ Record **profitability and cash**

✔ **Expanded capabilities** within our core offering

✔ Effective career progression and **known for promoting from within**

✔ Doubled volunteering days to **c2,000**

✔ Balanced, sustainable, **growing order book** in our chosen, resilient sectors with funding

✔ **Outstanding delivery** reputation in our chosen sectors

✔ Driving efficiency through **digital transformation**

✔ **2035 strategy** in place to go again

ENGINEERING

- ✔ Design of complex engineering building solutions
- ✔ Build and installation expertise
- ✔ Offsite Manufacture and Modern Methods of Construction (MMC)
- ✔ Commissioning solutions.

LOW CARBON

- ✔ EV Infrastructure
Principal contractor, constructing EV charging hubs and infrastructure. Design, installation, commissioning and maintenance of EV charging infrastructure.
- ✔ Low Carbon Buildings
Enabling decarbonisation through our low carbon solutions.

FACILITIES SERVICES

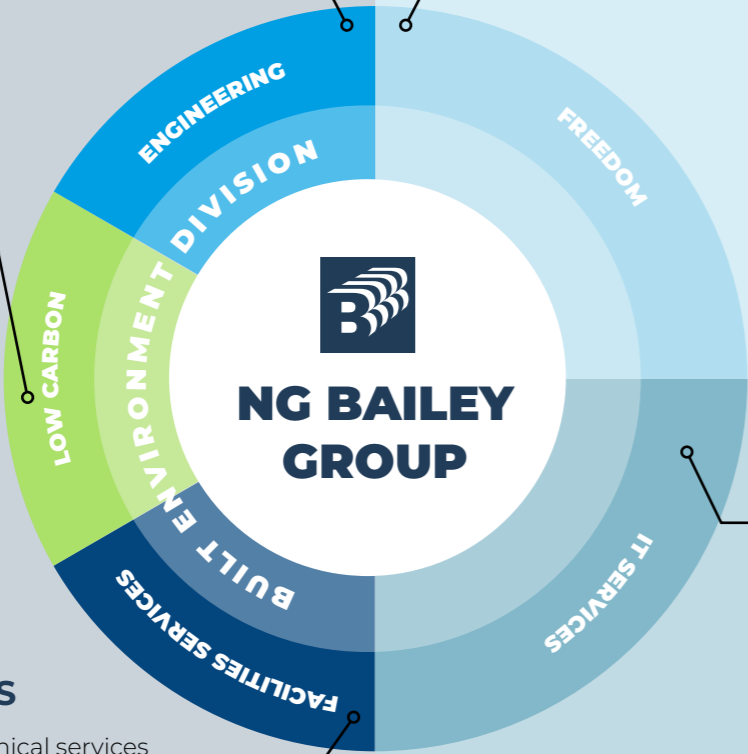
- ✔ Planned and reactive technical services
- ✔ Critical asset management
- ✔ Technical compliance
- ✔ Digital maintenance
- ✔ Energy performance management
- ✔ Project management and delivery.

FREEDOM

- ✔ Electrical, civil and structural advisory and design services
- ✔ Power and renewable energy solutions
- ✔ Experts in connection and wholesale markets
- ✔ Overhead and underground power distribution systems
- ✔ Surveys and inspections
- ✔ Infrastructure maintenance and projects.

IT SERVICES

- ✔ Critical infrastructure
- ✔ Network services
- ✔ Data cabling.



▲ Manchester Town Hall, Engineering

NG Bailey has a unique offering with a portfolio of capabilities across engineering infrastructure services.

We focus on recession resilient sectors where we have leading expertise and experience. The Group primarily consists of three operating divisions, the Built Environment division, Freedom and IT Services.

PRINCIPAL ACTIVITIES

BUILT ENVIRONMENT

The Built Environment division serves our customers by leveraging the combined strength and expertise of three businesses, collectively focusing on our **Design, Build, Manufacture** and **Maintain** offering:

ENGINEERING

Our Engineering business focuses on the Design, Manufacturing and Build of specialist and market-leading mechanical, electrical and plumbing (MEP) solutions.

The business does this through three distinctive offerings:

- **Design:** through our team of in-house designers, we offer end-to-end design services for our clients across the built environment
- **Manufacturing:** through our world-class offsite manufacturing teams (OSM), we offer prefabricated MEP solutions, ductwork and ventilation and nuclear grade welding facilities
- **Build:** through our team of skilled operatives and trusted supply chain we will build, commission and install leading edge MEP and built environment infrastructure solutions.

Engineering has an industry-leading reputation for delivering its work and projects responsibly and sustainably via its workforce and trusted supply chain.

The business operates a balanced portfolio of contracts for a wide range of blue chip and government customers. The industries that it operates in include nuclear new build, defence, education, healthcare, rail, aviation, infrastructure, gigafactories, water, low carbon, datacentres, commercial and other high-tech industries.

FACILITIES SERVICES

Facilities Services provides mechanical and electrical, planned and reactive integrated building maintenance services. We focus on **Maintaining** premium spaces and critical assets, promoting sustainability through engineering excellence and intelligent building management. We operate with blue chip companies in a diverse range of sectors including rail, retail, education, financial services and high end residential, commercial and government buildings.

LOW CARBON

The Low Carbon business provides integrated low carbon engineering solutions, combining electric vehicle infrastructure and low carbon building services. The business acts as both an advisor and principal contractor, supporting clients in the decarbonisation of their buildings and transport infrastructure.

Activities include the design, installation, upgrade and maintenance of electric vehicle charging infrastructure, together with the delivery of low carbon building solutions such as solar installations, plant and boiler upgrades, clean energy systems and insulation works. Services are delivered across the full project lifecycle, from advisory and design services through to construction, delivery and optimisation, enabling clients to achieve long-term carbon reduction outcomes.

FREEDOM

The principal activities of Freedom are the design and installation of electrical infrastructure projects and facilities management and maintenance services to the UK distribution network operators (DNOs) and the wider utility and infrastructure industry.

As a trusted partner to the DNOs, Freedom helps strengthen and modernise the electricity distribution network, ensuring it can meet the demands of a low carbon future. Our expertise extends to delivering critical infrastructure solutions that support the UK's net zero targets, providing grid connections for some of the country's largest and most complex projects. By leveraging our technical capabilities and industry-leading experience, we are driving innovation, enhancing network reliability, and enabling the future of clean energy.

We advise, design, connect, build, maintain, and renew electricity infrastructure assets across the UK. As a NERS-accredited (National Electricity Registration Scheme) Independent Connection Provider (ICP), we support customers throughout the project lifecycle; from identifying suitable land and undertaking feasibility studies, to the detailed design and build of the connection, which can be from 11kV up to 132kV.

IT SERVICES

The principal activities of IT Services are the provision of specialist digital technology solutions, enabling upgrades and innovation across three key areas of customers' digital agendas: critical infrastructure, data cabling, and network services. These services are provided to customers across a number of markets in the public and private sector.

Our technical expertise, consultative approach, and unmatched end-to-end capabilities ensure we deliver solutions for connectivity, data management, and analysis.

GROUP

The principal activities of the Company are the management of subsidiary companies including providing central support services (for example finance, people and ICT), setting the governance and policy frameworks and management of current asset investments, the defined benefit pension scheme and commercial and industrial properties utilised in the Group's businesses.

OUR WAYS OF WORKING CHARTER

How our people work, interact and make decisions day-to-day underpins the delivery of our Journey to 2030 strategy.

Our Ways of Working Charter, launched in 2025/26 alongside our Journey to 2030 strategy, sets out a shared understanding of what 'good' behaviours that matter most at NG Bailey looks like in practice. Developed by the Group Leadership Team, it brings together 14 clear, simple principles that guide how our people work together, to support better conversations, stronger relationships and a positive culture.

The charter underpins the consistent delivery of our strategy by reinforcing behaviours that drive safety, pace, collaboration, respect and long-term thinking. Each principle plays a role and taken together, they provide a powerful and practical framework for how we work and grow as a business, helping to create positive outcomes for our customers, partners and other stakeholders.

What the charter represents

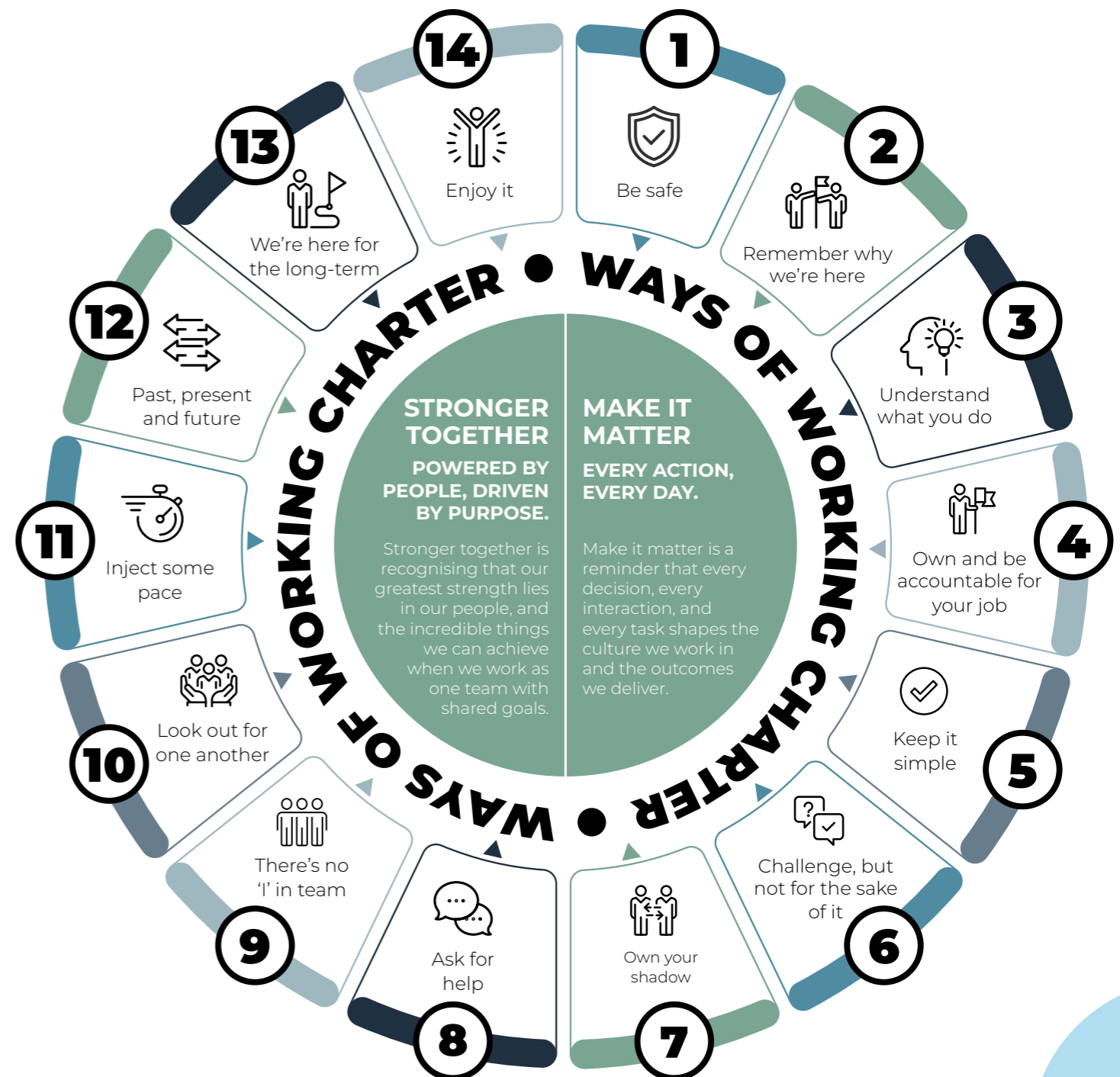
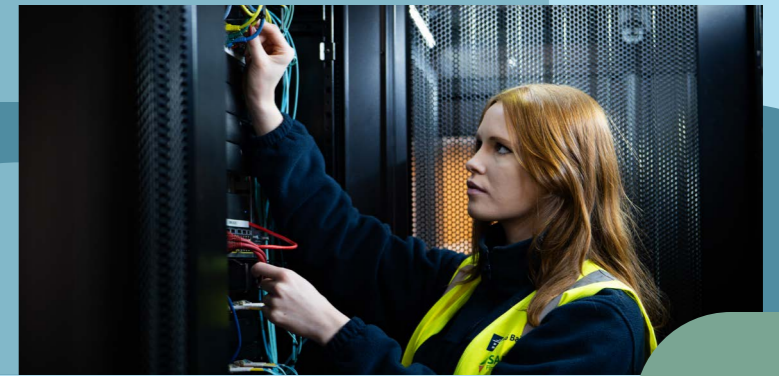
- ✓ A **shared understanding** of the behaviours we expect from one another
- ✓ A **practical framework** that supports effective leadership and decision-making
- ✓ A **cultural foundation** aligned to our Journey to 2030 strategy and long-term sustainability

STRONGER TOGETHER

Reflecting the importance of collaboration and shared purpose in delivering our strategy

MAKE IT MATTER

Recognising that everyday decisions and interactions shape our culture and outcomes



SECTION 172 COMPANIES ACT 2006 STATEMENT

The Board has chosen to apply the Wates Corporate Governance Principles for Large Private Companies for the period ended 27 February 2026.








The Corporate Governance Report, which evidences how the Group applies these principles, is included on pages 86 to 99 and is also available on the Group's website at www.ngbailey.com.

The Wates Principles support the Directors in demonstrating how they comply with the requirements of **Section 172 of the Companies Act 2006**, and how these requirements have influenced the Board's decision making throughout the period. In line with Section 172, the Board's priority is to ensure that the Directors have acted, both individually and collectively, in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the Directors have had regard to the interests of all its stakeholders and the need to maintain a reputation for high standards of business conduct.

In carrying out this duty during the period, the Directors have had regard to, amongst other matters:

- the importance of maintaining a reputation for high standards of business conduct and acting fairly between shareholders of the Company
- alignment with the Bailey family's Guiding Principles
- the impact of the Group's operations on the community and the environment
- the likely consequences of decisions in the long-term
- the interests of employees
- fostering the Group's business relationships with customers and suppliers

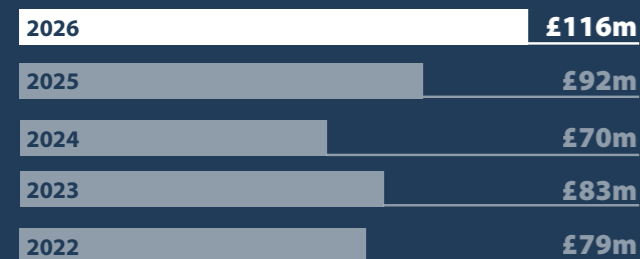
Further detail on how the Board has considered these matters is set out in the table on the following page, with cross references to the relevant sections of the Strategic and Corporate Governance Reports.

Area of consideration	Demonstrated by	Further information
 Reputation of the business	<p>NG Bailey has a proud heritage and a proven track record of achievement spanning more than 100 years. The Group is founded on its values of Passion, Integrity, Responsibility and Excellence, which guide the Group's strategy, decision making, processes and culture. The Board recognises that maintaining a strong reputation is fundamental to the long-term success of the business and believes that this is best achieved through robust governance, high standards of business conduct and responsible decision making on a day-to-day basis. The Board actively considers the impact of its decisions on the Group's reputation and relationships with key stakeholders, including employees, customers, suppliers and the wider community, when reviewing strategy, performance, risk management and major business decisions.</p>	<p>Pages 86 to 99</p> <p>Pages 10 and 11</p>
 Our shareholders and wider family	<p>The Group is a family owned business and recognises the importance of maintaining open and constructive dialogue with its shareholders. The Bailey family's Guiding Principles set out their long-term aspirations for the Group, including leadership excellence, being a great place to work and acting as a responsible business. The Board seeks to align the Group's strategic direction with these Guiding Principles to support the long-term success and sustainability of the business.</p> <p>The Chair and the two family non-executive Directors provide the primary routes for communication between the Board and the shareholders, ensuring appropriate oversight, engagement and alignment on key strategic matters. An understanding of the shareholders' expectations and priorities for the Group is gathered through a programme of communications with the shareholders and wider family.</p>	<p>Page 95</p> <p>Pages 10 and 11</p>
 Impact on communities and the environment	<p>We recognise our responsibility to operate in a way that contributes positively to the communities and society in which we work, and consider the impact of the Group's activities on local communities, society and the environment when reviewing strategy, performance and significant business decisions. The Group engages with communities through a range of communication channels and seeks to support its employees, customers and suppliers in their charitable and voluntary activities, recognising the role these play in delivering positive social impact.</p> <p>During the period, the Group refreshed its Responsibility and Impact strategy, aligned to the <i>Journey to 2030</i> strategy. This refreshed approach provides greater clarity on how responsibility and impact are considered alongside commercial performance, and how these considerations are embedded into decision making and delivery across the business. A key element of the strategy is the important role the Group's capabilities play in supporting the decarbonisation of the UK economy, through the delivery of services that enable low-carbon buildings and infrastructure, strengthen resilient and sustainable transport and power networks, and support measurable reductions in emissions for customers. The Group has long standing commitments to reducing its environmental impact, including science based carbon reduction targets approved by the Science Based Targets initiative (SBTi). Together, these commitments support long-term value creation and reflect the increasing importance of responsibility and impact to the Group's customers, partners and other stakeholders.</p>	<p>Pages 44 to 85</p> <p>Page 99</p>
 Strategy and long-term impact	<p>The Board considers the likely consequences of its decisions on the long-term success and stability of the Group when making strategic and significant operational decisions throughout the period. Long-term considerations are embedded into the Board's agenda through standing items, including health and safety, operational and people matters, financial performance, strategy, risks and opportunities, market conditions, cyber security and sustainability.</p> <p>The Group's strategy, <i>Journey to 2030</i>, provides a clear long-term framework for sustainable growth and value creation, balancing financial performance with investment in people, responsible business practices and effective risk management. The Board reviews and approves the Group's strategy annually and monitors progress against strategic priorities through regular reporting on financial and non-financial performance.</p> <p>Strategic decisions are informed by the Group's risk management framework, which supports the identification and assessment of risks and opportunities and their potential impact on the Group's long-term objectives.</p>	<p>Pages 92 and 93</p>
 Relationships with employees	<p>We recognise that our people are central to the Group's long-term success. The Group seeks to create a positive, inclusive and engaging working environment aligned to the Group's values. During the period, we introduced our Ways of Working Charter, which sets out a shared understanding of expected behaviours and ways of working across the business. The Group engages regularly with employees through a range of communication channels, including leadership briefings, internal communications and team level engagement. Employee feedback is gathered through the annual employee survey, alongside other formal and informal channels, and is used to inform decision making, policy development and organisational priorities. We continually review and update our people offering to ensure it remains competitive, relevant and supportive of employee wellbeing.</p>	<p>Pages 96 and 97</p>
 Relationships with suppliers	<p>Our supply chain partners play a key role in the long-term stability and success of the Group. We recognise the importance of managing our supply chain in a responsible and sustainable way and of maintaining strong, collaborative relationships with suppliers and subcontractors. The Group seeks to work with supply chain partners who share its commitment to high standards of safety, quality, ethical conduct and sustainability. During the period, the Group continued to enhance its approach to supply chain management, including the implementation of a new supply chain management system, providing improved visibility, consistency and control across supplier onboarding, performance management and risk assessment. We recognise the importance of paying our supply chain on time, as demonstrated by our payment performance metrics which are consistently industry leading. This approach supports supply chain resilience, responsible procurement practices and long-term value creation for the Group and its stakeholders.</p>	<p>Page 98</p>
 Relationships with customers	<p>We seek to build and maintain long-term, trusted relationships with customers by delivering projects and services that meet customer requirements and expectations, supporting the Group's reputation for reliability, quality and responsible delivery. The Group engages with customers through regular contract delivery meetings, account management processes and formal feedback mechanisms, using this insight to support continuous improvement and inform future decision making. Customer feedback and market insight help shape service delivery, commercial approach and strategic priorities, supporting repeat business and long-term partnerships across the Group's chosen markets. We have long-standing relationships with many of our customers and customer retention rates remain high across the business.</p>	<p>Page 99</p>

KEY PERFORMANCE INDICATORS

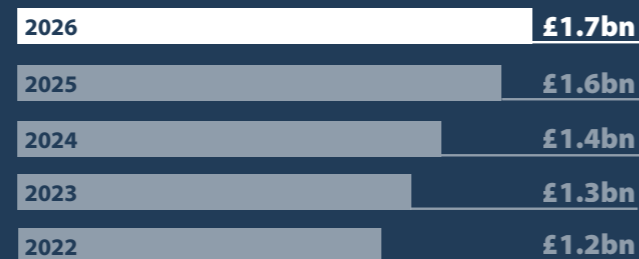
Cash & investments

£116m



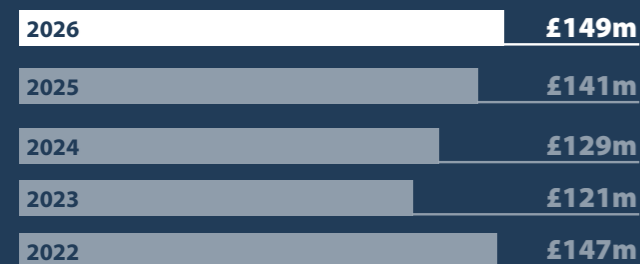
Order book

£1.7bn



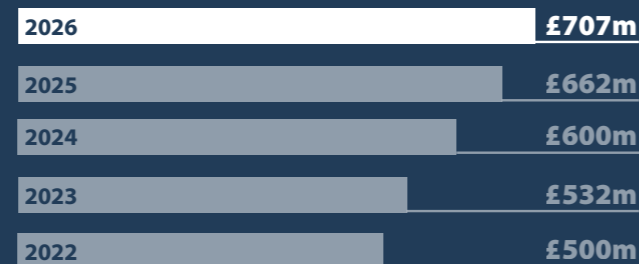
Net assets

£149m



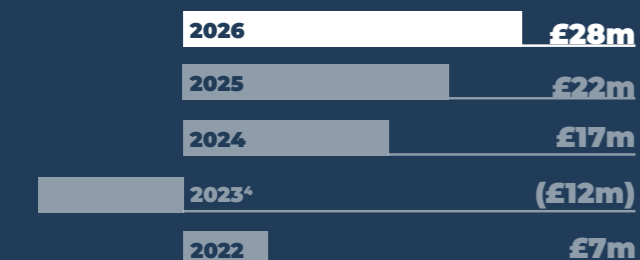
Turnover

£707m



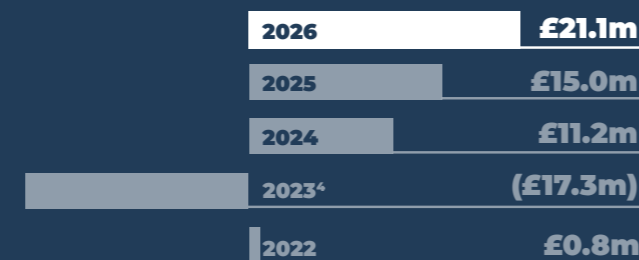
EBITDA¹

£28m



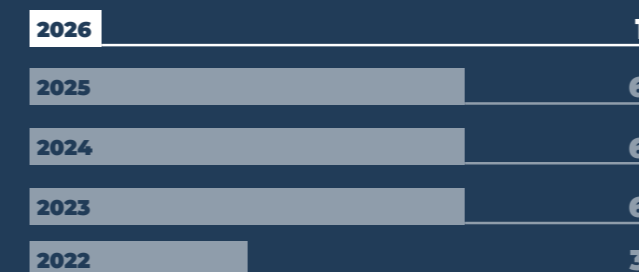
Underlying operating profit / (loss)²

£21.1m



Reportable RIDDOR incidents³

1



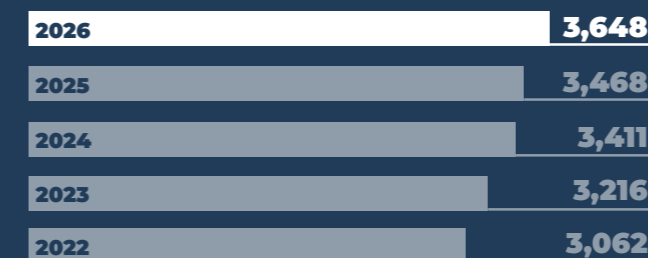
Carbon intensity – tCO₂e per £m turnover (location-based)

10.0



Group employees

3,648



Supplier invoices paid within 60 days⁵

99%



1. EBITDA is calculated as statutory profit / (loss) adjusted to add back interest, tax, depreciation, amortisation and exceptional items.

2. The Group uses underlying operating profit / (loss) as a key performance indicator to assess the performance of the Group. The underlying figure provides a consistent measure of business performance year-on-year and is used by management to measure operating performance. Underlying operating profit / (loss) represents operating profit / (loss) before exceptional items and amortisation of goodwill and acquired intangible assets. A reconciliation of statutory to underlying results is set out on page 108.

3. Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

4. 2022/23 performance was impacted by a small number of Engineering fixed price contracts, which suffered from unprecedented inflationary pressures, delays and some supply chain failures.

5. Based on supplier payment reporting for NG Bailey Limited.

We are proud of the health and safety standards we set, underpinned by established safety management processes, clear governance and strong leadership visibility, and supported by a culture that encourages everyone to take ownership and speak up. This approach reflects our belief that strong health and safety performance is both the right thing to do and a critical enabler of quality, productivity and long-term value creation across the Group.

Led by our people

Safety leadership and personal accountability sit at the heart of our approach. All colleagues have a health and safety objective as part of their annual performance goals, reinforcing consistent leadership behaviours and ensuring responsibility for safety is embedded at every level of the organisation.

We continue to focus on engagement and positive intervention, encouraging our people to identify hazards, challenge unsafe behaviours and act early to prevent incidents. This culture is supported by simple, accessible reporting and clear feedback loops so that learning is shared and improvements are sustained across the Group.

A strong culture

Our Safety in Mind cultural development programme, launched in 2023/24, continues to be embedded across the Group. During the period, delivery transitioned from an external provider to our internal Learning & Development team, strengthening internal capability and ensuring the programme remains closely aligned to the needs of the business.

The next phase introduces a targeted huddle culture, providing short, focused safety conversations led by supervisors. This approach enables rapid sharing of learning and alerts, and is particularly effective for our remote and dispersed workforces.

Continuous improvement

Our processes and procedures are under constant review to ensure our approach to health and safety continues to evolve alongside the needs of the business. During the period, the Group recorded one RIDDOR reportable incident (2025: 6). Whilst this represents a significant improvement, we remain clear that there is no room for complacency. Every incident and near miss is thoroughly investigated, with lessons learned shared across the business to prevent recurrence.

Engagement continues to strengthen. In the last 12 months, colleagues submitted 41,800 Don't Walk By! observations (2025: 36,100), and SHE inspections increased by 35% year-on-year, reflecting a proactive approach to identifying and managing risk. These leading indicators provide valuable insight and enable targeted action before harm occurs.

Digital enablement and insight

The Group's MySafety reporting system continues to support easy, consistent reporting of incidents, inspections, risk assessments and Don't Walk By! observations. Since its rollout, reporting activity has increased, improving visibility and data quality.

Our focus is now on using this data more effectively to identify trends, prioritise risk and inform targeted improvement activity. Digitalisation of safety, health and environment processes is advancing, and opportunities to use data and emerging technologies, including AI, are being explored to further enhance risk insight and proactive intervention.



We are proud of our low Accident Frequency Rate (AFR) of **0.01**



41,800 observations reported in the last 12 months



HEALTH AND SAFETY



SAFETY IN MIND

Safety in Mind initiative, launched in 2023/24 to reinforce health and safety culture



MYSAFETY

My Safety reporting system, launched in 2023/24, to make reporting incidents, inspections and 'Don't Walk By!' observations, and risk assessments quick, easy and consistent



11 ROSPA

awards received across the Group



Health and safety is first and foremost in our business. Our goal is always to reduce risk and ensure that everyone who works for, or is affected by, our business returns home safe and well every day.

FUTURE DEVELOPMENTS

The UK economy continues to face challenges, with structural labour and skills shortages, ongoing inflationary pressures and uncertainty arising from geopolitical tensions impacting customer confidence. However, the medium-term outlook for the Group's markets remains positive, supported by the UK government's commitment to driving economic growth through substantial investment in national infrastructure and the decarbonisation of the built environment.

Significant government commitments underpinning the Group's core markets include the 10 Year Infrastructure Strategy working paper, which sets out plans to transform UK infrastructure and achieve net zero emissions by 2050, alongside commitments to increase defence spending to 2.5% of GDP by 2027 and 3.5% of GDP by 2035, in line with revised NATO targets.

The Group is well positioned to benefit from these long-term investment drivers, with a strong pipeline of work in key infrastructure sectors where funding visibility is high, including defence, nuclear, healthcare, airports, universities, water, gigafactories and rail, together with growing credentials in decarbonisation-related activities.

The Group's diversification strategy is well established, with a balanced order book comprising a mix of project work and predictable, recurring income contracts, and a good balance between work undertaken directly with end clients and work delivered alongside preferred main contractors. This mix supports risk diversification and provides greater overall stability.

Our order book (secured and anticipated work) stood at £1.7bn at the period end (2025: £1.6bn) and is forecast to grow further.

The Board and management team continue to closely monitor market conditions and economic developments and to adapt the Group's plans as appropriate, ensuring a disciplined and selective approach to growth and a continued focus on delivering long-term value for all stakeholders.



ELECTRICITY DISTRIBUTION NETWORK OPERATORS

UPDATE

The current ED2 regulatory cycle (2023 – 2028) continues to underpin materially higher spend and delivery expectations across electricity distribution, as Ofgem has required distribution network operators (DNOs) to invest significantly in upgrading and expanding the electricity network. This has included c£23bn funding to modernise ageing infrastructure, connect more customers to the grid and support the UK's shift towards electric vehicles, heat pumps and other low-carbon technologies.

During 2025, Ofgem has approved additional funding for new grid capacity, innovation projects and accelerating customer connection times. These decisions confirm that more upgrades and new connections are needed urgently, meaning the strong flow of work is expected to carry on through to 2028

Importantly, the same pressures (more electricity use, more renewable generation, and growing demand for connections) are expected to increase in the next regulatory period, ED3 (2028–2033). Network companies have started preparations for ED3, with the industry expecting investment and project volumes to rise further. This creates a clear trajectory: ED2 is driving higher sales today, and that growth trend is expected to strengthen and grow further as ED3 begins.

EXPERTISE

Through our Freedom business, we are closely aligned with the evolving skills, standards and regulatory expectations set by Ofgem. With decades of experience in the sector and a strong reputation for safety, quality and dependable delivery, we hold long-standing frameworks with the DNOs and continue to support them as they scale investment to meet rising demand for network capacity, new connections and low-carbon technologies.

We are strengthening our presence across all regions by investing in dedicated business development and locally-focused delivery teams, ensuring we are well positioned to capture the growing volume of work created by increased funding available during DNO regulatory cycles.

Our in-house engineering and design teams enable us to develop practical solutions that help DNOs deliver upgrades more efficiently and safely. This includes our award winning POC-MAST™ innovation, which provides a safer, quicker and more cost effective point-of-connection method, and demonstrates our ability to support network operators with both technical expertise and scalable product innovation as investment requirements increase.

LOW CARBON BUILDINGS

UPDATE

Regulatory and market momentum around decarbonisation has strengthened in recent years, with the pilot UK Net Zero Carbon Buildings Standard providing a unified methodology for assessing operational and embodied carbon performance and the Government Property Agency's Sustainability & Net Zero Annex raising requirements for public estate projects.

The UK built environment remains responsible for roughly a quarter of national emissions, keeping retrofit and whole-life-carbon design at the forefront as public and private owners plan pathways to meet 2030 and 2035 interim carbon targets.

As a result, the market is shifting towards estate-wide decarbonisation strategies, performance-verified delivery and complex retrofit of heritage and hard-to-treat assets.

For our customers, this means a growing need for reliable data, transparent carbon reporting and solutions that guarantee real-world performance rather than theoretical savings.

EXPERTISE

The capabilities within our businesses enable us to deliver measurable, evidence-based carbon-reduction strategies across customer estates, supporting both public and private organisations as they respond to rising regulatory expectations and the growing need to verify real-world performance.

Our market-leading data assessment tools and professional services teams guide customers from the earliest stages of developing their decarbonisation strategies through to implementation, monitoring and long-term asset management. This whole-life approach ensures that investment decisions are grounded in reliable data, transparent reporting and clear pathways to achieving carbon commitments by 2050.

Retrofitting older, complex and heritage buildings remains one of the largest challenges in the transition to a low-carbon built environment, particularly where information is incomplete until works begin. We have extensive experience in this area, demonstrated by our delivery of major upgrades to the 140-year-old Grade I-listed Manchester Town Hall, where we combined specialist engineering expertise with sensitive conservation requirements to modernise a historically significant asset.



ELECTRIC VEHICLES & GIGAFACTORIES

UPDATE

Transport decarbonisation remains central to the UK's transition to a lower carbon economy, with the sector accounting for around 30% of national greenhouse gas emissions. Government policy and funding continue to support the acceleration of electric vehicle adoption across passenger and commercial fleets, with emphasis on the delivery of supporting infrastructure at scale.

Recent government commitments mark a step change in the electrification of commercial transport. Since April 2025, the UK government has committed £2bn to support the transition to zero emission vehicle manufacturing, followed by a further £1bn in March 2026 targeted at zero emission trucks, vans and depot based charging infrastructure, alongside more than £750m to support public EV charging. Together, these measures are reducing key barriers to adoption and accelerating the shift from early adoption towards operational deployment.

As vehicle availability and funding support improve, charging infrastructure has become the critical path for many organisations, with attention increasingly focused on delivery challenges such as grid capacity, site constraints and the need for infrastructure that can scale as fleet requirements evolve.

EXPERTISE

The Group's electric vehicle infrastructure capability is focused on supporting the transition from ambition to delivery, drawing on its engineering, energy and built environment expertise to provide integrated solutions across charging, power availability and associated requirements.

Close engagement with network operators and customer operations enables the Group to deliver reliable, future-ready infrastructure, supported by long-term maintenance where required. BP pulse is a key customer, with the Group supporting the delivery of EV charging and convenience hub infrastructure across its network.

The Group has also demonstrated strong credentials in the delivery of gigafactory and large-scale battery manufacturing facilities, including its work at the UK Battery Industrialisation Centre (UKBIC), supporting the development of critical infrastructure required to enable the electrification of transport at scale.



NUCLEAR

UPDATE

Nuclear energy remains an important source of large scale, low carbon power in the UK, supplying around 12-15% of electricity generation in recent years. Whilst existing nuclear capacity is expected to decline during the late 2020s as plants are decommissioned, government policy continues to support significant new investment in the sector.

The UK Government has set an ambition to increase nuclear capacity to up to 24 gigawatts by 2050, supported by the Civil Nuclear: Roadmap to 2050 and the establishment of "Great British Energy – Nuclear" to help deliver new nuclear projects, including small modular reactors. Following the 2024 general election, the Labour government reaffirmed its commitment to nuclear power and announced planning and regulatory reforms in 2025 aimed at accelerating the development of new nuclear capacity across England and Wales, alongside confirmed public funding commitments.

EXPERTISE

NG Bailey engineers have worked in the nuclear sector since the 1950s and continue to deliver precision engineering services today. We are part of the alliance delivering Hinkley Point C and have also secured a place as a key partner on the Sellafield decommissioning programme.

DEFENCE

UPDATE

In April 2024, the UK Government announced plans to increase defence spending to 2.5% of GDP, reflecting a sustained response to a more challenging global security environment. Under the previous government, defence expenditure was expected to rise steadily to around £87 billion per annum by 2030, representing an additional £75 billion of funding over six years compared with prior plans.

Following the 2024 general election, the Labour government accelerated this trajectory, committing in February 2025 to reach 2.5% of GDP by 2027. This implies a material uplift in defence spending from the late 2020s and supports increased long-term investment across the defence sector. The government has also stated an ambition to increase defence spending further to 3% of GDP in the next parliament, subject to economic and fiscal conditions.

EXPERTISE

With 950 employees and 650 trusted subcontract partners with a range of security clearances, our teams have the skills and expertise to provide an end-to-end service offering which includes the delivery of complex engineering projects through to infrastructure services such as IT and power engineering services and facilities management.

We have successfully completed and continue to undertake numerous defence projects, many in high security environments.



AIRPORTS

UPDATE

The UK has the third largest aviation network in the world after the USA and China, with London's airports serving more routes than any other European city. The UK Government continues to recognise aviation's strategic role in supporting economic growth, connectivity and global trade, with a particular policy focus on addressing capacity constraints at major airports to maintain the UK's international competitiveness.

Significant investment is being made across the UK's airports, particularly in London. London Stansted is progressing a multi year £1bn + investment programme to expand terminal capacity, while London City Airport has approval to increase passenger numbers within its existing footprint. The government continues to support expansion at Heathrow to address capacity constraints at the UK's principal hub airport.

EXPERTISE

We have a wealth of experience delivering technical solutions for the aviation sector, working on projects at Gatwick, Heathrow and most recently Manchester Airport. Over the last two years, we have played a crucial role in the £1bn Manchester Airport Transformation Programme (MAN-TP), which included the expansion and refurbishment of Terminal 2 and the construction of a new pier. Our work involved providing comprehensive mechanical and engineering solutions, including electrical systems, HVAC (heating, ventilation and air conditioning) installations, and energy-efficient lighting, to enhance passenger experience and operational efficiency.

DATA CENTRES

UPDATE

Demand for data centre capacity continues to grow strongly, driven by the increasing digitisation of services, continued IT outsourcing, and, more recently, the rapid expansion of cloud computing and artificial intelligence (AI) workloads. AI has become a primary driver of growth, significantly increasing compute intensity and underpinning a step change in capacity requirements.

In recognition of their strategic importance, data centres were designated as Critical National Infrastructure in 2024, reinforcing government support for the sector and its role in enabling economic growth, digital resilience and technological innovation. This has coincided with substantial investment in new data centre capacity across the UK, with delivery dependent on the availability of power and supporting infrastructure.

EXPERTISE

We are engineering specialists with a passion for delivering complex engineering solutions. Committed to providing the highest levels of performance, our wider Group offering can add value to our clients and data centre schemes, including cost effective energy supplies, end-to-end facilities services and an energy-led management approach. We have delivered numerous critical environments for private, public, financial and governmental departments. This includes the design, build and fit-out of a major 300 MVA electricity substation at a London Docklands data centre campus for GLP Capital Partners, forming part of one of London's largest data centre developments and providing power for three new data centres.





EDUCATION

UPDATE

The UK Government's School Rebuilding Programme, established in 2021, now covers over 500 confirmed projects, with more than half in delivery. Following the 2025 Spending Review, the Labour government reaffirmed and expanded its commitment to renewing the school estate, with c£20 billion of funding allocated to rebuilding through to the mid 2030s and annual spending rising to c£2.4 billion. A further 250 schools are expected to be added to the programme by early 2027, providing increased long-term pipeline certainty.

This investment sits alongside a broader shift in policy following the publication of the Education Estates Strategy in 2026, which places greater emphasis on proactive estate management, sustainable maintenance and large scale retrofit to improve energy efficiency and climate resilience.

In contrast, universities continue to face financial constraints arising from capped domestic tuition fees and weaker international student recruitment. As a result, capital investment in the higher education sector is typically more selective, with activity increasingly focused on estate rationalisation, energy efficiency and decarbonisation initiatives to support institutional net zero commitments rather than major new build programmes.

EXPERTISE

We have extensive experience working on education projects across the UK including:

- Significant school projects such as the Mayfield Learning Community Campus and Dixon Trinity Academy in Leeds
- Working on flagship university projects including the University of Bristol's Temple Quarter Enterprise Centre (TQEC), Manchester University's Engineering Campus Development (MECD), the University of Sheffield's The Diamond Building and Warwick University's Interdisciplinary Biomedical Research Building

Our expertise in delivering technically complex solutions and innovative offsite manufacturing techniques makes us a reliable partner for education construction projects.

HEALTHCARE

UPDATE

The UK Government's New Hospital Programme, established in 2020, has been formally reset following a review of affordability and deliverability. The programme now comprises 46 hospital schemes, including new builds and major redevelopments, delivered in phased waves over an extended timeframe, with final completion expected in the mid 2040s rather than by 2030 as originally envisaged. This reset reflects rising construction costs, market capacity constraints and the need for a more realistic funding profile.

Seven hospitals containing reinforced autoclaved aerated concrete (RAAC) remain prioritised within the programme due to safety concerns, although their replacements are now expected to complete in the early 2030s, requiring continued interim mitigation and maintenance. The Labour government has confirmed its commitment to renewing NHS infrastructure and has published a funded implementation plan, positioning the programme as a long-term, standardised pipeline of investment designed to improve the quality, safety and resilience of the hospital estate.

EXPERTISE

Our expertise encompasses all aspects of healthcare facilities including medical research activities and specialist theatre developments. We have strong credentials in this sector working with estates teams across the UK including projects at Aberdeen's Baird Family Hospital and ANCHOR Centre, Golden Jubilee Hospital, Airedale General Hospital, Gloucestershire Royal Hospital and Doncaster Royal Infirmary.



RAIL

UPDATE

The UK Government has confirmed a clear direction for rail reform and investment following the conclusion of its rail strategy consultation and the introduction of the Railways Bill. Central to this agenda is the creation of Great British Railways, a new publicly owned body that will bring track and train operations together and provide a single, long-term guiding mind for the rail network, supporting more consistent planning and delivery of infrastructure investment.

Alongside this structural reform, significant funding continues to be directed towards the renewal and modernisation of the existing rail network, including capacity upgrades, electrification and performance focused enhancements across regional routes. Whilst the HS2 programme remains subject to an ongoing government led reset to reduce costs and re-sequence delivery, conventional rail investment is increasingly emphasised as a means of improving connectivity, resilience and economic growth, underpinned by multi year funding settlements and a focus on establishing a more stable, long-term pipeline of work for the sector.

EXPERTISE

Our industry leading reputation has been built from flagship projects such as Luton DART, Gosforth Rail Depot, the redevelopment of Birmingham New Street station, London Bridge station and the Northern Line extension project. We are well positioned to continue to contribute significantly to the planned rail programmes.

WATER

UPDATE

The UK water sector is experiencing a significant uplift in long-term investment, driven by the current regulatory funding cycle (AMP8), which sets out materially increased expenditure by water companies through to 2030. Total committed industry investment is expected to approach £100bn over the period, reflecting the need to address ageing infrastructure, improve environmental performance and enhance resilience to climate change and population growth.

The sector is characterised by high barriers to entry, long-term framework arrangements and strong regulatory oversight, creating a relatively closed and stable market for experienced delivery partners. Investment is focused on flood risk management, water treatment and control infrastructure, nature based solutions and decarbonisation, with the scale of required investment expected to extend well beyond the current regulatory period.

EXPERTISE

The acquisition of Engineering Solutions Group in March 2026 provides the Group with a strong entry into this high growth, heavily funded market, positioning NG Bailey to participate in water sector investment through established frameworks, specialist expertise and longstanding customer relationships.

The group, referred to as ECS after its main trading company (ECS Engineering Services Limited) is a specialist engineering provider to the water and environmental sectors, delivering end-to-end solutions across the lifecycle of water assets, including design, off site manufacture, installation and maintenance. Its capabilities span mechanical engineering, specialist steel fabrication to the highest execution standards, civils and groundworks, and the supply of bespoke water control products, enabling the delivery of complex, safety critical infrastructure for regulated customers. The Group is looking forward to integrating ECS into its capabilities and offering.



RESPONSIBILITY AND IMPACT STRATEGY

Following the launch of the Group-wide 'Journey to 2030' strategy, we are refreshing our Responsibility and Impact strategy to ensure it reflects what matters most to our business, our people and our customers.

We are starting from a strong position, with credible targets and real progress already being delivered on carbon reduction and social value. A key element of the refreshed Responsibility and Impact strategy is the significant role the Group's capabilities play in supporting the decarbonisation of the UK economy, alongside the Group's own commitments to operate responsibly. Building on these foundations, our refreshed strategy sets out a structured, simplified approach to delivering even greater impact.

We tested the strategy against evolving client expectations, regulatory requirements and material risks and opportunities through our Double Materiality Assessment as set out on pages 48 and 49.

The strategy raises our ambitions, supports our competitive position and enhances resilience across our operations and supply chain.

bp pulse Cromwell Road, Low Carbon



OUR RESPONSIBILITY JOURNEY TO DATE



Responsibility is one of our four values.

We are proud to have worked for over two decades to embed environmental and social priorities into the way we do business. Our previous sustainability programmes and achievements have laid strong foundations on which to build as we work towards our 2030 targets.

20
12

We delivered reductions in carbon, water usage, and waste sent to landfill through our Target 2012 sustainability programme

20
13

We launched our One Approach sustainability programme, setting ambitious targets across six key ESG areas

20
16

We established our first charity partnership with Macmillan Cancer Support, raising over £70,000 and exceeding our £50,000 target

20
17

We achieved a 19% carbon reduction in emissions per employee relative to our baseline year of 2014/15

20
18

We launched our Customer of Choice strategy, promoting best practice and fostering innovation across our supply chain

20
21

We introduced our Net Positive responsibility strategy, aiming to put more into society, the environment and the global economy than we take out

20
22

We received approval for our near-term and supply chain targets from the Science Based Target Initiative. We also launched paid volunteering days for every employee

20
23

We launched our annual wellbeing day for every employee on top of their leave allowance to help them recharge

20
24

We received approval for our long-term net-zero target from the Science Based Targets Initiative, setting a clear pathway for carbon reduction through to 2045

20
25

We completed our first Double Materiality Assessment to inform a refreshed Responsibility and Impact strategy for the Group. We also reached an important milestone with 100% of our company car fleet being plug-in hybrid or electric cars

20
26

We launched our refreshed Responsibility and Impact strategy



IDENTIFYING WHAT MATTERS FOR OUR BUSINESS

In 2025, we completed our first double materiality assessment to align with regulatory and stakeholder expectations and to prioritise the issues that matter most. We assessed each topic through two lenses: financial materiality (how it can affect the Group's performance) and impact materiality (how our operations affect people and the environment).

Using stakeholder engagement, horizon scanning, customer analysis and employee surveys, we identified **nine priority areas** to guide our strategy refresh. These span:

<p>Environmental</p> <ul style="list-style-type: none"> · Sustainable supply chain · Pollution prevention · Net zero and climate change action · Electric vehicle transition 	<p>Social</p> <ul style="list-style-type: none"> · Health and wellbeing · Training and apprenticeships 	<p>Governance</p> <ul style="list-style-type: none"> · Workforce safety · Customer satisfaction · Data privacy and security
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These priorities provide a clear basis for focusing our strategy, targets and resources on the areas where we can have the greatest influence and create the greatest value. The graph to the right details the full Group materiality assessment.

Reassuringly, our **nine priority areas** are either a direct focus area of our Responsibility and Impact strategy, or managed through existing dedicated resource.

Double Materiality Matrix



KEY ○ Environment ○ Social ○ Governance **Priority material issues**

- | | | | | | |
|---|------------------------------------|----|---|----|---|
| 1 | Safety of our workforce | 8 | Innovation of products & logistics | 17 | Health and Wellbeing |
| 2 | Customer satisfaction | 9 | Energy use & efficiency | 18 | Training and Apprenticeships |
| 3 | Business ethics | 10 | Sustainability in the supply chain | 19 | Inspiring future generations e.g. through STEM / School Engagement |
| 4 | Data privacy & security | 11 | Waste and circular economy | 20 | FIR (Fairness, Inclusion, Respect) / EDI (Equality, Diversity, Inclusion) |
| 5 | Payment practices | 12 | Net zero and climate change action | 21 | Dedicate time and expertise for community environmental improvement |
| 6 | Modern Slavery and Human rights | 13 | Biodiversity | 22 | Volunteering to support local community projects |
| 7 | Political influence | 14 | Water efficiency | 23 | Spend locally with MSMEs and VCSEs (Voluntary, Community and Social Enterprises) |
| | | 15 | Electric Vehicle (EV) transition | 24 | Engage local communities and under-represented groups into work |
| | | 16 | Pollution prevention | 25 | Donations and in-kind contributions to local community projects and charitable causes |

INTRODUCING THE...



RESPONSIBILITY AND IMPACT STRATEGY

Our Responsibility and Impact strategy aligns with the Group's Journey to 2030 and establishes a clear, focused framework for long-term sustainable growth, resilience and competitive advantage around three pillars.

Anchored in our values, it defines the impact we seek to deliver and the governance that underpins responsible, consistent delivery.

VISION

Together we create and maintain exceptional buildings and infrastructure to enable a society that connects seamlessly, operates efficiently and prospers now and in the future.

PROTECTING OUR PLANET

- Reducing carbon
- Resource use & circularity
- Climate risk & adaptation

ENABLING DECARBONISATION

- Low carbon solutions
- Power infrastructure
- Modern methods of construction

CREATING SOCIAL VALUE

- Skills & wellbeing
- Community & local economy
- Ethical supply chain

COMMITMENTS

Our commitments are a statement of ambition explaining our aims for each pillar of the strategy. These are detailed on the following pages.

KEY METRICS AND TARGETS

A consistent set of key metrics and associated targets has been identified for each pillar to provide a transparent and robust way to track our performance and progress against the commitments set out in our Responsibility and Impact strategy.

Together, these metrics and targets provide clarity, and accountability, ensuring our commitments translate into measurable long-term outcomes. Milestones have been developed for each target to guide decision making and embed accountability across the business.

UNDERPINNED BY:

- CODE OF INTEGRITY
- ETHICAL WORKING POLICY

PASSION INTEGRITY RESPONSIBILITY EXCELLENCE



ALIGNED TO

OUR JOURNEY TO 2030



PROTECTING OUR PLANET

OUR COMMITMENT

This pillar sets out how we will protect the environment while strengthening long-term business resilience. It focuses on reducing environmental impacts across our operations and value chain, improving resource efficiency, embedding circular practices and building climate resilience.

WE ARE COMMITTED TO...

REDUCING CARBON

Reducing emissions across the Group's activities and using our influence across our supply chain to support clients and partners to decarbonise and drive positive impact.

RESOURCE-USE & CIRCULARITY

Reducing waste and pollution, improving water stewardship, using resources more efficiently, and embedding circular practices across our operations and projects.

CLIMATE RISK & ADAPTATION

Managing climate-related risks in day-to-day operations to strengthen resilience across the Group, supporting long-term sustainable growth.

HOW WE MEASURE PERFORMANCE

- » 50% reduction in scope 1 and 2 carbon emissions by 2031 (vs 2018/19 baseline)
- » 40% of SBTi approved suppliers to report carbon emission data direct to the Group by 2030
- » Successfully transition our commercial vehicle fleet to eLCV by 2031
- » 95% of operational waste diverted from landfill
- » 90% reduction in scope 1, 2 and 3 carbon emissions by 2045 (vs 2018/19 baseline)
- » Refresh climate risk scenario analysis every 3 years
- » 75% of suppliers (by spend of purchased goods and services) to have a science based target by FY2027
- » Ensure continued alignment to environmental best practice by adopting ISO14001:2026 by 2029

WHERE WE ARE NOW

- » 9% reduction in scope 1 and 2 carbon emissions to date (vs 2018/19 baseline)
- » Engagement underway with our SBTi approved suppliers to support carbon emission data reporting
- » 9% of our commercial vehicles are electrified, with further trials planned for 2026/27
- » 98% of operational waste diverted from landfill
- » Growing understanding of our scope 3 emissions across our activities and supply chain
- » Climate risk scenario analysis carried out in 2023/24 with a refresh planned in 2027/28
- » 48% of suppliers (by spend of purchased goods and services) have or are committed to setting a science based target
- » The Group has adopted ISO14001:2018

ENABLING DECARBONISATION

OUR COMMITMENT

This pillar sets out how we enable the UK's decarbonisation transition through the services we deliver for our clients. By supporting low carbon buildings, transport and power infrastructure, we strengthen national energy systems and deliver measurable emissions reductions through innovation, expertise and long-term operational support.

WE ARE COMMITTED TO...

LOW CARBON SOLUTIONS

Enabling decarbonisation through our low carbon solutions. Offering an integrated approach and expertise that supports the energy transition and unlocks long-term, holistic value from low carbon buildings and transport.

POWER INFRASTRUCTURE

Supporting the transformation of the UK's power infrastructure through our work on the UK electricity network, our innovative POC-MAST™ solution and our work in the nuclear sector.

MODERN METHODS OF CONSTRUCTION

Championing the use of offsite manufacturing solutions through our dedicated offsite manufacturing capabilities to streamline processes and reduce embodied carbon for our clients.

LOW CARBON SERVICES

» Carbon efficient buildings:

With 100+ years' experience, we understand how buildings work – both the new buildings of today and the old buildings that must be retrofit for tomorrow. We incorporate fit-out and technical maintenance, so we understand how to design a building for long-term value and optimise that value over time to help our clients in their energy transition

» Batteries and gigafactories:

As the UK accelerates the electrification of transport and industry, large scale battery manufacturing and energy storage are becoming critical national infrastructure. We bring deep engineering expertise across power, controls and high integrity environments, enabling us to support the delivery, operation and optimisation of gigafactories and battery facilities

» Electric vehicle (EV) charging infrastructure:

As electric vehicles become central to the UK's transport system, reliable and scalable charging infrastructure is essential. We bring integrated engineering capability across power, grid connections and digital controls, enabling us to design, deliver and maintain charging solutions that are safe, resilient and future ready.



HOW WE MEASURE PERFORMANCE

Our ambition is for over half of the Group's order book to directly enable decarbonisation on an ongoing basis. This includes our projects that support low carbon buildings, transport and power infrastructure, as well as those delivered through offsite manufacturing solutions.

This ensures that the majority of our work is actively contributing towards the transition to a low carbon economy in the UK.

POWER INFRASTRUCTURE

» Decarbonising the UK Grid:

As the UK energy system shifts towards low carbon generation, the electricity grid must be upgraded to accommodate increased demand, decentralised assets and greater system complexity. We bring specialist capability across high voltage engineering and power distribution, enabling us to support grid reinforcement, modernisation and integration

» Nuclear new build:

Nuclear power remains a critical component of the UK's low carbon energy mix, providing secure, reliable generation at scale. We have extensive experience working in highly regulated, safety critical environments, supporting complex engineering delivery through construction, commissioning, long-term operation and decommissioning. Our understanding of nuclear standards, quality assurance and asset lifecycle management enables us to help clients deliver infrastructure that is safe, resilient and built for the long-term

» POC-MAST™:

As the UK's electricity network expands and ages, the ability to connect new assets and support renewables projects efficiently is critical to maintaining system resilience. POC-MAST™ provides a flexible, engineered solution that enables temporary or permanent connection to the electricity grid without the need for extensive fixed infrastructure at the point of connection. Suitable for both new connections and network renewals, it reduces programme risk, cost and disruption while maintaining safety and network integrity.

MODERN METHODS OF CONSTRUCTION

» OSM Assemble:

We apply our offsite manufacturing expertise to the delivery of repeatable mechanical and electrical assemblies, enabling components to be designed once and deployed across multiple projects. By assembling systems in controlled factory environments, we improve material efficiency, reduce waste and minimise carbon intensive site activity. This streamlined approach supports faster installation, improved quality and reduced embodied carbon, helping clients deliver more sustainable buildings

» OSM Fabricate & Ventilation:

We apply advanced fabrication and ventilation manufacturing capability to produce high quality mechanical, structural and ductwork systems in efficient, controlled environments. Through standardisation and precision manufacturing, we optimise material use and help lower embodied carbon while delivering consistent, high performing systems that support industrialised, low carbon construction

» OSM Consult:

We apply early stage consultancy to help our clients maximise the benefits of offsite construction from the outset. By guiding designs towards standardised solutions and away from unnecessary bespoke elements, we reduce material use, rework and site based inefficiencies. This proactive approach streamlines delivery and supports lower embodied carbon outcomes, helping clients realise the full sustainability benefits of modern methods of construction.



CREATING SOCIAL VALUE

OUR COMMITMENT

This pillar focuses on creating long-term social value by operating ethically, investing in our people's skills, wellbeing and development, and delivering measurable positive outcomes across our communities and supply chain.

HOW WE MEASURE PERFORMANCE

- » £2.8m of social value generated annually across the Group by 2030
- » Over 60% of the Group order book is generated from social benefit delivery (i.e. decarbonisation services plus healthcare, education, national resilience and social infrastructure related projects)
- » 200+ people on recognised apprentice programmes
- » 2,000 volunteering days taken annually across the Group by 2030
- » 85% of wellbeing days taken across the Group annually (as a % of Group employees)
- » Ensure continued alignment to modern slavery best practice by adopting British Standard 25700 by 2030

WHERE WE ARE NOW

- » £2.6m of social value generated in 2025/26
- » 75% of the Group order book is generated from social benefit delivery (including enabling decarbonisation)
- » 250 people on recognised apprentice programmes
- » 1,482 volunteering days taken during 2025/26
- » 87% of wellbeing days taken across the Group in 2025/26

WE ARE COMMITTED TO...

SKILLS & WELLBEING

We will create safe, healthy and purpose-driven workplaces - investing in our people's wellbeing and skills, supported by our industry-leading apprenticeship programme - so every colleague can grow, thrive, and deliver positive impact for society.

COMMUNITY & LOCAL ECONOMY

Creating measurable social and local economic value across the Group, enabling our communities to thrive and building long-term resilience.

ETHICAL SUPPLY CHAIN

Working with our supply chain to uphold human rights and fair working practices, creating positive social value and long-term trusted partnerships.



OUR RESPONSIBILITY AND IMPACT ROADMAP

This roadmap sets out the key milestones and actions to deliver our Responsibility and Impact strategy.

It provides a clear line of sight from ambition to delivery, helping the Group stay focused on priorities that strengthen long-term resilience and value creation. Delivery of the strategy is a collective responsibility, with clear roles across the business to ensure meaningful and lasting positive impact for our people, communities and the environment.

2027

Launch of Responsibility and Impact strategy
 £2.5m of social value generated across the Group
 Launch of NG Bailey Low Carbon

Target:
 75% of suppliers (by spend of purchased goods and services) have a science-based target

Climate risk scenario analysis refreshed
 Double materiality assessment refreshed
 Social value targets in place for all projects with more than £25m sales

2028

2029

Adoption of ISO14001:2026 aligning to environmental best practice
 Responsibility and Impact strategy periodic review

Alignment to British Standard 25700 aligning to modern slavery best practice

Target:
 2,000 volunteering days taken across the Group

2030

2031

Climate risk scenario analysis refreshed

Target:
 50% reduction in scope 1 and 2 carbon emissions from 2018/19 baseline

All priority suppliers report carbon emission data direct to the Group

Target:
 90% reduction in scope 1, 2 and 3 carbon emissions (i.e.net zero)

2045

STREAMLINED ENERGY AND CARBON REPORT

REPORTING PERIOD

NG Bailey is reporting for the financial period of 2025/26 (March 2025 – February 2026), using the previous period as a comparison and 2018/19 as the baseline. The 2018/19 baseline period reflects the carbon impact of the Group following the acquisition of Freedom in March 2018.

ENVIRONMENTAL MANAGEMENT SYSTEM

NG Bailey operates an environmental management system that complies with the ISO 14001:2015 standard for all operational companies within the Group. This system ensures adherence to environmental standards and legislative requirements across all key environmental impacts identified in the Streamlined Energy and Carbon Reporting (SECR) guidance.

REPORTING BOUNDARY

The Group's carbon reporting boundary includes the following statutory entities: NG Bailey Group Limited, NG Bailey Limited, NG Bailey Facilities Services Limited, NG Bailey IT Services Limited, The Freedom Group of Companies Limited and OSM Ventilation Limited.

The reporting boundary is based on the Group's financial reporting year and encompasses impacts from all material reporting units from the entities listed.

The materiality of our units is determined by their contribution to our overall impact and our ability to influence their operational impacts. Energy and emissions data relating to client-controlled project sites is excluded where it is not reasonably practicable for the Group to obtain accurate consumption data. This is consistent with SECR guidance on practicability.

MEASUREMENT METHODOLOGY

Organisational boundaries were established with reference to the GHG Protocol and the ISO 14064-1:2018 standards. An operational control consolidation approach was used to account for our impacts and emissions. 2025/26 marks the eighth consecutive year that our Group's carbon impacts have undergone external verification and assurance to the ISO 14064-1:2018 standard.

It has been certified that the Group meets the requirements of the Carbon Reduce © certification, having measured

its greenhouse gas emissions in accordance with ISO 14064-1:2018 and committed to managing and reducing emissions related to its operational activities in the UK.

Alongside the SECR disclosure requirements covered in this report, we have reported our scope 1 and scope 2 emissions together with those scope 3 emissions required to be disclosed under SECR. A separate greenhouse gas inventory providing a comprehensive analysis of our total scope 1, 2 and 3 emissions in line with SBTi reporting requirements is available on our website www.ngbailey.com

ENERGY AND CARBON STRATEGY

The Group is committed to its role as a responsible business and has consistently worked to reduce its environmental impacts through energy and carbon reduction efforts over the past decade, achieving a 14% reduction in gross emissions since our baseline year 2018/19. Our near-term science-based target was approved in 2022/23, committing us to a 50% reduction in scope 1 and 2 impacts by 2031, in line with the 1.5°C limit deemed necessary to mitigate the destructive impacts of climate change. In 2024/25, our long-term science-based carbon reduction target was also approved, which sees us committing to achieving net zero emissions by 2045.

OPERATIONAL TRENDS

Continued growth in the Group's operational activity has increased demand across our delivery teams and commercial vehicle fleet. As a result, absolute scope 1 emissions increased 24% in 2025/26 compared with the prior year, largely reflecting higher diesel consumption associated with expanded contract delivery. This increase is a recognised and anticipated consequence of business growth, underpinned by work as part of our growing role in the UK's decarbonisation journey, and has been factored into our carbon transition planning as we scale the business while progressing towards our net zero targets.

Importantly, scope 1 emissions per £m turnover have reduced by 24% versus the baseline year, demonstrating that growth is being delivered more efficiently and that structural improvements in fleet performance and operational management are being sustained. Transitioning our commercial vehicle fleet to electric vehicles is crucial to making

further progress and is a key focus area for 2026/27.

Scope 3 emissions reduced 20% year-on-year driven by a reduction in business travel emissions. This reflects lower levels of air and rail travel, increased use of electric and hybrid vehicles and an overall reduction in miles travelled, evidencing continued behavioural and operational change.

Scope 2 (location-based) emissions decreased by 6% compared with the prior year. This reduction was driven primarily by the Leeds headquarters move to offices with stronger ESG credentials and lower operational energy demand. Together with the continued decarbonisation of the UK electricity grid, this supports a structural shift in the Group's scope 2 emissions as part of its longer-term journey towards net zero.

Overall emissions intensity trends reflect this balance between growth and efficiency. Whilst location-based

emissions intensity increased slightly to 10.0 tCO₂e per £m turnover (3% increase year-on-year), this is 32% lower than the baseline period. On a market-based basis, emissions intensity was 9.8 tCO₂e per £m turnover, a 4% increase on the prior year on year and a 29% reduction compared with the baseline. These trends demonstrate sustained progress in reducing emissions intensity over the longer term, while recognising short-term increases associated with specific contract delivery requirements as the business grows.

Whilst our emissions intensity increased slightly compared with the prior year, it remains low relative to publicly available benchmarks of our peers. This lower emissions intensity positions NG Bailey as a strong delivery partner for organisations seeking to manage and reduce the carbon intensity of their supply chains, alongside their own operational emissions - NG Bailey can deliver work more carbon efficiently than others.

ENERGY PERFORMANCE	2025/26 Reporting year	2024/25 Comparative year	2018/19 Baseline year
MWh			
Gas	441	654	1,442
Electricity	1,866	1,366	2,587
Transport fuels	22,130	19,657	20,083
Other energy sources	179	40	6,688
Total	24,616	21,717	30,800

CARBON PERFORMANCE	2025/26 Reporting year	2024/25 Comparative year	2018/19 Baseline year
tCO ₂ e			
Scope 1	5,370	4,343	5,538
Scope 2	337	357	733
Scope 3	1,351	1,687	1,930
Location-based total	7,058	6,387	8,201
Scope 2 - market adjustment	(151)	(163)	(514)
Market-based total	6,907	6,224	7,687

INTENSITY RATIOS	2025/26 Reporting year	2024/25 Comparative year	2018/19 Baseline year
Market-based emissions (tCO ₂ e) per employee	1.89	1.79	2.34
Location-based emissions (tCO ₂ e) per employee	1.93	1.84	2.50
Market-based emissions (tCO ₂ e) per £m turnover	9.8	9.4	13.8
Location-based emissions (tCO ₂ e) per £m turnover	10.0	9.6	14.8

Definitions

Scope 1 emissions: direct emissions, relating to the burning of fossil fuels (e.g. natural gas, oil, etc)
Scope 2 emissions: indirect emissions from the generation of purchased electricity
Scope 3 emissions: other indirect emissions that arise from the Group's activities, namely business travel by means not owned or controlled by the Group (rail, air and ferry), electricity T&D (transmission and distribution) losses and private car mileage

Market / location-based: emissions are reported using both location and market-based reporting methodologies for scope 2 emissions. The location-based reporting applies an average emissions factor determined by the UK national grid mix across all scope 2 emissions. The market-based reporting applies appropriate emissions factors to differentiate between the electricity tariffs that the Group has chosen to purchase e.g. renewable energy, nuclear energy, etc.

ENERGY EFFICIENCY AND CARBON REDUCTION ACHIEVEMENTS

- » During 2024/25, the Group received approval for its **long-term science-based net zero target**, committing to reduce absolute emissions across **scopes 1, 2 and 3 by 90% by 2045**
- » The Group has continued to mitigate **scope 2 emissions** through the procurement of renewable electricity. Since April 2021, **100% of electricity consumed at sites where the Group has direct operational control** has been sourced from renewable supplies
- » Progress has been made in addressing **scope 3 emissions within the supply chain**. The proportion of suppliers with a **carbon reduction target**, or a formal commitment to set one, **increased to 48% during the period** (2024/25: 30%), equivalent to c410 suppliers
- » **Fleet decarbonisation** remains a key focus given the contribution of fuel use to scope 1 emissions. As at November 2025, the Group reached an important milestone with **100% of the Group's company car fleet comprising mild hybrid, plug-in hybrid or fully electric vehicles** (2024/25: 97%)
- » **Average emissions across the company car fleet** reduced further to 24gCO₂/km (2024/25: 26gCO₂/km), remaining **significantly below the Group's emissions cap of 75gCO₂/km**
- » The **salary sacrifice car scheme**, open to all employees, continued to support reductions in travel-related emissions, with a further **56 plug-in hybrid and electric vehicles introduced during FY26**, contributing to scope 3 emissions reductions
- » Across the wider commercial fleet, **9% of commercial vehicles are now electric**. Recognising that fuel use within the commercial fleet represents the largest component of scope 1 emissions, **a dedicated working group is in place to drive the transition to electric commercial vehicles**, aligned to our fleet replacement cycle, whilst safeguarding operational delivery. This roadmap is a **key deliverable in 2026/27**
- » The Group continues to explore **complementary measures to reduce diesel consumption** where electrification is not yet practicable. Following a review of plant machinery, hydrogenated vegetable oil is being trialled at selected project locations to support near-term emissions reductions

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The NG Bailey Group recognises climate change as a significant global challenge and a key driver of change for our business, our clients and wider society. Climate change presents both risks and opportunities for the Group, with the potential to impact our strategy, operations, financial performance and long-term resilience.

For the period ended 27 February 2026, the Group has applied the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) for the third consecutive year. Our disclosures are structured around the four core pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets.

The Group recognises that TCFD disclosures are expected to evolve over time. We are committed to continuously improving the depth, consistency and decision usefulness of our climate-related reporting as our carbon transition and analytical capabilities mature.

GOVERNANCE

BOARD OVERSIGHT

The Board has ultimate responsibility for oversight of the Group's strategy and long-term sustainability, including the management of climate related risks and opportunities. Climate considerations are embedded within strategic decision making and enterprise risk management processes.

Climate-related matters are discussed regularly by the Board, with updates provided at every Board meeting. In addition, the Board formally reviews climate related matters at least annually as part of the Group's strategy review and through consideration of the GLT risk register and receives updates on climate risks, carbon performance and progress against net zero targets. Climate related risks are reviewed by the Audit & Risk Committee annually through consideration of the Responsibility risk register and performance reporting.

Further details of the Group's governance framework are set out in the Corporate Governance Report on pages 86 to 99.

MANAGEMENT RESPONSIBILITY

Day-to-day responsibility for managing climate related risks and opportunities has been delegated by the Board to the Group Leadership Team. Executive accountability for delivery of the Group's Responsibility and Impact strategy, including climate commitments, sits with the Chief Financial Officer.

The Group has an established Environmental, Social and Governance (ESG) team, led by the Group's Head of Responsibility and supported by specialist carbon and environmental managers embedded across the business. The ESG team provides technical expertise, supports delivery of climate objectives, monitors regulatory developments and advises the business on best practice.

An ESG Steering Committee, comprising members of the GLT and senior subject matter experts, meets three times a year (minimum) to oversee progress against the Group's Responsibility and Impact strategy, manage emerging risks and opportunities, and monitor delivery of carbon reduction targets. Relevant working groups support the ESG Steering Committee through implementation activities, stakeholder engagement and performance monitoring.



STRATEGY

CLIMATE RELATED RISKS AND OPPORTUNITIES

Climate change has the potential to affect the Group across multiple time horizons. For the purposes of climate related analysis, the Group defines:

- » Short-term: 0-3 years
- » Medium-term: 3-10 years
- » Long-term: beyond 10 years

The Group has identified key risks, both physical and transitional, facing the organisation as a result of climate change.

The Group has identified the principal climate related risks and opportunities relevant to its activities, including both physical risks arising from acute and chronic weather events, and transition risks and opportunities resulting from policy, legal, technological and market changes associated with the transition to a low carbon economy.

Key risks identified include:

- » Increased frequency and severity of extreme weather events leading to project disruption, asset damage, increased operating costs and health and safety risks to employees
- » Reputational and commercial risks associated with failure to meet net zero commitments or respond to evolving customer and regulatory expectations
- » Supply chain disruption and cost volatility linked to climate impacts and transition pressures

Key opportunities identified include:

- » Increased demand for low carbon, energy efficient and resilient infrastructure
- » Growth in decarbonisation, electrification and energy network services
- » Competitive advantage arising from strong net zero credentials and technical capability

Failure to manage climate related risks effectively could result in margin erosion, project delays, increased capital and operating expenditure, legal liabilities and reduced productivity. Conversely, effective management of these risks and proactive investment in low carbon capability is expected to support long-term growth and resilience for the Group in the years to come.

If we fail to address the risks from the increasing frequency and intensity of extreme weather events and supply chain disruptions, caused by increased greenhouse gas emissions from human activities (primarily the burning of fossil fuels) we will be left behind in our transition to a net-zero economy and may fail to deliver our climate change commitments.

Failure to adequately manage this risk could result in increased dangers to the Group's workforce, project delays, margin erosion, property and equipment damage and legal liabilities resulting in financial losses and reduced productivity as well as limiting our ability to innovate, attract and retain talent, and to capitalise on emerging opportunities.

CLIMATE RELATED RISKS AND OPPORTUNITIES

The Group has undertaken high level climate scenario analysis to assess the resilience of its strategy under different climate futures. This analysis was supported by external advisers, Bioregional, and considered two Intergovernmental Panel on Climate Change (IPCC) aligned scenarios:

- » A high emissions scenario (>4°C global temperature rise by 2100; SSP5 RCP8.5), representing limited global climate action and increasing physical risks.
- » A low emissions scenario (<2°C global temperature rise by 2100; SSP1 RCP2.6), representing a coordinated global transition consistent with achieving net zero commitments.

The analysis was conducted at Group level and assessed the likelihood and impact of identified climate related risks and opportunities under each scenario, considering effects on revenue, operating costs, assets and liabilities, capital expenditure and financing. Details of our analysis are included in Table 1. In summary the scenario analysis indicated that:

- » Under the low emissions scenario, the Group is well positioned to benefit from increased demand for net zero aligned infrastructure and decarbonisation services, supporting medium and long-term revenue growth.

- » Under the high emissions scenario, physical climate risks are expected to increase, particularly beyond the medium term, leading to higher operating costs, greater potential for project disruption and increased investment in asset resilience.
- » In both scenarios, failure to deliver stated net zero commitments would present material reputational and commercial risks.

Risk	Type	Potential impact on the business	Time horizon	Risk / opportunity rating (after mitigations)	
				Scenario 1 (HES)	Scenario 2 (LES)
We are left behind in the journey to a net-zero economy	Transition risk	Failure to respond to the growing threat of climate change could limit our ability to innovate, attract and retain talent, and capitalise on emerging opportunities.	Medium term	Low	Low
Failure to deliver on net zero commitments	Transition risk	Reputational damage from a failure to deliver on our net zero commitments could lead to a loss of customers and increased scrutiny from regulators.	Medium term	Low	Low
Climate change impacts on project timelines and assets	Physical risk	Project delays, property and equipment damage and legal liabilities resulting from extreme weather from climate change could result in financial losses and reduced productivity.	Short to medium term	Medium	Medium
Increased demand for net-zero infrastructure	Transition opportunity	NG Bailey is well positioned to benefit from the journey to a net-zero economy, with a strong pipeline of work in key infrastructure sectors, and growing credentials in the decarbonisation sector.	Short to medium term	Medium	High

Table 1: Detailed scenario analysis

Insights from the scenario analysis have informed continued investment in decarbonisation capability, supply chain engagement and the ongoing development of a Group wide carbon transition pathway. The Group expects to further enhance financial quantification and granularity of scenario analysis as data quality and modelling capabilities improve.

STRATEGIC POSITIONING

The UK Government's commitment to achieving net zero presents significant long-term opportunities for the Group. The Group estimates that approximately 55% of its order book is linked to activities that support the transition to a low carbon economy. Following a refresh of our Responsibility and Impact strategy this year, we have integrated an explicit pillar that examines how we enable the

UK's decarbonisation transition through the services we deliver for our clients. We will measure our performance by tracking the proportion of the Group's order book that directly enables decarbonisation.

The Group's capabilities include an integrated approach supporting the energy transition that unlocks long-term value from low carbon buildings

and transport, transformation of the UK's power infrastructure including works on the UK's electricity network services and in the nuclear sector, as well as championing the use of offsite manufacturing solutions to streamline process and reduce carbon impacts for our clients.

RISK MANAGEMENT

The Board has ultimate responsibility for risk management, including climate related risks, supported by a well established enterprise risk management framework.

Climate related risks are identified, assessed and managed through the same processes as other principal risks. Risks are assessed using the Group's

standard methodology, which considers likelihood and impact across financial, operational, legal and reputational dimensions.

Key climate related risks are recorded in the GLT risk register, with supporting detail in business unit and functional risk registers, including the Responsibility Risk Register. The Audit & Risk Committee

reviews these registers on a cyclical basis, with the Board reviewing the GLT risk register at least annually. Climate change is prioritised as a standalone principal risk to reflect its growing relevance to the Group's strategy and operations. Emerging climate risks are monitored on an ongoing basis, with escalation where changes in regulation, customer requirements or climate related events indicate increased exposure.

METRICS AND TARGETS

Our ESG governance structure ensures we regularly review and consider progress against our metrics and targets. The Group takes its role as a responsible business seriously, and over the past decade has consistently looked to reduce its environmental impacts through the reduction of energy and carbon. The Group measures and reports scope 1, scope 2 and scope 3 emissions, with scope 3 including other indirect emissions that arise from the Group's activities, namely business travel by means not owned or controlled by the Group (rail, air and ferry), electricity T&D (transmission and distribution) losses and private car mileage, details of which can be found in our SECR report on pages 58 to 60.

We have reduced carbon emissions by 14% since 2018/19 (baseline year for measurement) and we continue to work towards the delivery of our Science-Based Targets initiative (SBTi) carbon reduction targets. The targets require:

- » delivery of a 50% reduction in scope 1 and 2 carbon impacts by 2031, in line with the 1.5°C limit agreed by scientists as necessary to reduce the destructive impacts of climate change
- » 75% of our supply chain by spend to be committed to science-based targets by 2027
- » 90% reduction of absolute scope 1, 2 and 3 emissions by 2045

The Group-wide net zero transition pathway supports delivery of the Group's targets and quantifies emissions associated with ongoing business activity. Actions already implemented include:

- » Use of renewable electricity across the property estate;
- » Transition of the company car fleet to low emission vehicles;
- » Investment in electric vehicle charging infrastructure;
- » Introduction of electric vans into the commercial fleet.

The Group also tracks other metrics relevant to climate performance, including supplier engagement on science based targets and the proportion of work linked to net zero aligned activities. A dedicated working group between procurement and ESG teams continues to engage with the supply chain through training, webinars and collaboration to support supplier decarbonisation with a view to capturing these emissions directly.

FUTURE FOCUS

The Group will continue to enhance its TCFD disclosures, including examining opportunities to:

- » Improve the financial quantification of climate related risks and opportunities;
- » Further integrate climate considerations into capital allocation and investment planning; and
- » Align with evolving UK sustainability reporting standards, including the transition towards ISSB requirements.

CREATING SOCIAL VALUE

for our people, communities and the sector

NG Bailey is committed to generating meaningful social value through the way we operate, the projects we deliver and the relationships we build. Social value is an umbrella term covering the economic, social and environmental benefits created by our activities, reflecting our responsibility to maximise positive outcomes for our clients, people, communities and the wider sector.

Our approach to social value delivery, one of the three pillars of the Group's refreshed Responsibility and Impact strategy, is underpinned by our social value standards, which provide a consistent framework through which we respond to project and community requirements. These standards set out the priority areas where our teams can

generate the greatest impact by leveraging our business capabilities, skills and supply chain relationships. They ensure that social value is embedded within day-to-day delivery and aligned to the needs of our clients and local communities, rather than delivered as standalone activity.

To support this approach, we have invested in digital reporting tools that enable us to measure, capture and report project related social value consistently across the Group. This enables transparent reporting, supports engagement with clients and partners, and helps demonstrate the outcomes delivered through our social value standards.

During 2025/26, NG Bailey continued to embed social value across its operations, focusing on areas where the business can make a meaningful and lasting contribution. Through targeted education and employability activity, responsible supply chain engagement, community partnerships and environmental action, we delivered social outcomes that align closely with our business strategy and values.

Across the period, we generated £2.6m in social value, supported 338 community and charitable organisations and delivered 1,482 volunteering days. We delivered 177 weeks of work placements (including internships and work experience), c8,650 apprentice training weeks and collectively, with our employees, raised over £170,000 for charitable causes. These outcomes reflect a deliberate approach to social value that prioritises long-term impact over one-off activity.



DELIVERING SOCIAL VALUE ACROSS THE UK

2025/26 SOCIAL VALUE DELIVERY



£2.6M

Social Value delivered



8,644

Apprentice weeks completed



1,482

Volunteer days achieved



777

Local people directly employed on our projects



105

Educational beneficiaries supported



177

Weeks of internships or work experience delivered





Providing opportunities to develop employment skills and inspire future generations.

We support education through hands on experiences, knowledge sharing and activities that spark interest in engineering. From promoting apprenticeships to engaging under-represented groups, we help bridge skills gaps and open pathways into meaningful careers.

INSPIRING FUTURE TALENT: NG BAILEY AT THE YORK COLLEGE CAREERS FAIR FOR ARMY CADETS

As part of our early careers engagement activities, NG Bailey participated in a Careers Fair at York College, engaging with Army Cadets to raise awareness of apprenticeship and early careers pathways within the business.

The Army Cadet Force supports young people to develop leadership, teamwork, resilience and technical skills, with many cadets progressing into engineering, construction and other technical professions. This audience aligns strongly with NG Bailey's early careers strategy and long-term workforce needs.

The session provided an opportunity to promote the breadth of roles available across the organisation and to outline clear entry routes into engineering and technical careers.

Participation in events of this nature supports NG Bailey's commitment to building a sustainable talent pipeline, improving awareness of careers in the built environment, and engaging early-career audiences with relevant skills and motivation.

These interactions play an important role in shaping aspirations, increasing accessibility to our sector, and supporting the future skills requirements of the business.



EDUCATIONAL SOCIAL VALUE IN ACTION: ONE-TO-ONE READING SUPPORT

Since 2022, NG Bailey has partnered with Chapter One to support children struggling with early literacy, which is a critical factor in long-term educational and social outcomes. The programme matches trained volunteers with individual pupils for weekly, 30 minute online reading sessions held throughout the academic year. This consistent one-to-one support helps build confidence, trust and a positive relationship with reading.

During 2025/26, 53 NG Bailey colleagues volunteered with Chapter One, delivering 889 reading sessions, equivalent to 346 hours of one-to-one support across 13

primary schools nationwide. Nearly half of participating colleagues have returned year-on-year, demonstrating the sustainability of the model and the value volunteers place on the programme.

The impact of the partnership extends beyond immediate literacy gains. Volunteers develop a deeper understanding of educational inequality, while children benefit from focused, individual attention that schools are often unable to provide. This initiative reflects NG Bailey's commitment to social mobility and early intervention, supporting children at a formative stage while enabling colleagues to contribute their time in a structured, meaningful and impactful way.

BRIDGING THE GAP BETWEEN EDUCATION AND CONSTRUCTION

Teachers play a critical role in shaping young people's understanding of career opportunities. Providing meaningful insight into the built environment is therefore essential. With this in mind, NG Bailey's London Engineering team hosted its first Teacher Encounter at the Farringdon office, in partnership with the Central London Careers Hub.

The event welcomed teachers from London secondary schools and colleges seeking to better understand the breadth of careers across the built environment and how to guide students towards sustainable, rewarding pathways. Colleagues from across the business shared personal career journeys and practical insight into working in construction, highlighting the diversity of roles, multiple entry routes, and pathways to work experience, apprenticeships and early careers programmes.

Teacher feedback highlighted the value of the event:

"Meeting individuals from different departments and seeing the prep to execution on site was so valuable."

"The different roles, the real-life examples, and meeting team leaders made it all feel real and attainable."

A site visit to One North Quay gave teachers firsthand exposure to a live project environment. This brought classroom discussions to life and reinforced the tangible impact of careers within the built environment.

This initiative strengthens links between education and industry and supports our ambition to help develop a more informed, engaged and diverse future workforce.





We embed local benefit by working closely with small and medium sized enterprises (MSMEs), voluntary and community sector organisations (VCSEs) and local community based suppliers, helping them to thrive through responsible procurement, expert business support and targeted resource donations. We collaborate with our supply chain partners to ensure social value is embedded at every stage of delivery, strengthening relationships, enhancing shared impact and driving responsible business across our sector.

DRIVING SCIENCE BASED CARBON ACTION THROUGH OUR SUPPLY CHAIN

In the construction sector, the largest proportion of carbon emissions sits within purchased goods and services across the supply chain. Recognising this, NG Bailey set a Science Based Targets initiative (SBTi) ambition in 2022 for 75% of our supply chain, by spend, to have set or be setting science based carbon reduction targets.

During 2025/26, progress continued, with 48% of the supply chain having set or committed to set a science based target. To support suppliers at different stages of maturity, we invested in dedicated capability building support. Through our Sustainable Supply Chain team and our partnership with the Supply Chain Sustainability School, suppliers can access carbon measurement tools, expert guidance and training at no cost to them.

This collaborative approach balances accountability with practical support, helping to reduce carbon impacts associated with our supply chain while strengthening long-term supplier capability and resilience.

SUPPORTING COMMUNITIES TOGETHER: NG BAILEY AND SUPPLY CHAIN PARTNERS VOLUNTEER AT EMMAUS SALFORD

NG Bailey, alongside supply chain partners C&D Mechanical and Ventorex, took part in a dedicated day of volunteering at Emmaus Salford, a charity supporting people experiencing homelessness through accommodation, training and development within a supportive community environment.

Emmaus Salford provides a home for 23 people, offering personalised support that helps individuals build skills, confidence and purpose.

As part of the volunteering day, colleagues learned more about the charity's work and the vital support it provides to the local community. Guided by Groundwork Greater Manchester, the team helped prepare the community garden for spring by turning over soil ready for planting. Volunteers also carried out litter picking in the surrounding area, helping to create a welcoming and uplifting environment for residents and visitors alike.

This activity demonstrates the value of partnership led volunteering in supporting meaningful local initiatives and reflects NG Bailey's ongoing commitment to working collaboratively to deliver positive social impact.



Empowering colleagues to make a difference in their communities.

Our people volunteer their professional skills and time to support community projects and charitable causes, strengthening local organisations and contributing to long-term social wellbeing.

SUPPORTING GURU NANAK GURDWARA - COMMUNITY, COMPASSION AND CONNECTION

Guru Nanak Gurdwara provides an essential community service, offering free, hot vegetarian meals each day to anyone, regardless of background or circumstance. Delivered through the Gurdwara's langar kitchen (a free community kitchen offering meals to all), this service relies entirely on donations and volunteer support and plays a vital role in promoting local wellbeing, dignity and inclusion.

During the period, colleague volunteering supported the Gurdwara's operations, assisting with food preparation and service and to help sustain this open and inclusive provision for the local community.

Our volunteering recognition scheme further strengthens this impact by enabling colleagues to direct additional support to the causes they care about. As part of this scheme, a £250 volunteer prize was donated to Guru Nanak Gurdwara, providing tangible financial support to sustain its activities.

Reflecting on the inclusive nature of the service, one volunteer commented:

"The Gurdwara is a Sikh place of worship, but it is not just for Sikhs. Anyone, regardless of religion, is welcome and offered hot free vegetarian food and beverages to eat in the Gurdwara or take away."

This example demonstrates how colleague volunteering, combined with targeted recognition, can deliver meaningful social value and strengthen support for community organisations that promote inclusion, compassion and social responsibility.



MAMMAKIND BABY BANK - A SUSTAINED COMMUNITY PARTNERSHIP

NG Bailey has developed a long standing partnership with MammaKind Baby Bank, a London based charity supporting families experiencing poverty by providing essential items for babies and children. Working closely with healthcare professionals, social workers and community organisations, MammaKind helps reduce financial pressure on families and supports child wellbeing through dignified, practical assistance.

Our engagement began with GLT and colleague volunteering at MammaKind's warehouse, supporting the sorting and preparation of donated items. This initial involvement evolved into a sustained partnership, characterised by repeat engagement and deeper collaboration over time.

As the partnership developed, NG Bailey teams provided critical operational support, including multiple volunteering days to assist with the charity's relocation from Lewisham to Greenwich. This support helped ensure continuity of service during a key period. More recently, colleagues from the London & Southeast team delivered practical improvements to MammaKind's new warehouse, including lighting upgrades and safety enhancements, improving visibility, safety and efficiency for staff and volunteers.

To date, NG Bailey's support for MammaKind represents 248 volunteering hours, delivered by 24 colleagues, generating an estimated £29,320 in social value. This partnership demonstrates a sustained, outcomes driven approach to community engagement, moving beyond one-off activity to deliver lasting social impact for families and communities in need.





Sharing knowledge of environmental best practice and taking action for nature.

We apply our environmental knowledge, technical expertise and practical skills to support community led sustainability initiatives, enhance biodiversity and help organisations make more sustainable choices. Through volunteering, partnership and knowledge sharing, we deliver tangible environmental benefits alongside wider social value outcomes.

PROTECTING NATURE THROUGH VOLUNTEERING: SUPPORTING WILDLIFE CONSERVATION ACROSS YORKSHIRE

Through NG Bailey's volunteering programme, colleagues supported conservation activity with the Yorkshire Wildlife Trust, contributing time and effort to protect local habitats and biodiversity across Yorkshire.

During the winter period, volunteering activity supported conservation work across two key nature reserves. At Spurn Point National Nature Reserve, colleagues worked alongside local volunteers to carry out essential habitat management, including fence repairs to protect sensitive ecosystems and maintain safe public access.

Further volunteering took place at Potteric Carr Nature Reserve near Doncaster, where activity focused on scrub clearance and reedbed management. This work is critical to sustaining biodiversity and maintaining habitats for a range of wetland species, including kingfishers and other protected wildlife.

The Yorkshire Wildlife Trust relies heavily on volunteer support to deliver its conservation objectives, and contributions of this nature play an important role in

protecting local habitats and enhancing biodiversity. This activity demonstrates how colleague volunteering can deliver tangible environmental benefits while supporting organisations that care for valued community spaces.



DELIVERING SUSTAINABLE VALUE THROUGH LONG-TERM FACILITIES MANAGEMENT

NG Bailey's Facilities Services business has managed Wellington Place in Leeds for more than 20 years, delivering long-term, sustainable value for building users and stakeholders. Our approach combines effective asset management with a focus on sustainability, occupant experience and community engagement across this mixed use estate.

As part of this long-term service, the Facilities Services team supported delivery of the Big Green Get Together event. The initiative provided an opportunity to showcase the outcomes of our facilities management approach, particularly in relation to sustainability initiatives, engagement with building users and the wider community.

The event enabled direct interaction with occupiers, strengthening relationships and increasing awareness of the services delivered on a day-to-day basis. This engagement supports long-term estate objectives, enhances occupier satisfaction and reinforces NG Bailey's role as a trusted, long-term facilities management partner.



TACKLING THE ENVIRONMENTAL IMPACTS IN CONSTRUCTION THROUGH PARTNERSHIP WITH THE UNIVERSITY OF SALFORD

As part of NG Bailey's commitment to sustainability and education, eight students from the University of Salford, studying Environmental Management and Construction Management, participated in a live research project designed to link academic theory with operational practice.

knowledge exchange. It reflects NG Bailey's commitment to working collaboratively with academic partners to advance environmental performance, innovation and talent development within the construction sector.

The project focused on carbon calculation methodologies and strengthening NG Bailey's waste hierarchy, with particular emphasis on the role of offsite manufacture in reducing environmental impact. Students visited the Bradford Offsite Manufacture facility, gaining first hand insight into how offsite construction can help reduce carbon emissions and material waste.

The collaboration concluded with student presentations to NG Bailey colleagues, setting out findings and practical recommendations to support ongoing sustainability improvement across the business.

This initiative strengthened engagement with higher education, supported the development of future sustainability professionals, and delivered mutual value through applied research and





Creating an inclusive, representative and wellbeing focused workplace.

We are committed to creating an inclusive, representative and supportive workplace where colleagues feel valued, respected and able to thrive. Through targeted inclusion and wellbeing initiatives, training and engagement with colleagues and supply chain partners, we promote fairness, support positive mental health and foster a culture of respect across the business.

SHINING A LIGHT ON WELLBEING ON CONSTRUCTION WITH LIGHTHOUSE CHARITY TALK

Colleagues at NG Bailey's Manchester office hosted a wellbeing awareness session delivered by The Lighthouse Charity, a leading provider of emotional, physical and financial wellbeing support to the construction community across the UK and Ireland.

The session was well attended, with more than 40 participants, including attendees from other local businesses, reflecting strong local interest and engagement in workforce wellbeing. The Lighthouse Charity outlined its comprehensive support offer, which includes a confidential 24/7 helpline, digital and text based services, a self help wellbeing app, community based Lighthouse Beacons and specialist mental health and wellbeing training through the Wellbeing Academy.

The session reinforced the charity's core mission of ensuring no one within the construction sector faces crisis alone. Drawing on The Lighthouse Charity's expertise and strong engagement from colleagues and local attendees, it contributed to open discussion and increased awareness of mental health and wellbeing across the sector, including the wider responsibilities of the industry in supporting workforce wellbeing across both our own business and the supply chain.

Engagements such as this support NG Bailey's ongoing commitment to employee wellbeing, early intervention and open dialogue around mental health.

CELEBRATING INTERNATIONAL WOMEN'S DAY AND INSPIRING FUTURE STEM TALENT

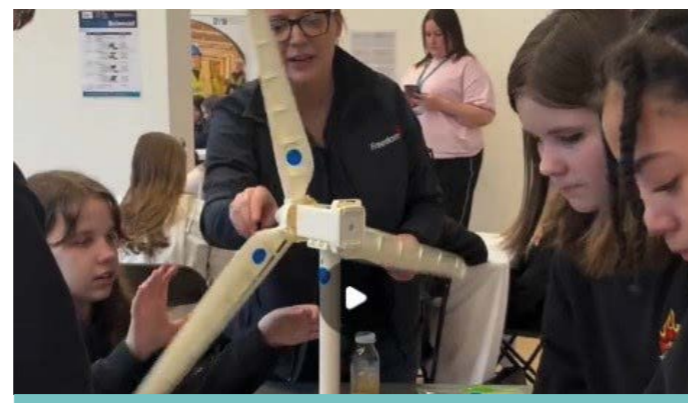
International Women's Day (IWD), held annually in March, provides an opportunity to recognise progress and reaffirm commitment to greater inclusion across the built environment. This year's theme, Give to Gain, highlighted the importance of mentoring, education, advocacy and knowledge sharing in supporting women's progression and building a more inclusive industry.

Women and minority groups remain under-represented across the sector. In response, NG Bailey continues to invest in early careers pathways, targeted outreach and development programmes designed to broaden participation and strengthen the future talent pipeline.

As part of this approach, colleagues from NG Bailey's Freedom business supported a two day STEM engagement event in the Highlands. The Girls Do Science initiative brought together more than 100 young people, providing exposure to STEM career pathways, direct engagement with industry professionals.

Colleagues delivered a practical Wind Turbine to Electric Car Build workshop, guiding participants through the design and assembly of a working model. The activity showcased the breadth of careers across engineering and project delivery and highlighted the transferability of technical, problem solving and teamwork skills.

Initiatives such as this play an important role in raising awareness, building confidence and supporting young women to pursue careers where their skills and perspectives are increasingly needed.



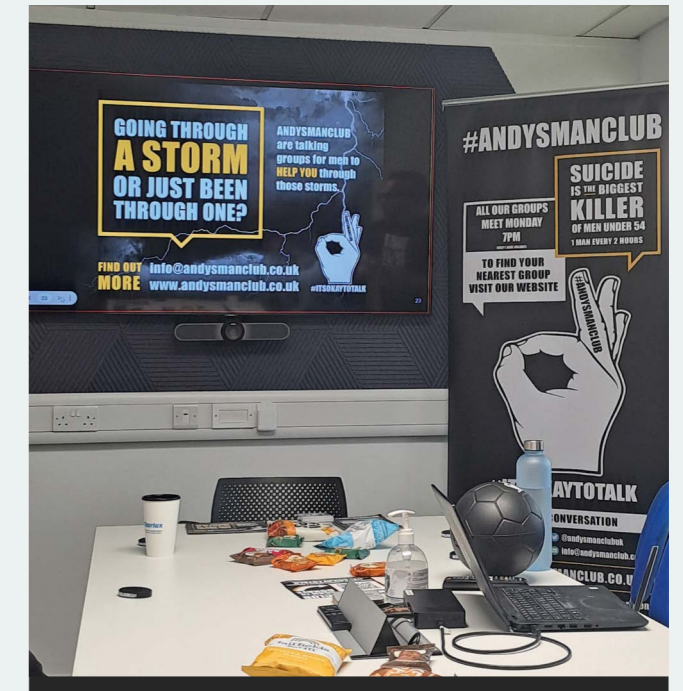
SUPPORTING MEN'S MENTAL HEALTH AND WORKPLACE WELLBEING

As part of our ongoing commitment to employee wellbeing, NG Bailey welcomed volunteers from Andy's Man Club to six offices and project sites. The sessions focused on promoting open conversations around men's mental health, challenging stigma and increasing awareness of suicide prevention.

Andy's Man Club is a UK wide men's suicide prevention charity that provides free, peer to peer support groups within local communities and online. Through personal stories and lived experience, speakers shared powerful insights, helping colleagues better understand the challenges many men face and the importance of early, open dialogue.

The sessions were well received and provided a safe space for reflection and questions, contributing to increased awareness and understanding across the workforce. Engagement of this nature plays an important role in reducing stigma, encouraging help seeking behaviour and fostering a more supportive and inclusive workplace culture.

By increasing awareness of available support and strengthening understanding of mental health challenges, initiatives such as this support individual wellbeing, build resilience and help deliver positive social outcomes for our colleagues and the communities in which we operate.



Delivering social impact through our partnership with CRASH

Since becoming a Corporate Patron of CRASH, the UK construction industry's official charity in 2022, NG Bailey has developed a strong and sustained partnership combining financial contributions, professional expertise, fundraising and hands on volunteering to support homelessness and hospice charities across the UK.

During 2025/26, NG Bailey delivered c£53,000 of support to CRASH through a balanced blend of corporate donations, colleague led fundraising, pro bono professional services and donated construction products. This included £9,500 in annual corporate patronage, c£16,000 raised through fundraising activity, and more than £27,000 worth of professional expertise and materials donated to hospice projects, including Bury Hospice and Shakespeare Hospice.

Colleague engagement has been a defining strength of the partnership. Volunteers from Facilities Services and Engineering delivered major refurbishment works at supported properties, significantly improving safety, comfort and dignity for vulnerable residents.

NG Bailey's commitment has been recognised on multiple occasions. The business has been named CRASH Corporate Patron of the Month twice, most recently in March 2026, and has been shortlisted for the Better Society Awards in the Partnership with a National Charity category. Fundraising initiatives across the business, including sporting challenges, regional events and raffles, have further strengthened both impact and colleague engagement.

This partnership demonstrates NG Bailey's ability to deliver sustained social value through long-term collaboration, mobilising people, skills and resources to create safe, dignified environments for those experiencing homelessness or end of life care, while embedding social responsibility across all levels of the organisation.

“CRASH is delighted to name NG Bailey as our Corporate Patron of the Month, their outstanding commitment, generosity, and hands-on support for our work helping homelessness and hospice charities across the UK. From transformative volunteer days to championing young talent across the construction industry, NG Bailey continue to demonstrate what meaningful partnership truly looks like.”

Trish Pickersgill CEO CRASH



PRINCIPAL RISKS & UNCERTAINTIES

The Board has an established risk management framework to identify and address the principal risks facing the Group. Further details of the Framework are given in the Corporate Governance section on pages 92 and 93. The Group's principal risks and mitigations are as follows:



HEALTH & SAFETY

» DESCRIPTION

Health and safety continues to be of key importance for the business. Our 'Safety First & Foremost' principle is at the heart of everything we do and has been developed to influence our employees, our customers and our supply chain, through leadership, to behave in a way that puts safety first. Further information on health and safety is provided on pages 36 and 37.

» MITIGATIONS

There are comprehensive health and safety policies and procedures in place along with effective leadership and organisational arrangements to operate, monitor and adapt these procedures and ensure management accountability.

We use our MySafety system, an interactive system available to our teams and supply chain, to report and record safety, health and environmental metrics such as, 'Don't Walk By' observations, inspections and risk assessments. Our focus is now on using this data more effectively to identify safety trends, prioritise risks and inform targeted improvement activity. Opportunities to use data and emerging technologies, including AI, are being explored to enhance risk insight and proactive intervention.

Our behavioural Safety in Mind initiative continues to support and develop the health and safety culture across the Group. The next phase introduces a targeted huddle culture, providing short, focused safety conversations led by supervisors. This approach enables rapid sharing of learning and alerts, and is particularly effective for our remote and dispersed workforces.



COMPETITION

» DESCRIPTION

The Group operates in highly competitive sectors, some with low margins. Whilst quality, capability, stability and reputation are key parts of a customer's decision, price remains an important factor.

» MITIGATIONS

The Group applies a rigorous 'bid no bid' process to ensure we only tender for and win work where the margin is commensurate with the risk. This rigour is increasingly important in the current environment with some competitors accepting lower margins, inflation-related risks and other risks to 'win' turnover. A significant proportion of next year's sales are already secured in line with our highly selective 'bid no bid' approach.

The Group continues to focus on cost and efficiency in order to remain competitive in the market. Our continued investment in our people, technology, training and offsite manufacturing capability, supported by our strong financial position, means the business is well placed to differentiate itself in a competitive environment. We regularly undertake Group-wide Net Promoter Score (NPS) surveys, with customer feedback improving during the year from good to excellent. Customer retention rates and levels of repeat business remain excellent across all our businesses.

High levels of insolvencies and businesses under strain may present opportunities for low-risk strategic acquisitions. We have the agility, funding and experienced management team to deliver acquisitions quickly and effectively as demonstrated by our strong track record with five acquisitions completed since 2018.



MARKET CONDITIONS (INCLUDING INFLATION)

» DESCRIPTION

The Group's services may be affected by an economic downturn and reductions or delays in government and private sector spending.

The external economic environment remains uncertain, shaped by a combination of geopolitical instability, macroeconomic pressures and sector specific challenges. Ongoing conflicts and tensions, including the US-Iran conflict, contribute to volatility in global energy markets and supply chains, while inflationary pressures, interest rates and labour availability remain key considerations for the UK construction and infrastructure sector.

These factors can result in customers delaying or cancelling proposed and existing projects as well as presenting operational challenges around delivery and control of costs.

The construction industry has been acutely impacted in recent years by inflationary cost increases, with prices rising faster than other sectors. The impact of these cost increases on fixed price lump-sum contracts has been largely borne by contractors, placing operational delivery and trading margins under pressure.

» MITIGATIONS

The Group's strategy is to focus on recession resilient sectors with a balanced portfolio across engineering and infrastructure services, limiting the exposure to any one area. In particular, the government's spending plans on infrastructure sectors such as defence, nuclear, healthcare, airports, universities and rail and its targets for transitioning the UK to a low carbon economy should present opportunities. The UK government recognises the importance of infrastructure to enable economic growth and have publicly committed to accelerating the building of critical infrastructure for energy, transport and technology.

The Group continues to monitor the impact of the uncertain market conditions and has developed plans to respond to a range of scenarios. Underpinned by the Group's strong balance sheet, these plans consider market conditions, the availability of the workforce, changes in productivity and the availability and price of materials. The Group's forward order book has grown to a healthy £1.7bn and remains well balanced, increasingly lower risk and focused on sectors where the Group has deep expertise and where long-term investment and funding are being directed. This provides strong visibility of future workload and supports the Group's resilience to challenging market conditions.

In this environment, competitive tension can lead to pricing that does not always reflect underlying risk, reinforcing the importance of maintaining a rigorous focus on risk management throughout the contract lifecycle. The Group's well established 'bid no bid', estimation and procurement processes for new work are well embedded and the commercial approach to agreeing terms and conditions has clearly defined acceptable parameters to ensure that the Group is highly selective and wins work at margins

» MITIGATIONS (CONTINUED)

commensurate with the risk. A well-balanced strategic mix of contractual agreements, and between project work and predictable, recurring income contracts, with a growing proportion of work directly contracted with the end client alongside our preferred main contractors, help ensure that we remain financially stable.

We continue to carefully manage cost inflation including offering short windows on our pricing, incorporating inflationary provisions into our contracts and ensuring advanced purchasing is undertaken once a job is secured. Consequently, a significant proportion of the Group's sales are protected against inflationary pressures. The Group will only take on work where the impacts of inflation can be acceptably managed.



DELIVERY

» DESCRIPTION

The execution of projects involves estimating, planning, designing and delivering, often in complex environments.

The Group's growth strategy also includes selective acquisitions, which carry inherent risks around valuation, integration, operational disruption and the alignment of systems, processes, culture and controls.

» MITIGATIONS

The Group's activities are controlled by divisional business management systems, comprising policies and procedures designed to minimise avoidable risk. In light of current market conditions, contract risk management remains critical across the contract lifecycle and is continually refreshed and strengthened.

Policies and end-to-end process maps are hosted on the Group's quality management system and guide teams through the project lifecycle, enforcing best practice, procedural compliance and appropriate governance and control.

Successful project delivery is supported by management oversight, project, peer and independent reviews, strong commercial and contract administration processes, and customer feedback, alongside ongoing investment in digitalisation and systemisation to improve productivity, decision making and the working experience for our people.

Risks associated with acquisition are mitigated through detailed due diligence, using a combination of internal expertise and external subject matter specialists, Board and shareholders engagement to ensure strategic alignment and appropriate governance and robust integration plans. Detailed integration plans are developed ahead of completion and are, alongside post-acquisition performance, subject to regular management and Board review to ensure that anticipated benefits are realised.



ATTRACTING AND RETAINING TALENT

» DESCRIPTION

The Group recognises that attracting, retaining and developing people is key to ensuring it has the right skills and capability to support the success and future growth of the business. Structural labour and skills shortages in our industry have been exacerbated in recent years by the impacts of the pandemic and Brexit.

» MITIGATIONS

The Group has an excellent track record of retaining its employees and aims to be a great place to work through market-benchmarked competitive remuneration, training and development, a growing number of apprentice and graduate schemes and fostering an inclusive culture through our 'Fairness, Inclusion and Respect' programme. We offer a competitive package of salary, fixed and flexible benefits and employee discounts across the Group, which are reviewed annually to ensure our people are fairly rewarded for their work, with a review of reward and benefits underway to ensure ongoing competitiveness and alignment with evolving employee expectations.

We continue to invest in learning and development (L&D) with a focus on health and safety and ensuring that we have the right people and skills in place to support our future growth plans. Our L&D strategy is aligned with the specific requirements of our divisions and addresses the needs of our people at each stage in their career journey, with clear succession plans in place. During 2025/26, we delivered 24,000 training days reflecting our ongoing commitment to building capability, supporting progression and ensuring we have the skills required to meet future demand.

Mental and physical wellbeing continues to be an important part of our people policy. We have a Wellbeing Committee in place comprising representatives from across the business, which sets the wellbeing agenda and supports consistent, targeted activity across the Group, reflecting our ongoing commitment to prioritising the wellbeing of all colleagues. The Group's Live Well, Work Well programme forms part of this wider wellbeing approach, bringing together initiatives focused on physical, mental and financial wellbeing and ensuring support remains relevant, accessible and responsive to the needs of our people. Since 2023, every single person across the Group has been given an annual wellbeing day on top of their normal holiday allowance to provide them the opportunity to recharge and focus on themselves, with a further two days paid volunteering leave to support our communities.



CUSTOMERS AND SUPPLY CHAIN

» DESCRIPTION

There is a high risk of insolvency within the construction industry as businesses struggle to deal with inflationary cost pressures, supply chain challenges, high interest rates and customer demand uncertainty given wider geopolitical pressures.

» MITIGATIONS

The Group continues to appropriately manage its cash flows through robust contract administration of its contracts and undertakes credit checks on customers and the supply chain as a matter of routine.

Against the backdrop of high levels of insolvencies in its sectors, the Group routinely monitors its exposures to avoid over dependency on individual counterparties and carefully manage the risks of potential business failures from both the upstream (i.e. customer) and downstream (i.e. supply chain) perspectives.

The Group builds supply chain resilience and strong relationships, working closely with suppliers and subcontractors to achieve the highest quality standards for the best price whilst ensuring that it is not over-reliant on any one supplier or subcontractor, supported by the implementation of a new supply chain management system to enhance visibility, consistency and control across supplier onboarding, performance monitoring and risk management.

The procurement and project teams work hard to agree prices with the supply chain early in a project to reduce our exposure to inflationary pressures and achieve forecast targets.

The Group is committed to paying its supply chain promptly. The percentage of invoices paid within 60 days is industry leading at 99%. We partner with the Earlytrade platform to provide our Engineering subcontract trade partners with the choice to receive early payments, increasing their optionality around timing of cash flow without changing terms and conditions.



SYSTEM, DATA, CYBER SECURITY AND GDPR

» DESCRIPTION

The cyber security landscape continues to evolve with increasingly sophisticated threats being seen through the combined use of emerging technologies such as artificial intelligence and the use of social engineering techniques.

Phishing and ransomware attacks continue to be the most common form of cybercrime with an increase in supply chain attacks which aim to breach company defences via its suppliers.

The Group's ability to enable safe, secure, and resilient business operations is dependent on our systems being robust and secure and our data is being protected.

It is recognised that a loss of key systems through an information security breach or attack could impact business operations and potentially lead to a loss of confidential data, damaging our reputation.

» MITIGATIONS

We are continually developing and upgrading our IT infrastructure, software and cyber threat and assessment capabilities.

We have developed a comprehensive cyber security maturity model with supporting preventative activities. Cyber security is a standing item on the Board's agenda with robust controls and procedures in place to monitor the performance of the systems, to identify and mitigate new and emerging cyber threats, and prevent suspected cyber attacks to IT infrastructure (including a third party security monitoring service).

Response protocols are in place to support the Group's response to threats or incidents with crisis management exercises carried out periodically to test our plans and rehearse the Group's response to, and recovery from, a cyber attack.

Given that employees can be unwitting participants to data breaches, our digital safety awareness campaign continues to provide regular communications and mandatory online training to ensure that employees are aware of the nature and potential consequences of cyber threats.

We hold Cyber Essentials Plus accreditation which demonstrates our commitment to providing secure and robust ICT and information assurance across the Group.

We also continue to develop and enhance data protection procedures in line with regulations and there is a GDPR working group that meets regularly to discuss and address relevant GDPR matters. All employees undertake regular training in data protection and information security management.

» MITIGATIONS (CONTINUED)

The Group hosts periodic supplier cyber events with key supply chain partners to share cyber learning and foster collective and ongoing improvement in our cyber security.

We have a policy in place to establish best practices, approved tools and technologies and governance for the use of generative artificial intelligence (AI) in our operations, recognising the associated cyber security, data protection and information governance risks. During the period, the role of Chief AI Officer was established to provide clear leadership and oversight of AI adoption, ensuring that its use is managed in a structured and responsible manner, aligned with the Group's strategy, values and risk management framework, and subject to appropriate controls and review.



LIQUIDITY RISK

» DESCRIPTION

The Group manages its financing facilities and cash flows such that it has sufficient cash resources to meet the business needs.

» MITIGATIONS

The Group has a strong balance sheet with cash and investments of £116m and net assets of £149m at 27 February 2026, along with banking facilities of £25m in place to provide further headroom should it be required (no external debt at February 2026). The Group is not complacent and continually monitors and stress tests its liquidity position as a matter of routine.



THE ENVIRONMENT

Approved by the Board of Directors on 21 May 2026 and signed on its behalf by:

Rosemary Bruce

Rosemary Bruce
Company Secretary

Registered office:
Arlington Business Centre Building
White Rose Park
Millshaw Park Lane
Leeds, West Yorkshire
LS11 0DL

» DESCRIPTION

Failure to adequately address the impact of our activities on the environment would present a risk to the reputation of the Group and at odds with the Bailey family's Guiding Principles.

This would harm our ability to compete in our markets and attract and retain a high-quality workforce. It also carries a risk of sanctions or penalties from the relevant authorities.

» MITIGATIONS

The Group takes its role as a responsible business very seriously. Over the past decade we have consistently looked to reduce our environmental impacts through the reduction of energy and carbon.

Our Responsibility and Impact strategy supports our long-term goal of doing business in a way that ensures we put more into society, the environment and the economy than we take out.

We formalised our commitment to achieving net zero emissions by 2050 through the approval of our science-based carbon reduction targets by the Science-Based Targets initiative (SBTi). Our science-based targets are:

- 75% of our suppliers, by spend, covering purchased goods and services and capital goods, will have science-based targets by 2027
- We commit to reduce absolute scope 1 and scope 2 greenhouse gas emissions by 50% by 2031
- We will reduce absolute scope 1 and 2 greenhouse gas emissions by 90% by 2045 from a 2018/19 base year. Plus, we commit to reducing absolute scope 3 greenhouse gas emissions by 90% also by 2045

More detail can be found in our Streamlined Energy and Carbon Reporting on pages 58 to 60 and our Task Force on Climate-related Financial Disclosures on pages 61 to 65.

The Board considers environmental issues when reviewing and guiding our strategy, risk management policies, budgets, forecasts and business plans. The route to net zero and decarbonising the UK economy presents significant opportunities to support the Group's growth aspirations.

Drighlington Welding, OSM



CORPORATE GOVERNANCE REPORT

For the period ended 27 February 2026, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council in December 2018 and available on their website).

The Board is committed to the highest standards of corporate governance. How the six Wates principles have been applied over the past year is set out in this report.

1. Purpose and leadership

NG Bailey was formed in 1921 and is now the leading independent engineering and infrastructure services business in the UK, with a proud heritage and proven track record of achievement spanning more than 100 years.

The Group is family owned, and the shareholders are actively involved stewards of the business, with family representation on the Board through two family non-executive Directors. The continued visible presence of the family within the Group supports a responsible culture and reinforces long-term decision

making aligned with the interests of the business and its stakeholders. The Bailey family have established their Guiding Principles, which articulate their long-term aspirations for the Group, including leadership excellence, being a great place to work and acting as a responsible business as set out on pages 10 and 11.

The Group is founded on its core values of Passion, Integrity, Responsibility and Excellence. Under the direction of the Board, these values underpin the Group's purpose and guide strategy, policies, processes and behaviours across the business. The Board recognises that effective leadership is

critical to embedding these values and ensuring they are reflected in how decisions are taken across the Group.

The Group's purpose is to create and maintain exceptional buildings and infrastructure that enable a society which connects seamlessly, operates efficiently and prospers now and in the future. This purpose provides the foundation for the Group's strategy and supports a long-term approach to sustainable growth. The Board considers the Group's purpose when setting strategic priorities and overseeing the delivery of the Group's strategy, which is set out in the Strategic Report on pages 14 to 17.

The Board is responsible for setting the Group's strategic direction and for ensuring that the Group's purpose, values, strategy and culture remain aligned. The Group's *Journey to 2030* strategy sets a clear and effective framework for action and decision making. Progress against strategic priorities and responsibility commitments is reviewed regularly by the Board, enabling it to assess how effectively the strategy supports the Group's purpose and long-term objectives.

The Board also plays an active role in promoting and communicating the Group's purpose and values, which are reinforced through a range of communication channels, including leadership briefings and videos, internal communications and team level engagement, helping to ensure consistent understanding and application across the organisation.

Senior leaders lead by example, supporting a culture that promotes responsible behaviour, collaboration and accountability.

The Board monitors the Group's culture through a range of mechanisms, including feedback from employee engagement surveys, leadership engagement across the business, regular interaction with senior management, and site and office visits. These insights help the Board to assess whether the Group's values are being embedded effectively and to identify areas where further focus or action may be required to support employee wellbeing, engagement and long-term performance.

During the period, the Group refreshed its Responsibility and Impact strategy, aligning it with the *Journey to 2030* strategy and the Group's evolving capabilities. The refreshed approach provides greater clarity on how responsibility and impact are considered alongside commercial performance, and how these considerations are embedded into decision making, delivery and the oversight exercised by the Board. Through ongoing

oversight of the refreshed strategy, the Board considers how the Group creates and preserves long-term value for its shareholders and wider stakeholders, while reinforcing the Group's commitment to acting as a responsible business. See pages 44 to 57 for further detail on the refreshed Responsibility and Impact strategy.

The Board is pleased that the Group's reporting against the Wates Corporate Governance Principles was referenced by the Financial Reporting Council as an example of good practice in its 'The Wates Principles for Large Private Companies - Reporting Insights' publication, specifically in relation to the discussion of opportunities. The Board continues to keep its governance arrangements and disclosures under review, seeking to maintain clear, proportionate and meaningful reporting.

CORPORATE GOVERNANCE



2. Board composition

The Board is responsible for providing effective leadership and oversight of the Group and for ensuring that the composition of the Board remains appropriate to support the delivery of the Group's strategy and long-term objectives. The Board's size and structure reflect the scale, complexity and family owned nature of the Group, while enabling effective decision making, challenge and accountability.

Board structure and roles

The roles of Chair and Chief Executive are separate, with clearly defined responsibilities, to ensure an appropriate balance of authority, accountability and independent challenge at Board level. This separation supports effective governance by avoiding the concentration of decision making power in a single individual and by promoting objective oversight of executive management.

The Chair is responsible for leading the Board and ensuring its effectiveness. This includes facilitating the contribution of all Directors, particularly the non-executive Directors, promoting open and constructive debate, and ensuring that the Board operates as a cohesive and effective team. The Chair also plays a key role in fostering positive and constructive relationships between the Board, executive management and the Company's shareholders, supporting effective communication and long-term stewardship.

The Chief Executive has responsibility for the day-to-day leadership and management of the Group, the development and execution of strategy approved by the Board and the delivery of operational performance. This clear division of responsibilities enables the Board to focus on leadership, oversight and long-term direction, while management concentrates on execution and delivery.

The Company Secretary supports the effective operation of the Board and its committees by ensuring that Board procedures are followed, that timely and appropriate information is provided to Directors and that statutory and regulatory requirements are met. All Directors have access to the advice and services of the Company Secretary.

Board composition and balance

The Board comprises a combination of executive and non-executive Directors, including two family non-executive Directors and three independent non-executive Directors. This structure reflects the Group's family ownership while ensuring appropriate independent challenge and objective oversight.

The family non-executive Directors bring deep knowledge of the Group, its heritage and long-term objectives, supporting continuity and stewardship aligned with the shareholders' long-term interests. The independent non-executive Directors are considered by the Board to be independent in character and judgement and bring a breadth of external experience and perspectives which support constructive challenge, balanced debate and effective decision making.

The Board recognises the importance of diversity in its broadest sense, including diversity of skills, experience, background and perspective, in supporting effective leadership and avoiding groupthink. The Board also acknowledges that achieving greater diversity at Board level remains a challenge across the sector. Workforce diversity is discussed further on page 96.

Notwithstanding this, the Board considers that the strength, experience and independence of its non-executive Directors provide a strong foundation for effective challenge and leadership. The combination of family, independent and executive Directors enables the Board to explore different perspectives and support sound long-term decision making.

The Board keeps its composition under regular review to ensure that it retains an appropriate mix of skills, experience, knowledge and personal qualities relevant to the Group's activities, markets and strategic priorities. Collectively, the Board brings experience across engineering and infrastructure services, finance, risk management, people and organisational development, governance and long-term business stewardship, supporting informed oversight as the Group continues to evolve and deliver its strategy.

Board committees

The Board has established a number of committees to support the effective discharge of its responsibilities. Each committee operates under clearly defined terms of reference, which set out its role, authority and responsibilities, and reports to the Board on its activities and recommendations.

Committee membership includes a combination of family and independent non-executive Directors, together with executive Directors where appropriate, ensuring balanced oversight, constructive challenge and alignment with both shareholder expectations and good governance practice. The Board keeps the structure, remit and composition of its committees under review to ensure they remain appropriate as the Group evolves.

Induction, development and knowledge

New Directors receive a tailored induction programme designed to support a full understanding of the Group, its strategy, operations, governance arrangements and culture. The induction process was most recently applied following the appointment of Louise Kirby, who joined the Board in June 2025, and included briefings from senior management, site visits and access to key governance and operational information.

Directors are expected to maintain and develop their skills and knowledge on an ongoing basis. This is supported through regular updates from management, deep dives on key strategic and operational topics, site visits, and access to external training and professional development where appropriate. These activities help ensure that Directors remain well informed and able to contribute effectively to Board discussions.

Board effectiveness

The Board keeps its effectiveness under review and periodically considers its performance, composition and ways of working. This includes reflecting on the quality of information received, the effectiveness of discussions and decision making, the operation of Board committees and the balance of skills and experience on the Board. Where appropriate, actions are identified to support continuous improvement in Board effectiveness. An in-depth review of the effectiveness of the Board and its Committees is planned for the future to further enhance governance and effectiveness.

GROUP BOARD

Chaired by the independent non-executive Chair and comprising of seven Directors listed on page 100

GROUP SUBCOMMITTEES

Audit & Risk Committee¹

Remuneration Committee

Nomination Committee

Pensions Steering Committee

Family Employment and Development Committee

Investment Committee

[1] The ESG Steering Group reports into the Audit & Risk Committee

Audit & Risk Committee

The Audit & Risk Committee is responsible for reviewing the Group's systems of internal control and risk management. It receives reports from both the internal audit and assurance team and the external auditors on the effectiveness of those controls and recommendations for their improvement.

The Committee meets four times a year with these meetings also attended by the Chief Financial Officer. Other participants such as the Head of Governance, Risk and Assurance, other Group executives, internal audit co-source providers (including KPMG LLP) and the external auditors, RSM UK Audit LLP, are invited to attend for specific items on the Committee's business timetable.

The Board is satisfied that at least one member of the Audit & Risk Committee has relevant financial experience and knowledge to allow for an appropriate level of constructive challenge.

The ESG Steering Group, which reports into the Audit & Risk Committee, guides the Group's ESG agenda, developing and overseeing the delivery of a coherent strategy to manage climate risks and opportunities and achieve the Responsibility and Impact strategy.

Investment Committee

The Investment Committee is responsible for appointing and overseeing suitable investment managers for our investment portfolio and monitoring their performance against agreed benchmarks. Following an in-depth review, the Group implemented a new investment portfolio strategy in 2025/26, diversifying the portfolio to give an appropriate balance between risk and reward aligned to the Group's overall risk appetite.

Pensions Steering Committee

The Pensions Steering Committee is responsible for establishing and reviewing the Group's pension arrangements, strategy and procedures and ensuring that they balance business risk with employee interests over the short, medium and long-term.

The Committee advises the Board on a range of matters relating to the Group's pensions arrangements (defined benefit and defined contribution schemes) including compliance evolution, scheme performance and investment strategy considerations. In 2025/26, the Committee oversaw the transaction that resulted in the defined benefit pension scheme becoming fully insured, representing an important milestone in the management of the Group's pension obligations.

Family Employment And Development Committee (FEDC)

The Family Employment and Development Committee is responsible for developing family members' knowledge and understanding of the Group and introducing them to the employment opportunities available in the Group. It has a particular focus on the "next generation" of shareholders. The Committee meetings are attended by the Group HR Director.

Remuneration Committee

The Remuneration Committee is responsible for making proposals to the Board concerning remuneration for the executive Directors and the senior executives and managers and approving the annual salary pay award for the Group. The Committee meetings are attended by the Chief Executive and the Group HR Director when it is considered appropriate for them to do so.

GROUP LEADERSHIP TEAM (GLT)

Chaired by the Chief Executive, the Group Leadership Team is the senior leadership team for driving the operational and strategic performance of the business. The members of the GLT are:

- Chief Executive
- Chief Financial Officer
- Group HR Director
- Group Commercial Director
- Managing Director, Built Environment
- Managing Director, Freedom
- Group Strategy, Mergers & Acquisitions and Finance Director (Built Environment)

3. Directors' responsibilities

The Board is collectively responsible to the shareholders for the long-term success of the Group and for providing effective leadership within a framework of prudent and effective controls. The Directors have a clear understanding of their individual and collective responsibilities and of the matters reserved for the Board, ensuring that decisions are taken at the appropriate level and with due consideration of the Group's strategy, risk profile and long-term objectives.

Board responsibilities and decision making

The Board is responsible for reviewing and approving the Group's strategy and major investments, overseeing performance against strategic objectives, and reviewing the effectiveness of the Group's approach to risk management and internal control.

In carrying out these responsibilities, the Board considers both financial and non financial matters, including health and safety, people and culture, sustainability, risk and resilience, reflecting the Group's long-term approach to value creation as set out in the Business Review.

The Board has adopted a formal schedule of matters reserved for its decision, which sets out the key areas requiring Board approval. This supports clarity of accountability and enables effective delegation to management while retaining appropriate oversight of significant matters.

The Group Leadership Team (GLT), led by the Chief Executive, is responsible for developing the Group's strategy and policies for consideration by the Board and for overseeing their implementation. The GLT is also responsible for the day-to-day management of the business and for monitoring performance against agreed objectives. The GLT meets regularly throughout the year, supported by a programme of meetings and conference calls, enabling timely discussion of operational, financial and strategic matters and ensuring effective escalation to the Board where appropriate. Members of the GLT undertake regular site visits across the Group's

operations, providing direct insight into delivery, health and safety performance, and engagement with colleagues and customers.

Committees and delegated responsibilities

To support the effective discharge of its responsibilities, the Board has established a number of committees with responsibility for overseeing specific areas on behalf of the Board. Each committee operates under clearly defined terms of reference approved by the Board, which set out its role, authority and responsibilities.

The committees support the Board by undertaking more detailed review and oversight within their respective remits and by making recommendations to the Board where appropriate. The Board retains overall responsibility for matters delegated to committees and receives regular updates on committee activity, conclusions and recommendations, ensuring effective oversight and accountability.

Information, assurance and challenge

The Board has a programme of six principal meetings a year, with additional meetings arranged if necessary. The Board receives regular, timely and relevant information to support effective oversight and decision making with papers provided sufficiently in advance of meetings to allow for appropriate review. Papers are made available to view and annotate through a secure virtual platform designed to support effective information sharing and decision making for the Board and its committees.

Information provided to the Board includes financial and operational performance reports, risk and assurance updates, people and safety metrics, and deep dive papers on strategic topics. Directors are able to seek additional information or clarification where required and have access to senior management and external advisers as appropriate.

Independent non-executive Directors play a key role in providing constructive challenge and bringing external perspectives to Board discussions. Their independence in character and judgement supports balanced debate and well considered decision making.

Conflicts of interest

The Group's approach to conflicts of interest is set out in the Code of Integrity for Employees, which applies to all employees, including the Directors and members of the wider leadership team. The Code requires individuals to act honestly, fairly and with transparency, and not in a manner which could discredit themselves or NG Bailey or place them in a position which may result in a conflict of interest.

A register of potential conflicts of interest is maintained, and conflicts of interest are a standing agenda item at each Board meeting. Any actual or potential conflicts are declared and managed in accordance with the Group's policies to ensure that decision making remains objective and in the best interests of the Group.

Board focus during the year ended February 2026

During the period, the Board devoted particular attention to a number of key areas aligned to the Group's strategy and long-term objectives. By way of example, these included:

- **Oversight of the first year of delivery of the Journey to 2030 strategy**, including monitoring progress against strategic priorities, reviewing performance against financial and non financial objectives, and overseeing the continued development of the Group's operating model and digital capability to support sustainable growth and long-term performance
- **Continued focus on health, safety and people matters**, recognising the importance of strong safety performance, workforce engagement and capability development in delivering the Group's long-term objectives
- **Review and approval of the refreshed Responsibility and Impact strategy**, ensuring clear alignment with the Group's Journey to 2030 strategy and capabilities and greater integration of responsibility and impact considerations into decision making and delivery
- **Approval and oversight of the acquisition of ECS**, including consideration of strategic fit, risk, funding and integration planning
- **Approval of, and ongoing oversight of, significant contracts**, including consideration of commercial terms, risk profile and alignment with the Group's risk appetite, together with regular updates on the performance and delivery of major projects
- **Ongoing oversight of risk, resilience and financial strength**, including the quality and composition of the order book, cash generation, investment activity, exposure to external economic and market conditions and cyber security risks.

These areas of focus informed Board and committee discussions throughout the period and supported effective oversight of management's delivery against the Group's strategy.



4. Opportunity and risk

The Board recognises that effective identification and management of risk, alongside consideration of opportunities, is central to the long-term success of the Group. The Board seeks to promote sustainable growth by overseeing a robust framework for identifying, assessing and managing the principal risks and uncertainties facing the business, while also considering opportunities to create and preserve long-term value.

Opportunities

Short-term opportunities are identified and addressed as part of the monthly business performance and quarterly forecast review processes which are attended by the Chief Executive and members of the senior leadership teams of the Group's businesses.

Long-term strategic opportunities are considered as part of the annual Group strategy process which is presented to the Board. This includes an assessment of how the Group creates and preserves value for the long-term including both financial and non-financial risks and opportunities. Our 'Journey to 2030' strategy includes a commitment to invest for the long-term to allow us to capitalise on the significant opportunities in our marketplace.

As part of the approval process for significant opportunities and contracts (defined within the Group's delegated authorities), in-depth presentations are given to the Board by the management team to allow for constructive challenge and approval before proceeding.

Risk management and oversight

The Group operates a risk management framework across the business to provide a structured approach to identifying, addressing and monitoring risks that could threaten the achievement of the strategic objectives of the Group. The Board recognises that the effectiveness of this framework is dependent on establishing a strong risk management culture throughout the Group, led from the top.

The Group has adopted an integrated assurance model for risk management and control. There are several different assurance providers across the business, all of whom contribute to effective controls and risk management through the 'three-lines model':

- First line: how risks are managed and controlled through the day-to-day operations of the business. Carried out by operational management and support functions (such as HR, Finance and ICT) that directly influence the Group's activities
- Second line: how the framework is overseen to ensure it operates effectively. Carried out by specialist functions that oversee or specialise in risk management and compliance (including health and safety, security, risk management and quality control), providing specialist expertise, support, challenge and assistance to the first line
- Third line: independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. Carried out independently by our Internal Audit function, including, where appropriate, the use of external specialists to strengthen assurance activities (including KPMG LLP)

The Group's systems and controls have been developed and refined over many years and are designed to ensure that the Group's exposure to significant risks is properly managed in a timely manner. The Board has ultimate responsibility for reviewing the effectiveness of these systems and controls, taking into account the key risks and exposures within the Group.

Risk registers are a key medium through which the risk management framework is applied. They include an assessment of the potential impact and likelihood of identified risks and outline the controls in place to bring the risks to an acceptable level. Risk registers are maintained at various levels, including:

- Board risk register: capturing the most significant risks faced by the Group, Board and shareholders which require oversight and monitoring at Board level. This register is reviewed by the Board periodically
- GLT risk register: the GLT maintains an overall Group risk register containing the principal risks faced by the Group and undertakes a full risk review at least annually, facilitated by the Group's Risk and Controls Manager. The Chief Executive subsequently presents the GLT risk register to the Board for discussion and review. Through the annual strategy process, the GLT is responsible for the identification of business risks associated with the strategy and target setting. The principal risks and uncertainties are outlined in the Strategic Report on pages 80 to 84
- Divisional and functional risk registers: each division and key functional area maintains a risk register supported by the Risk and Controls Manager to ensure consistency and rigour. The registers are reviewed annually on a cyclical basis by the Audit & Risk Committee, which also selects key activities for more detailed review

The Group's delegated authorities matrices (DAMs) clearly set out the financial and commercial authorisation framework and form a central part of the Group's governance approach. Alongside each business's detailed policies and procedures, these help guide responsible decision making throughout the business.

Oversight is maintained over corporate policies via the quality management system, supporting regular review and update of policies with appropriate approval and control of changes. The quality management system is accessible to employees across the Group via the employee intranet portal 'MyNGBailey'.

The Group's Internal Audit team forms a key component of the integrated assurance model and assists the Board in understanding threats and opportunities relating to the Group's assets, reputation and sustainability. Risk based audits of the control framework provide assurance over the adequacy and effectiveness of existing controls and the integrity of reported information. This includes a blend of audits performed by the in house Internal Audit team and audits performed with co-source providers (including KPMG LLP), particularly for specialist areas.

Actions arising from audits are tracked through to completion, with progress reported regularly to the Audit & Risk Committee.

As part of the Group's commitment to robust governance and continuous improvement, the quality of the Internal Audit function is subject to regular review. External quality assessments (EQA) are undertaken every five years, with internal quality assessments (IQA) performed in the intervening periods. The most recent EQA was undertaken during 2024/25, benchmarking internal audit practices against established global internal audit standards and broader best practice. The review confirmed that the Internal Audit function is well regarded, operates as a true business partner and is fundamental to the Group's governance framework, benefitting from strong Board and executive level support, while also identifying insights to further enhance practices.

The Group also has well established business continuity plans in place across the business, forming a critical component of resilience planning. Crisis management exercises are carried out

periodically to test plans and rehearse the Group's response to, and recovery from, crisis situations, including exercises at various levels and function wide exercises (for example in ICT).

The Group's systems and controls are designed to manage rather than eliminate risk and can only provide reasonable, and not absolute, assurance.

Integration of opportunity and risk

The Board recognises that opportunity and risk are inherently linked and considers them together when reviewing strategy, approving significant contracts and investments, and overseeing performance. This integrated approach supports disciplined growth, resilience and long-term value creation, consistent with the Group's risk appetite and strategic priorities.



5. Remuneration

The Board acknowledge that remuneration arrangements play a key role in supporting the long-term sustainable success of the Group. The Group's approach to remuneration is designed to attract, retain and motivate high quality leaders and employees, while aligning remuneration outcomes with the Group's purpose, values and strategic priorities, and taking account of pay and conditions across the wider workforce.

Remuneration arrangements are designed to reinforce the Group's values and expected behaviours. The rollout of the Ways of Working Charter provides a clear framework for how colleagues are expected to work together, and this is reflected in performance assessment and reward decisions for leaders and people managers. By linking reward outcomes to both performance and behaviour, the Group seeks to promote a strong, consistent and values driven culture across the organisation.

Remuneration Committee

The Board is supported by the Remuneration Committee, which is responsible for making recommendations on the remuneration of Executive Directors and the GLT, as well as overseeing the remuneration policy for senior management (normally the first layer of management below the GLT) and approving the annual pay award for the wider workforce. The Committee operates within agreed terms of reference and, where appropriate, draws on external remuneration advisers and specialist support to inform decision making, including specialists in executive pay and benefit benchmarking, executive pay process and methodology, pensions and employee benefits.

Senior leadership remuneration

Remuneration for senior leaders typically comprises a balance of fixed and variable elements. Fixed pay reflects the scope, responsibilities and experience required for individual roles and is reviewed periodically with reference to external market data. Variable remuneration is linked to the achievement of a range of financial and non financial performance measures, ensuring an appropriate balance between short-term performance and the longer-term health and sustainability of the Group.

Performance measures are aligned to the Group's strategic priorities and include profitability, cash generation, operational delivery and risk management. In addition, people related performance measures apply to people managers, reinforcing accountability for leadership behaviours, engagement and the development of talent across the organisation.

Remuneration outcomes are considered carefully to ensure they do not encourage excessive risk taking and remain aligned with the Group's robust governance and risk management framework. This approach supports sustainable value creation and long-term resilience.

Details of Directors' remuneration are reported to shareholders at the Annual General Meeting each year, ensuring transparency and accountability to the Group's owners.

Workforce remuneration and reward

The Group's approach to workforce remuneration is underpinned by a commitment to fairness, transparency and market competitiveness. Pay and reward structures are reviewed regularly to ensure they remain appropriate for the markets in which the Group operates and support attraction, retention and engagement.

Many of the Group's front line workforce are covered by national collective agreements and as such their pay and benefits are defined by these agreements. These arrangements are monitored closely and reviewed regularly to ensure ongoing compliance and alignment as a minimum standard.

A comprehensive review of reward and benefits is currently underway, focused on ensuring that the Group's benefits offering is modern, competitive, easy for colleagues to understand and aligned with what matters most to employees at different life stages. The review supports consistency and transparency across the business while responding to skills shortages and business needs over the medium to long-term.

Fairness, inclusion and diversity

The Group is committed to the principles of Fairness, Inclusion and Respect (FIR) and believes that people should be rewarded fairly for the work they do. The Group pays people the same for doing equal work and does not tolerate discrimination in pay or reward decisions, and operates consistent job evaluation and reward frameworks to support this principle.

We recognise that workforce diversity and gender pay are areas for improvement within our industry and that this will take time. The Group monitors these areas closely and continues to take action to promote inclusion, reduce structural barriers and support progression across all parts of the organisation. Reward and remuneration practices are considered within this broader context to ensure they reinforce, rather than undermine, the Group's values led culture.

6. Stakeholders

As a family owned business with a long-term outlook, the Board recognises that the Group's ability to deliver sustainable success is dependent on maintaining strong, trusted relationships with its key stakeholders. These include the Group's people, customers, supply chain partners, shareholders and the wider communities in which the Group operates. The Board seeks to understand the perspectives of these stakeholder groups and to take their interests into account when making decisions that affect the long-term direction of the Group.

The Board considers stakeholder matters regularly through its formal agenda and governance processes, including updates on people, health and safety, operational delivery, customer relationships, supply chain performance, sustainability and risk. This ensures that stakeholder considerations are embedded into decision making and aligned with the Group's strategy, values and risk appetite. Further detail on how the Board discharges its duties under section 172 of the Companies Act 2006 is set out in the Section 172 Statement on pages 32 and 33.

During the period, the Group refreshed its Responsibility and Impact strategy to ensure it remains aligned with the Group's purpose, strategic priorities and evolving stakeholder expectations. As part of this refresh, the Group undertook a Double Materiality Assessment (DMA), which considered both the impact of the Group's activities on people, society and the environment, and the sustainability related matters that could influence the Group's financial performance, position and future prospects.

The DMA involved engagement with a range of internal and external stakeholders and helped to identify and prioritise the environmental, social and governance matters most relevant to the Group and its stakeholders. The outcomes of the DMA directly informed the focus areas, commitments and metrics within the refreshed Responsibility and Impact strategy. Further detail on the DMA, key findings and how these have shaped the Group's priorities is provided in the Responsibility and Impact section on pages 48 and 49.

The following sections set out the Group's key stakeholder groups, how the Group engages with them, the matters of importance raised through that engagement, and how the Board and management have responded during the period. This approach supports transparent reporting and demonstrates how stakeholder considerations are integrated into the Group's governance and long-term decision making.

Our shareholders and wider family

The Group is a family owned business and recognises the importance of maintaining open and constructive dialogue with its shareholders. The Board is committed to ensuring that the Group's long-term strategy, culture and governance arrangements remain aligned with the shareholders' objectives and the family's long-term aspirations for the business.

The family's Guiding Principles as set out on pages 10 and 11 provide an important framework for the stewardship of the Group and articulate the family's expectations in relation to leadership, culture, responsibility and long-term value creation. These principles are used to inform strategic decision making and support alignment between the Board, management and shareholders.

Primary communication between the Board and shareholders is led by the Chair, supported by the two family non-executive Directors, ensuring clear and effective engagement. Formal engagement takes place through the Annual General Meeting, at which the Board reports on the Group's performance and governance, and where shareholders are given the opportunity to ask questions. In addition, the Board and members of the senior management team meet with the shareholders and wider family twice a year, providing regular insight into financial performance, strategic progress and key developments.

The Family Council is a forum established to represent the interests of the family and to support the development of responsible owners. It facilitates

structured communication between the family and the business through the Board and promotes constructive, effective relationships between the family and the Board. The Council comprises representatives from across the family, including the two family non-executive Directors, and provides a mechanism for considering matters relevant to family ownership, such as the Group's purpose, values, long-term strategy and stewardship responsibilities. Through this forum, family perspectives are shared with the Board and taken into account alongside the Group's strategic and governance priorities.

The Group also recognises the importance of engaging with the next generation of the family to support long-term continuity and stewardship. Annual 'Next Generation' events are held to provide insight into the business, its strategy and values, and to help foster understanding of the responsibilities associated with family ownership. These events help strengthen the connection between the business and future generations of shareholders.

Matters raised through engagement with shareholders and the wider family, where appropriate, inform Board discussions on strategy, investment priorities and governance matters.



Our people

Our people are fundamental to the success of the Group and we place significant value on the skills, commitment and professionalism they bring to the business. As a family-owned organisation with a long-term outlook, we are committed to creating a safe, inclusive and supportive working environment where our people can develop, perform and build long-term careers.

The Board regularly considers people related matters, including engagement, wellbeing, learning and development, resourcing and health and safety, ensuring that the interests of employees are embedded into decision making and aligned with the Group's values, strategy and Ways of Working Charter, which sets out clear expectations for behaviours and how we work together across the Group.

Health and safety

The health, safety and wellbeing of our people is first and foremost and remains the Group's highest priority. Health and safety performance is discussed at every Board meeting, reflecting the importance placed on ensuring that everyone goes home safe at the end of each working day.

Our cultural development programme, Safety in Mind, continues to play a central role in strengthening behavioural safety and reinforcing personal responsibility across the organisation. Our safety systems, processes, procedures and training must be underpinned by the positive choices and behaviours of the people using them, as the critical path in nearly all incidents is the choices that individuals make. The programme focuses on leadership behaviours, open conversations and learning from experience, supported by ongoing training and engagement activity across the workforce. Delivery of the programme is increasingly supported through internal capability, including training transitioned from an external provider to our internal learning & development team.

The Group's strong safety culture and performance have been recognised through success at the 2025 RoSPA Awards where we received four Gold Awards, three President's Awards and four Orders of Distinction for our outstanding health and safety performance.

Recognising performance and contribution

We recognise and celebrate the contribution of our people through a range of formal and informal mechanisms that reinforce our values and support a culture of appreciation.

During the period, we relaunched our employee recognition programme with the introduction of My Recognition, an online platform that enables colleagues to directly thank one another and recognise achievements in real time. Through My Recognition, employees can celebrate contributions aligned to the Group's values by submitting values award nominations, as well as access a range of everyday savings and discounts. The platform plays an important role in reinforcing positive behaviours, recognising impact and celebrating colleagues who truly embody the Group's values of Passion, Integrity, Responsibility and Excellence.

In addition, long-term commitment to the Group is recognised through long service awards, acknowledging the loyalty and dedication of employees who have built long standing careers with the business and contributed to its continued success over many years.

Learning, development and careers

Investment in learning and development is a core part of the Group's people strategy. During the period, the Group delivered 24,000 training days (2025: 22,000) across technical, professional and leadership development, supporting both current performance and future capability.

Clear career pathways support progression and succession planning across the business.

Development opportunities are complemented by our peer group overseas employee exchange programme, which enables employees to gain insight into how similar businesses operate in different markets. Through spending time at our peer group partners in Australia and the USA, colleagues are able to broaden their experience and share best practice.

The Group has a long standing commitment to early careers, having employed apprentices since 1934 with nearly 6,000 people trained in their chosen field. Our commitment to developing skills has been externally recognised through the award of the Princess Royal Training Award, reflecting the quality and impact of our training and development programmes. We relaunched our graduate scheme in 2022 with the programme running for two years with a series of work-based projects and rotations and we continue to widen access to early career routes, including through initiatives such as Year in Industry placements, helping to open opportunities to a broader and more diverse range of future talent.

Fairness, inclusion and respect

The Group is committed to the principles of Fairness, Inclusion and Respect (FIR) and to creating a workplace where everyone feels valued and respected. This is supported by our Equality, Diversity and Inclusion guide and Codes of Integrity for Employees and Business Partners, which set clear expectations for behaviour and decision making.

Employee alliance networks play an important role in supporting inclusion and employee voice. During the period, the Group's Pride network continued to provide support and visibility for LGBTQ+ colleagues and allies, while new Gender Equality and Neurodiversity networks are broadening support and engagement across the business.

Employee engagement and communication

We actively seek feedback from our people through our annual employee engagement 'MyVoice' survey, which provides insight into engagement, leadership, communication and wellbeing. The results and feedback from the December 2025 survey were positive, with a record level of participation and improvements across all key themes. Results are shared with leadership teams and used to inform action plans.

Ongoing communication is supported through a range of channels, including CEO briefings, regular business update videos, team briefings and our employee intranet portal 'MyNGBailey'. Within the Engineering business, an employee workforce forum provides an additional structured mechanism for consultation and dialogue between employees and management.

Speaking up and ethical behaviour

We are committed to maintaining a culture where people feel safe, supported and able to raise concerns. Our Speak Up Policy encourages colleagues to report, in good faith, any concerns about potential wrongdoing or behaviour that is inconsistent with our values, policies or procedures, and we provide a range of channels to ensure concerns can be raised confidentially. These include our independent whistleblowing helpline, Safecall, which is operated by a team of former police officers and provides a professional, impartial and confidential service available 24 hours a day, reinforcing our commitment to strong governance, ethical behaviour and accountability across the Group.

Wellbeing and support

The Group's approach to wellbeing is shaped and coordinated through a Wellbeing Committee, comprising representatives from across the business. The Committee sets the wellbeing agenda and supports consistent, targeted activity across the Group.

During 2025/26, our focus has been on delivering wellbeing campaigns and webinars aligned with national awareness days, sharing practical tools and advice on how to make the most of the benefits available to employees to support their physical, financial and mental health. We launched Live Well, Work Well, a new wellbeing programme designed to support our people's health, happiness and success at work and beyond. The programme was delivered through a series of more than 30 workshops and live webinars, led by an experienced executive coach in partnership with a specialist wellbeing consultancy.

Our wellbeing offering is promoted through internal communication channels, including the Working Well Hub, which provides easy access to resources, information and practical support for all employees.

We provide 24/7 support via our Employee Assistance Programme, a completely confidential and personal service offering counselling and advice for all employees on a range of personal and work related matters.

Additional support is available through the Group's Hardship Fund, which provides assistance to employees experiencing significant short-term financial difficulty through grants or loans. Our employee discount scheme also helps colleagues manage day-to-day living costs by providing access to discounts and cashback offers through the My Discounts app.

We give every single person across the Group an annual wellbeing day on top of their normal holiday allowance to provide them the opportunity to recharge and focus on their wellbeing and two further days of paid volunteering leave offered to support our communities.

Enabling effective ways of working

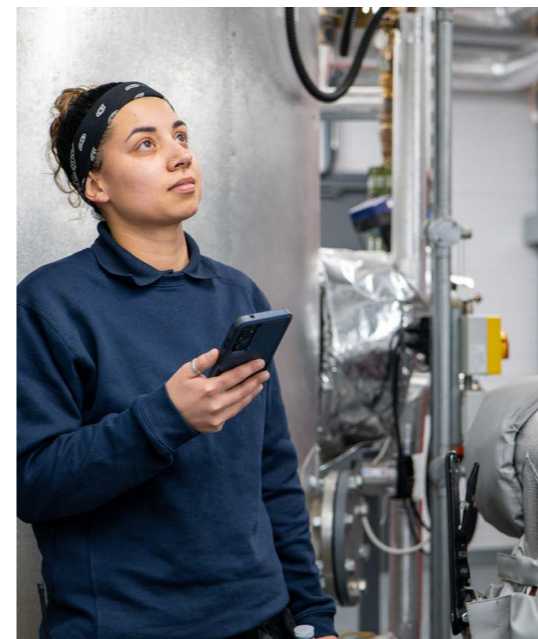
Creating the right environment for our people to perform at their best is a key focus for the Group. Alongside investment in skills and development, we continue to invest in the tools, systems and ways of working that support collaboration, productivity and a positive employee experience.

The Ways of Working Charter provides a shared framework for how colleagues are expected to work together across the Group, reinforcing consistent behaviours, accountability and respect. The Charter supports alignment across different roles, locations and business units, and underpins expectations for leadership, collaboration and decision making.

Investment in ICT and digital tools continues to play an important role in enabling effective ways of working. This forms part of the Group's wider digitalisation agenda and supports our philosophy of 'making it easy to work here', helping colleagues to collaborate effectively and access the information and resources they need. The Group has focused on improving access to information, strengthening digital communication and collaboration tools, and ensuring systems are reliable, secure and easy to use. This also includes a controlled approach to the use of emerging technologies, including generative AI, supported by appropriate governance.

These investments support flexible working arrangements where appropriate, improve efficiency and reduce friction in day-to-day activities, helping colleagues focus on delivering high quality outcomes for customers.

Digital platforms are also used to support engagement and communication across the workforce, including employee communications, learning resources, recognition platforms and wellbeing support. Together, these tools help create a more connected organisation and contribute to the Group's ambition to be a great place to work.





Meadowhall, Facilities Services ▲

Our suppliers

Our supply chain partners form an important part of our business and play a key role in our continued success. We are committed to building and maintaining a resilient, responsible and sustainable supply chain that reflects our values and purpose. We seek to work with suppliers and subcontractors who demonstrate high standards of quality, safety, ethical behaviour and performance, and who share our commitment to doing business in the right way.

Engagement with our supply chain is a key part of this approach. We maintain regular dialogue with suppliers and subcontractors, including through ongoing engagement activities and procurement roadshow events, which provide opportunities to share expectations, discuss upcoming opportunities, gather feedback and strengthen long-term relationships across the supply chain.

During the period, the Group continued to enhance its approach to supply chain management, including the implementation of a new supply chain management system. This provides improved visibility, consistency and control across supplier onboarding, performance management and risk assessment, supporting more effective governance of our supply chain and an easier onboarding experience for our supply chain.

We recognise the importance of supporting our supply chain and closely monitor our payment performance and regularly report on it to the Board, Audit & Risk Committee and shareholders. We also continuously invest in our processes and procedures

to pay our supply chain on time. Our payment performance reporting over recent years has been consistently industry leading, with the percentage of invoices paid within 60 days at an industry leading, consistent level of 99% (2025: 99%).

This is particularly important given the challenges of payment performance in our sector, which is characterised by complex supply chains, contractual terms and the impact of disputes. As a result, the construction industry has materially longer and more variable supplier payment terms than other industries, together with a culture of late payments, increasing financial strain and inhibiting growth potential for businesses in our sector. Payment Practices and Performance Reporting has also increased the level of scrutiny of how companies pay their suppliers.

We partner with the Earlytrade platform to provide our Engineering subcontract trade partners with the choice to receive early payments. Earlytrade offers our subcontractors a quick and easy way to receive early payments for approved certificates and invoices, thereby improving their cash flows in return for a small discount to cover the cost of the platform. This system is not supplier financing (no bank involved) and existing payment terms remain unchanged. Subcontractors are not required to use Earlytrade and can continue to be paid as normal.

To further support efficiency and best practice within our finance operations, the Group's accounts payable and procure to pay (P2P) teams have achieved Accounts Payable Association (APA) Q Programme accreditation

during the period. This voluntary accreditation is a recognised mark of excellence, reflecting best practice in accounts payable operations. The assessment included a detailed review of systems, controls and procedures, including the Group's automation initiatives to streamline workflows and reduce manual effort. Achieving this accreditation demonstrates our commitment to continuous improvement, operational excellence and the use of technology to deliver an efficient, high quality service, while strengthening our reputation with our supply chain and supporting future innovation.

Labour exploitation and modern slavery are risks that our industry, business and wider supply chain face and we are committed to combatting this in partnership with others. The Group is an affiliate member of the TISC (Transparency in the Supply Chain) reporting website and a signatory to the Gangmasters and Labour Abuse Authority modern slavery protocol as a public commitment of our efforts in this area. Our Anti-Slavery and Human Trafficking Policy and Modern Slavery Act Statement can be found on our website www.ngbailey.com.

Our Modern Slavery working group leads the Group's agenda in this area, meeting regularly to review the effectiveness of controls as modern slavery risks evolve. The working group focuses on the governance framework, supporting our labour agency partners and supply chain, and training for our people. We have in place a Code of Integrity for Business Partners which applies to all entities acting in partnership with or on behalf of NG Bailey and sets out clearly our expectations.

Our customers

We build close relationships with our customers via a variety of communication methods including regular meetings (face-to-face and virtual), site visits and Group communications such as our website, social media platforms and thought-leadership articles. Alongside our periodic customer engagement surveys, these provide a route for feedback from customers to identify improvements and retain our industry-leading reputation, supporting the long-term success of the Group.

Our recent Group-wide Net Promoter Score (NPS) survey provided positive feedback from customers across the Group, overall results improving from good to excellent during the period. As a result, we continue to see high numbers of repeat customers and strong retention rates across the business.

Pension trustee

The Group maintains a constructive and collaborative relationship with the Trustee of its defined benefit pension scheme, the Pension and Life Assurance Plan of NG Bailey. Regular communication takes place between the Group and the Trustee, including periodic attendance by the Trustee at Pension Steering Committee meetings, supporting open dialogue and effective oversight. This engagement helps ensure that decisions taken by both the Group and the defined benefit pension scheme appropriately reflect the interests of all stakeholders, particularly scheme members.

The Group's defined benefit pension scheme remains well funded, and during the period a significant milestone was achieved when it became fully insured (securing of insurance policies covering the benefits payable to all remaining members). This represents an important step in removing the Group's long-term exposure to risks associated with the operation of a legacy defined benefit scheme and forms part of a broader, long-term strategy to manage pension obligations responsibly, while continuing to meet commitments to scheme members.

Our communities

We recognise that our responsibilities extend beyond our immediate operations, into the communities we work within and wider society as a whole. The Group's commitment to delivering social value is outlined on page 54 and pages 66 to 78.

In 2018, we adopted the UN's 17 Sustainable Development Goals (SDGs) as part of our responsibility reporting to demonstrate our impact beyond the business. Our refreshed Responsibility and Impact strategy continues to align with the SDGs, ensuring our priorities remain relevant and focused.

We are committed to operating as a good neighbour in the communities where we work. We actively seek to listen to community concerns and have established communication channels through our website to facilitate engagement. We take into account the potential impacts of our activities, including appearance, noise, environmental considerations and access, and aim to minimise disruption wherever possible.

We recognise that the long-term success of our industry depends on attracting and engaging a diverse range of people. We work with schools, colleges and universities to promote science, technology, engineering and maths (STEM) careers. During the period, we have engaged with over 11,500 young people through STEM and careers sessions with 177 weeks of work placements provided, including internships and work experience, helping to bring real-life experience and role models into the learning environment and supporting efforts to address skills shortages in our sector.

As a business we play an important role in the communities we work in. We invest in supporting our employees in their charitable efforts through financial and in-kind support and charitable cash donations in the period totalled £75k (2025: £52k) with our employees raising a further £95k. Paid volunteering leave is available to all our people and 1,482 days of volunteering (2025: 1,134) were delivered during 2025/26.

Since becoming a Corporate Patron of CRASH, the UK construction industry's official charity, in 2022, NG Bailey has developed a strong and sustained partnership combining financial contributions, professional expertise, fundraising and hands on volunteering to support homelessness and hospice charities across the UK.

Reducing our environmental impact is a key consideration for the Group. We have a strong history of early adoption of low carbon technologies, while recognising that continued progress is required, particularly in the context of business growth and a growing commercial fleet. Further detail on our environmental performance is provided in the Streamlined Energy and Carbon Reporting section on pages 58 to 60.

His Majesty's Revenue and Customs (HMRC)

The Group takes its tax responsibilities extremely seriously and is committed to meeting all statutory tax obligations. A low risk approach to tax is firmly embedded within the business and forms an integral part of the Group's culture and governance framework. The Group has a published Group Tax Strategy, which is reviewed annually, approved by the Board and available on the Group's website.

We are committed to maintaining a transparent, open and constructive relationship with HMRC, including providing updates on business activities and key developments as they arise. Where appropriate, we seek HMRC's views on uncertain tax positions on a real time basis, supporting clarity and certainty for both parties.

This approach was evidenced during the period by our low risk status being retained following HMRC's Business Risk Review of the Group's tax controls, governance and approach to tax matters.



Manchester Town Hall, Engineering ▲

DIRECTORS' REPORT

DIRECTORS

The Directors who held office during the period and subsequently through to the date of this report were as follows:

Ian Funnell	1 2 3 4 5 6	(Chair)
Jonathan Stockton		(Chief Executive)
Clare Salmon	5 7	(Chief Financial Officer)
Chris Bailey	1 2 3 4 5 7	
Martin Chown	1 3 4 7	
Claire East	1 2 4 6	
Louise Kirby (appointed 16 June 2025)	1 2 4 5 6	
Jane Moriarty (resigned 13 June 2025)	1 2 4 5 6	

- 1** Non-Executive Director
- 2** Member of the Audit & Risk Committee (chaired by Louise Kirby)
- 3** Member of the Remuneration Committee (chaired by Martin Chown)
- 4** Member of the Nomination Committee (chaired by either the Chair or a non-executive director)
- 5** Member of the Pensions Steering Committee (chaired by Clare Salmon)
- 6** Member of the Family Employment and Development Committee (chaired by Ian Funnell)
- 7** Member of the Investment Committee (chaired by Martin Chown)

Results and dividends

Details of the results for the period are set out in the Consolidated Income Statement on page 108.

A final dividend for the period ended 28 February 2025 was paid on 8 July 2025 at the rate of £0.86 per share on the ordinary shares of 5p each amounting to £2.4m.

The Directors propose that a final dividend for the period ended 27 February 2026 be paid on the ordinary shares of 5p each at the rate of £1.43 amounting to £4.0m.

Financial risk management & policies

The Group's principal financial assets are cash and deposits, trade and other debtors, amounts recoverable on contracts and investments. The Group's credit risk is primarily in relation to trade debtors and amounts recoverable on contracts. The financial strength of customers is assessed prior to entering into a contract and is regularly reviewed together with exposure during the course of the contract. Management of liquidity risk is achieved by close monitoring and forecasting of cash

flow and by matching creditors and debtors within contractual obligations and the implementation of effective cash collection techniques. The Group does not use complex financial instruments.

Changes in the market value of certain financial assets can affect the income and financial position of the Group, notably its investments. The risk is managed by a subcommittee of the Board (the Investment Committee) that is responsible for appointing and overseeing suitable investment managers and monitoring their performance against agreed benchmarks. During the period, a new investment portfolio strategy was implemented, diversifying the portfolio to ensure an appropriate balance between risk and return, aligned with the Group's overall risk appetite.

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 38 to 43. The principal risks and uncertainties facing the Group, together with a description of how these risks are addressed are set out in the Strategic Report on pages 80 to 84.

The Group's strong reputation, robust balance sheet, balanced strategy and solid market positions provide the Directors with confidence that the Group is well positioned for the future. The Group has contracts with a broad range of customers and suppliers across its chosen sectors which align closely with long-term investment trends. With the government's commitment to defence, nuclear, decarbonisation and infrastructure spending along with regulatory investment cycles in electricity and water, the Directors consider that the markets in which the Group operates will remain resilient.

A significant proportion of the Group's sales are protected against inflationary pressures through contractual provisions or advance purchasing once work is secured. For new work, the Group's established 'bid no bid' process, short pricing windows and clearly defined acceptable commercial terms and conditions ensure that the Group only commits to work at an appropriate price and in line with its risk appetite.

The Group's order book has grown further to £1.7bn (2025: £1.6bn) whilst becoming lower risk. The order book benefits from a sensible proportion of work directly with end clients alongside work through preferred main contractors, a healthy mix of project work and predictable, recurring income contracts and a balanced range of contractual arrangements.

The Group has considerable financial resources, including cash and deposits of £67.8m and investments of £48.4m at 27 February 2026. Additionally, the Group has available undrawn bank facilities amounting to £25m

through its three-year revolving credit facility, which remains in place for a further three years following the exercise of a one-year extension option in September 2025.

In arriving at their assessment of going concern, the Directors have considered the Group's forecast for 12 months from the date of approval of these financial statements. The forecast has been prepared based on current productivity levels, with a high proportion of the forecast revenue already secured through the order book, and includes consideration of future obligations arising from existing contracts.

Given the ongoing macroeconomic and trading uncertainties, including global economic volatility, inflationary pressures, supply chain constraints and geopolitical tensions, the Directors have deemed it appropriate to undertake stress testing to assess the impact of potential severe, albeit remote, downside scenarios. Under these scenarios, the cash flow forecasts indicate that the Group would retain comfortable headroom against its available resources throughout the forecast period.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group have adequate resources, liquidity and banking facilities to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

Directors' liability insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity with Chubb European Group SE, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Group also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its Directors.

Independent auditor

A resolution to reappoint RSM UK Audit LLP as the Group's auditor will be proposed at the forthcoming Annual General Meeting.

Disabled employees

Applications for employment by disabled employees are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Stakeholder engagement

Details of how the Directors have had regard to the need to foster the Group's business relationships with suppliers, customers, employees and others, and the effect of that regard, including on the principal decisions taken by the Group during the period are outlined in the Corporate Governance Report on pages 95 to 99 and the Section 172 statement on pages 32 and 33.

Post-balance sheet events

On 31 March 2026, the Group acquired Engineering Solutions Group. The group, referred to as ECS after its main trading company (ECS Engineering Services Limited), is a specialist engineering group operating across the water, environmental and wider infrastructure sectors. ESG is a well established business with annual turnover of c£30m. The acquisition supports the Group's growth strategy and is expected to strengthen its full service offering and access to the water infrastructure market. As the acquisition completed after the balance sheet date, it has not been reflected in these financial statements.

Strategic report

The Group has chosen in accordance with Section 414C (11) of the Companies Act 2006 to set out in the Group's Strategic Report, information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7 to be contained in the Directors' Report. It has done so in respect of principal activities, results and key performance indicators, future developments, activities in the field of research and development, and operational risk management.

Streamlined energy and carbon report

The Streamlined Energy and Carbon Report is presented on pages 58 to 60.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial period. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of the profit or loss of the Group and Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

So far as each of the Directors in office at the date the Directors' Report is approved are aware:

- there is no relevant audit information of which the Group and Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information

Approved by the Board of Directors on 21 May 2026 and signed on its behalf by:

Rosemary Bruce

Rosemary Bruce
Company Secretary

Registered office:
Arlington Business Centre Building
White Rose Park
Millshaw Park Lane
Leeds
LS11 0DL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NG BAILEY GROUP LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of NG Bailey Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 27 February 2026 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 February 2026 and of the Group's profit for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included reviewing forecasts, the Group's order book, alongside conducting enquiries of management.

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 or the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NG BAILEY GROUP LIMITED

(CONTINUED)

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 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.

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 period 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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 103, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NG BAILEY GROUP LIMITED

(CONTINUED)

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.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Group and Parent Company operates in and how the Group and Parent Company are complying with the legal and regulatory framework
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006, pensions legislation and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included review of financial statement disclosures, review of Board and Committee meeting minutes, enquiries with management, review of external press releases and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, the Building and Safety Act 2022 and General Data Protection Regulation. We performed audit procedures to inquire of management whether the Group is in compliance with these laws and regulations and reviewed Board and Committee meeting minutes.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NG BAILEY GROUP LIMITED

(CONTINUED)

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD (CONTINUED)

The Group audit engagement team identified the risk of management override of controls, revenue recognition and risk provisioning as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to in respect of the risk of management override of controls, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We evaluated whether there was evidence of bias by management in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates. Audit procedures performed in relation to revenue recognition included but were not limited to ensuring that the revenue recognition accounting policy was correctly applied, evaluating expected margin through assessment of post period end performance and stage of completion, inspection of period end valuations, verifying a sample of transactions to invoices and underlying contract, and testing a sample of transactions accounted pre and post-year end to ensure that revenue was recognised in the correct accounting period.

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

USE OF OUR REPORT

This report is made solely to the 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.

N. C. Cattini

Nicholas Cattini
(Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP
Statutory Auditor

Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

21 May 2026

CONSOLIDATED INCOME STATEMENT

for the 12 month period ended 27 February 2026

	Note	2026			2025		
		Underlying performance* £m	Exceptional items and amortisation £m	Total £m	Underlying performance* £m	Exceptional items and amortisation £m	Total £m
TURNOVER	3	706.7	-	706.7	661.7	-	661.7
Cost of sales		(618.7)	-	(618.7)	(586.4)	-	(586.4)
GROSS PROFIT		88.0	-	88.0	75.3	-	75.3
Administrative expenses	4	(69.8)	(2.2)	(72.0)	(60.9)	(1.6)	(62.5)
Other operating income	4	2.9	-	2.9	0.6	-	0.6
OPERATING PROFIT	4	21.1	(2.2)	18.9	15.0	(1.6)	13.4
Interest receivable and similar income	7	7.3	-	7.3	4.5	-	4.5
Interest payable and similar charges	7	(0.2)	-	(0.2)	(0.2)	-	(0.2)
PROFIT BEFORE TAXATION		28.2	(2.2)	26.0	19.3	(1.6)	17.7
Tax on profit	8			(6.8)			(4.2)
PROFIT FOR THE FINANCIAL PERIOD				19.2			13.5

*Underlying performance represents the result before amortisation of goodwill and acquired intangible assets, and exceptional items (set out in note 4).

All profit for the financial period is attributable to the owners of the Company.

All activities relate to continuing operations.

The notes on pages 113 to 135 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 12 month period ended 27 February 2026

	Note	2026 £m	2025 £m
PROFIT FOR THE FINANCIAL PERIOD		19.2	13.5
Remeasurement of defined benefit pension scheme asset	15	(12.1)	2.0
Deferred tax	18	3.0	(0.5)
OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE FINANCIAL PERIOD		(9.1)	1.5
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		10.1	15.0

All total comprehensive income for the financial period is attributable to the owners of the Company.

The notes on pages 113 to 135 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 27 February 2026
Company Registration No. 1490238

	Note	2026 £m	2025 £m
FIXED ASSETS			
Intangible assets	10	14.0	18.5
Tangible assets	11	15.9	16.7
		29.9	35.2
CURRENT ASSETS			
Stocks	13	0.5	0.8
Debtors: amounts falling due within one year	14	159.0	155.8
Pension scheme asset	15	23.1	34.0
Investments	16	48.4	44.7
Cash and deposits		67.8	46.9
		298.8	282.2
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(173.7)	(170.6)
NET CURRENT ASSETS		125.1	111.6
TOTAL ASSETS LESS CURRENT LIABILITIES		155.0	146.8
PROVISION FOR LIABILITIES	18	(6.4)	(5.9)
NET ASSETS		148.6	140.9
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	0.1	0.1
RESERVES			
Revaluation reserve	20	3.3	3.3
Capital redemption reserve	20	-	-
Retained earnings	20	145.2	137.5
		148.5	140.8
TOTAL EQUITY		148.6	140.9

These financial statements were approved by the Board of Directors on 21 May 2026 and were signed on its behalf by:

Ian Funnell

I G FUNNELL

Jonathan Stockton

J STOCKTON

The notes on pages 113 to 135 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 12 month period ended 27 February 2026

	Note	Share capital £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
AT 2 MARCH 2024		0.1	4.8	-	124.0	128.9
PROFIT FOR THE FINANCIAL PERIOD		-	-	-	13.5	13.5
Other comprehensive income		-	-	-	1.5	1.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	15.0	15.0
Transfer of realised reserve		-	(1.5)	-	1.5	-
<i>Transactions with owners</i>						
Purchase of own shares	19	-	-	-	(1.0)	(1.0)
Dividends paid	21	-	-	-	(2.0)	(2.0)
AT 28 FEBRUARY 2025		0.1	3.3	-	137.5	140.9
PROFIT FOR THE FINANCIAL PERIOD		-	-	-	19.2	19.2
Other comprehensive expense		-	-	-	(9.1)	(9.1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	10.1	10.1
<i>Transactions with owners</i>						
Dividends paid	21	-	-	-	(2.4)	(2.4)
AT 27 FEBRUARY 2026		0.1	3.3	-	145.2	148.6

The notes on pages 113 to 135 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 12 month period ended 27 February 2026

	Note	2026 £m	2025 £m
PROFIT FOR THE FINANCIAL PERIOD		19.2	13.5
Adjustments for:			
Depreciation	4	4.3	4.0
Amortisation of intangible fixed assets	4	4.6	5.3
Loss / (profit) on sale of tangible fixed assets	4	0.1	(2.1)
Interest receivable and similar income	7	(7.3)	(4.5)
Interest payable and similar charges	7	0.2	0.2
Tax charge	8	6.8	4.2
Decrease in stock		0.3	0.6
Increase in debtors		(4.5)	(6.2)
Increase in creditors		3.1	8.4
Other non-cash items		0.6	0.7
		8.2	10.6
NET CASH INFLOW FROM OPERATING ACTIVITIES		27.4	24.1
Taxation paid		(2.0)	(1.7)
NET CASH GENERATED FROM OPERATING ACTIVITIES		25.4	22.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets	11	(3.6)	(4.7)
Purchase of intangible assets	10	(0.1)	-
Proceeds from sale of property		-	4.2
Purchase of investments	16	(44.4)	(3.1)
Sale of investments	16	46.2	4.0
NET CASH USED IN INVESTING ACTIVITIES		(1.9)	0.4
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	21	(2.4)	(2.0)
Purchase of own shares	19	-	(1.0)
Bank interest and fees	7	(0.2)	(0.2)
NET CASH USED IN FINANCING ACTIVITIES		(2.6)	(3.2)
INCREASE IN CASH AND CASH EQUIVALENTS	22	20.9	19.6
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	22	46.9	27.3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	67.8	46.9

The notes on pages 113 to 135 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the 12 month period ended 27 February 2026

1. COMPANY INFORMATION

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Ground Floor (Suite T), Arlington Business Centre, White Rose Park, Millshaw Park Lane, Leeds, England, LS11 0DL. The principal activities of the Company are noted in the Strategic Report on pages 26 to 29.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods, unless otherwise stated.

Statement of compliance

These Group and Company financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. Monetary amounts are rounded to the nearest £0.1m, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Acquisitions are accounted for under the acquisition method. All companies within the Group prepared their financial statements to 27 February 2026. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The Group's share of the results, assets and liabilities of contracts carried out in conjunction with another party as a joint operation are included under each relevant heading in the income statement and the statement of financial position.

Exemptions for qualifying entities under FRS102

The Company is a qualifying entity under FRS102 and therefore has taken advantage of disclosure exemptions available to it. Exemptions have been taken in relation to: financial instruments for the Company, preparing a statement of cash flows for the Company, related party transactions and from disclosing the remuneration of the Company's key management personnel. The Company intends to take the same exemptions in future financial periods.

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 38 to 43. The principal risks and uncertainties facing the Group, together with a description of how these risks are addressed are set out in the Strategic Report on pages 80 to 84.

The Group's strong reputation, robust balance sheet, balanced strategy and solid market positions provide the Directors with confidence that the Group is well positioned for the future. The Group has contracts with a broad range of customers and suppliers across its chosen sectors which align closely with long-term investment trends. With the government's commitment to defence, nuclear, decarbonisation and infrastructure spending along with regulatory investment cycles in electricity and water, the Directors consider that the markets in which the Group operates will remain resilient.

A significant proportion of the Group's sales are protected against inflationary pressures through contractual provisions or advance purchasing once work is secured. For new work, the Group's established 'bid no bid' process, short pricing windows and clearly defined acceptable commercial terms and conditions ensure that the Group only commits to work at an appropriate price and in line with its risk appetite.

2. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The Group's order book has grown further to £1.7bn (2025: £1.6bn) whilst becoming lower risk. The order book benefits from a sensible proportion of work directly with end clients alongside work through preferred main contractors, a healthy mix of project work and predictable, recurring income contracts and a balanced range of contractual arrangements.

The Group has considerable financial resources, including cash and deposits of £67.8m and investments of £48.4m at 27 February 2026. Additionally, the Group has available undrawn bank facilities amounting to £25m through its three-year revolving credit facility, which remains in place for a further three years following the exercise of a one-year extension option in September 2025.

In arriving at their assessment of going concern, the Directors have considered the Group's forecast for 12 months from the date of approval of these financial statements. The forecast has been prepared based on current productivity levels, with a high proportion of the forecast revenue already secured through the order book, and includes consideration of future obligations arising from existing contracts.

Given the ongoing macroeconomic and trading uncertainties, including global economic volatility, inflationary pressures, supply chain constraints and geopolitical tensions, the Directors have deemed it appropriate to undertake stress testing to assess the impact of potential severe, albeit remote, downside scenarios. Under these scenarios, the cash flow forecasts indicate that the Group would retain comfortable headroom against its available resources throughout the forecast period.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group have adequate resources, liquidity and banking facilities to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and estimation uncertainty

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions.

The estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the Group as at 27 February 2026 are discussed below:

a) Revenue and margin recognition

The Group's revenue and margin recognition policies (set out in Turnover, Long-term contracts and Services rendered policies below) are fundamental to how the Group values the work it has carried out in each reporting period. These policies require forecasts to be made of the outcome of long-term construction services and support services contracts, which require assessments and judgements to be made on recovery of pre-contract costs, contract programmes, maintenance and defects liabilities and changes in costs. At 27 February 2026, the value of amounts recoverable on contracts was £72.3m (2025: £83.1m) and the value of payments received on accounts was £7.6m (2025: £5.2m).

b) Retirement benefit obligations

Details of the Group's defined benefit pension schemes are set out in note 15, including tables showing the sensitivity of the Group pension scheme obligations and assets to various actuarial assumptions agreed by management including: life expectancy, inflation and discount rates.

At 27 February 2026, the retirement benefit asset recognised on the Group's statement of financial position was £23.1m (2025: £34.0m). The effects of changes in the actuarial assumptions underlying the benefit obligation, discount rates and the differences between expected and actual returns on the scheme's assets are classified as actuarial gains and losses.

The recognition of the retirement benefit asset requires judgement. The scheme rules which define how any surplus would be apportioned between members and the sponsoring employer in a wind up of the scheme have been assessed. On this basis, it has been concluded that an economic benefit is available to the Group and the surplus has therefore been recognised as an asset at the reporting date.

Turnover

Turnover is stated net of VAT and excludes sales between Group companies. Turnover comprises, in the main, the value of work executed on long-term contracts together with the amounts receivable for services rendered for short-term contracts and other activities.

2. ACCOUNTING POLICIES (CONTINUED)

Long-term contracts

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided, net of trade discounts, value added and similar sales-based taxes, after eliminating revenue within the Group.

Revenue from long-term contract activities represents the value of the work carried out during the period, including amounts not invoiced. Revenue is recognised as follows:

- when the outcome of individual contracts can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses retrospectively by reference to the stage of completion at the reporting date
- costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract
- no margin is recognised until the outcome of the contract can be assessed with reasonable certainty
- provision is made for all known or expected losses on individual contracts once such losses are foreseen
- revenue in respect of variations is recognised when it is probable that they will be agreed by the customer. Revenue in respect of claims is recognised when negotiations have reached an advanced stage such that it is probable the customer will accept the claim and the probable amount can be measured reliably
- profit / (loss) for the period includes the benefit of claims settled in the period on contracts completed in the previous period
- payments received on account are deducted from work in progress and if in excess of individual contract values are included in creditors

Services rendered

Revenue is recognised by reference to the stage of completion of the service at the end of the period when:

- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the service will flow to the Group
- the stage of completion of the service at the end of the reporting period can be measured reliably
- the costs incurred for the service and the costs to complete the service can be measured reliably
- where the services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period

Government grants

Government grants are recognised once there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received. During the current and previous period, the Group received grant income under the government's Research and Development Enhanced Credit Scheme, which was accounted for under the performance model. Amounts received are disclosed within other operating income in the income statement.

Exceptional items

The Group classifies certain one-off charges or credits to the income statement as 'exceptional items' by virtue of their size and / or nature. These are disclosed separately to provide further understanding of the underlying financial performance of the Group.

Stocks

Stocks are stated at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks. Net realisable value is based on selling price less anticipated costs to sell.

Tangible fixed assets

Freehold land and buildings are held at fair value. All other tangible fixed assets are stated at historical cost less provision for impairment and depreciation.

2. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

Depreciation on tangible fixed assets, which is provided on a straight-line basis, is charged over the following periods:

Freehold buildings	-	25 years
Freehold land	-	nil
Plant and machinery	-	3 to 7 years
Motor vehicles	-	4 years
Fixtures and fittings	-	3 to 7 years

Individual freehold properties are valued externally on five-year cycles and reviewed by Directors annually. Surpluses or deficits on individual properties are transferred to the revaluation reserve. Where deficits are considered permanent, these are charged to the income statement.

Intangible assets

Intangible assets are stated at cost less amortisation and impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

Software	-	5 to 12 years
Development costs	-	7 years
Acquired intangible assets:		
Customer relationships	-	10 to 12 years
Trade names	-	15 years
Technology-based	-	7 years
Order backlog	-	1 to 3 years

Amortisation is included in administrative expenses in the income statement.

Development costs relate to the development of the Group's POC-MAST™ product which offers a viable solution to connecting projects to the Grid with significant health and safety, environmental and cost benefits. Acquired intangible assets include customer relationships, trade names, technology-based assets and order backlog on acquisition.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Directly attributable development costs including those for identifiable and unique software products are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the asset so that it will be available for use
- management intends to complete the asset and use or sell it
- there is an ability to use or sell the asset
- it can be demonstrated how the asset will generate probable future economic benefits
- the expenditure attributable to the asset during its development can be reliably measured

Costs associated with maintaining computer software are recognised as an expense as incurred.

Goodwill

Goodwill arising on the acquisitions of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life (which, in the case of Freedom which was acquired in March 2018, is estimated to be 15 years). The Group establishes a reliable estimate of the useful economic life of goodwill based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that influence useful life and assumptions that market participants would consider in respect of similar businesses. Provision is made for any impairment.

2. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of timing differences.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference
- it is probable that the timing difference will not reverse in the foreseeable future

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously

Current tax or deferred tax assets and liabilities are not discounted.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term. Any incentives to enter into operating leases are recognised as a reduction of rental expenses over the lease term on a straight-line basis.

Defined benefit pension scheme

The Group's defined benefit scheme (The Pension and Life Assurance Plan of NG Bailey) is managed by a Trustee in accordance with the Trust Deed, the scheme rules and statutory requirements. The scheme's funds are invested and managed by independent investment managers and are completely separate from the Group's business.

The scheme's funding is normally appraised at not more than three-yearly intervals by an independent actuary (the triennial valuation). The scheme is funded by contributions from the Group at rates recommended by the actuary. The scheme was closed to future accrual of benefits on 31 May 2010. The Group is not currently required to contribute towards the funding of the scheme as it was in surplus at the most recent actuarial valuation.

The assets of the defined benefit scheme are measured using fair values whilst the pension scheme liabilities are measured using a projected unit method and discounted using an appropriate discount rate. A pension scheme surplus or deficit is recognised in full and in the statement of financial position. The movement in the surplus or deficit is split between operating profit and finance income / (charges) in the income statement and also in the statement of comprehensive income. The expected return on assets is credited to interest receivable and similar income in the income statement. Administrative costs and past service costs of the pension scheme are charged to operating profit in the income statement.

2. ACCOUNTING POLICIES (CONTINUED)

Defined benefit pension scheme (continued)

The actuarial gain or loss is reflected through the statement of comprehensive income and is made up of two parts. The first part is the difference between the expected return on assets included in the net interest surplus and returns actually achieved by the scheme's assets. The second part is as a result of any changes in the assumptions used to value the defined benefit obligation and any adjustments arising as a result of actual experience differing from actuarial assumptions.

The scheme had a surplus of £23.1m at 27 February 2026 (2025: £34.0m), gross of deferred tax.

Other pension costs

These include contributions to certain defined contribution schemes which are not part of The Pension and Life Assurance Plan of NG Bailey. Contributions to these schemes are accounted for as incurred and totalled £17.5m (2025: £14.4m).

Cash and deposits

Cash and deposits include cash in hand, overnight deposits and other short-term deposits with original maturities of three months or less.

Investments

Investments are initially measured at fair value, which is normally the transaction price. Investments are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Investment income represents gains / (losses) made on investments sold in the period, interest received, dividends received and the movement in fair value.

Foreign currency

Foreign currency transactions are translated using spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Financial instruments

i. Financial assets

Basic financial assets, including trade debtors, amounts recoverable on contracts and cash, are measured at amortised cost. Investments are initially measured at fair value, which is normally the transaction price. Investments are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ii. Financial liabilities

Basic financial liabilities, including trade creditors, accruals and bank loans, are measured at amortised cost.

2. ACCOUNTING POLICIES (CONTINUED)

Research and development

Research and development expenditure is written off as incurred, except that development expenditure on an individual project is capitalised as an intangible asset when it meets the criteria set out in the intangible assets accounting policy.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

3. TURNOVER

The turnover of the Group is principally related to the provision of activities in the following sectors in the United Kingdom:

	2026 £m	2025 £m
Analysis of turnover by sector:		
Engineering	301.3	346.1
Infrastructure services	405.4	315.6
	706.7	661.7

4. OPERATING PROFIT

		2026 £m	2025 £m
Operating profit is stated after charging / (crediting):			
	Note		
Amortisation of goodwill and acquired intangible assets	10	2.2	2.5
Amortisation of other intangible assets	10	2.4	2.8
Depreciation expense	11	4.3	4.0
Loss / (profit) on disposal of tangible assets		0.1	(2.1)
Operating lease rentals		4.9	3.0
Fees payable to the Company's auditor and their associates for the audit of the Company's financial statements		-	-
Fees payable to the Company's auditor and their associates for other services to the Group:			
Audit of the Company's subsidiaries		0.3	0.3
Other operating income		(2.9)	(0.6)
Rental income		(0.5)	(0.2)

Other operating income relates to grant income in respect of the Research and Development Enhanced Credit Scheme.

The auditor's remuneration for the Group was £340k (2025: £320k) in respect of audit fees and £nil (2025: £nil) in respect of other professional fees.

4. OPERATING PROFIT (CONTINUED)

Exceptional items

	2026 £m	2025 £m
Analysis of exceptional items:		
Administrative expenses:		
Leeds office move	-	0.9
	-	0.9

In February 2025, the Group sold its previous Brown Lane West office and relocated our Leeds headquarters to the White Rose Park. This resulted in an exceptional profit of £0.9m during the prior period made up of the one-off profit on the sale of the property and associated relocation costs.

5. EMPLOYEES

	2026 £m	2025 £m
Employee costs during the period:		
Wages and salaries	195.4	187.0
Social security costs	25.5	20.4
Other pension costs: Defined contribution scheme	17.5	14.4
	238.4	221.8

	2026 No.	2025 No.
Average number of employees during the period:		
Management, engineering, sales and administrative	2,258	2,265
Hourly paid	1,390	1,203
	3,648	3,468

The average number of employees of the Company during the period was 203 (2025: 199) and the employee costs of the Company were £16.2m (2025: £14.1m).

The total remuneration of key management personnel was £4,089k (2025: £3,421k) being remuneration of £2,177k (2025: £2,213k) and incentive-based payments of £1,913k (2025: £1,208k).

6. DIRECTORS

Directors' remuneration

	2026 £000	2025 £000
The remuneration of the Directors was as follows:		
Emoluments excluding long-term incentive plans	1,784	1,671
Emoluments under long-term incentive plans	581	261
	2,365	1,932

The Group operated cash-settled long-term incentive plans for the financial periods ended 27 February 2026, 28 February 2025 and 1 March 2024. Awards under these plans are linked to a combination of financial and non-financial targets for the financial periods ended 27 February 2026, 28 February 2025 and 1 March 2024 respectively, cash settled over the next three years to those still employed by the Group and are available to members of the Group Leadership Team. The cost of these awards is being charged to the income statement over the three-year payment period.

The Group also previously operated a cash-settled long-term retention arrangement linked to financial targets for the financial periods ending 1 March 2024. A new cash-settled long-term retention arrangement is now in place, linked to financial targets for each financial period up to the financial period ending 1 March 2030. The cost of this award is being charged to the income statement over the five-year performance period. Two (2025: three) directors were members of the Group's long-term incentive plans during the period.

Pensions

No directors (2025: none) were members of the Group's defined contribution pension scheme during the period.

The above amounts for remuneration include the following in respect of the highest paid Director:

	2026 £000	2025 £000
Emoluments excluding long-term incentive plans	975	826

Long-term incentive plan remuneration for the highest paid Director was £448k (2025: £199k).

7. NET INTEREST INCOME / (EXPENSE)

a) Interest receivable and similar income

	Note	2026 £m	2025 £m
Net interest income on post-employment benefits	15	1.8	1.5
Changes in fair value of investments	16	2.9	1.3
Interest income on money market investments	16	2.6	1.7
		7.3	4.5

b) Interest payable and similar charges

	2026 £m	2025 £m
Interest expense on bank loans	(0.2)	(0.2)

8. TAX ON PROFIT

The tax charge is based on the profit for the period and represents:

	2026 £m	2025 £m
Current taxation:		
UK corporation tax	2.6	0.7
Foreign tax	0.4	0.5
Adjustments in respect of prior periods	0.3	0.2
Total current tax charge	3.3	1.4
Deferred taxation:		
Origination and reversal of timing differences	3.6	3.2
Adjustments in respect of prior periods	(0.1)	(0.4)
Total deferred tax charge	3.5	2.8
Total tax charge	6.8	4.2

The tax assessed for the period is higher than (2025: lower than) the standard rate of corporation tax in the United Kingdom at 25% (2025: 25%). The differences are explained as follows:

	2026 £m	2025 £m
Profit before taxation	26.0	17.7
Profit multiplied by the standard rate of corporation tax in the United Kingdom of 25% (2025: 25%)	6.5	4.4
Income not subject to tax	(0.1)	(0.1)
Expenses not deductible for tax purposes	0.3	0.3
Other temporary differences	-	(0.1)
Impact of overseas tax rates	(0.1)	(0.1)
Adjustments in respect of prior periods	0.2	(0.2)
Total tax charge	6.8	4.2

An increase in the main rate of UK corporation tax from 19% to 25% was substantially enacted on 10 June 2021 to take effect from 1 April 2023. Deferred tax balances at 27 February 2026 have been measured at a rate of 25%, being the rate at which deferred tax assets and liabilities are expected to reverse based on substantively enacted legislation (2025: 25%).

9. PROFIT OF THE COMPANY FOR THE FINANCIAL PERIOD

	2026 £m	2025 £m
Profit for the financial period before dividend dealt with in the financial statements of the Company	4.5	2.6

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements.

10. INTANGIBLE ASSETS

CONSOLIDATED	Software £m	Development costs £m	Goodwill £m	Acquired intangibles				Acquired intangibles total £m	Total
				Customer relationships £m	Order backlog £m	Trade names £m	Technology based £m		
COST OR VALUATION									
At 1 March 2025	13.4	0.6	16.6	8.0	0.5	5.5	2.3	16.3	46.9
Additions	0.1	-	-	-	-	-	-	-	0.1
At 27 February 2026	13.5	0.6	16.6	8.0	0.5	5.5	2.3	16.3	47.0
ACCUMULATED AMORTISATION									
At 1 March 2025	10.3	0.3	7.7	4.7	0.5	2.6	2.3	10.1	28.4
Charge for the period	2.3	0.1	1.1	0.7	-	0.4	-	1.1	4.6
At 27 February 2026	12.6	0.4	8.8	5.4	0.5	3.0	2.3	11.2	33.0
NET BOOK VALUE									
At 27 February 2026	0.9	0.2	7.8	2.6	-	2.5	-	5.1	14.0
At 28 February 2025	3.1	0.3	8.9	3.3	-	2.9	-	6.2	18.5

COMPANY	Software £m
COST OR VALUATION	
At 1 March 2025 and 27 February 2026	11.5
ACCUMULATED AMORTISATION	
At 1 March 2025	9.0
Charge for the period	1.8
At 27 February 2026	10.8
NET BOOK VALUE	
At 27 February 2026	0.7
At 28 February 2025	2.5

The individual intangible asset, excluding goodwill, which is material to the financial statements is the enterprise resource planning system used by certain parts of group which has a carrying amount of £0.7m (2025: £2.5m) and a residual amortisation period of one year (2025: two years).

11. TANGIBLE ASSETS

	Land and buildings £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
CONSOLIDATED				
COST OR VALUATION				
At 1 March 2025	7.0	3.9	24.4	35.3
Additions	-	1.0	3.1	4.1
Disposals	-	(1.1)	(0.7)	(1.8)
At 27 February 2026	7.0	3.8	26.8	37.6
ACCUMULATED DEPRECIATION				
At 1 March 2025	1.8	1.8	15.0	18.6
Charge for the period	0.3	0.7	3.3	4.3
Disposals	-	(0.6)	(0.6)	(1.2)
At 27 February 2026	2.1	1.9	17.7	21.7
NET BOOK VALUE				
At 27 February 2026	4.9	1.9	9.1	15.9
At 28 February 2025	5.2	2.1	9.4	16.7

	Land and buildings £m	Fixtures and fittings £m	Total £m
COMPANY			
COST OR VALUATION			
At 1 March 2025	7.0	23.7	30.7
Additions	-	3.1	3.1
Disposals	-	(0.6)	(0.6)
At 27 February 2026	7.0	26.2	33.2
ACCUMULATED DEPRECIATION			
At 1 March 2025	1.8	14.5	16.3
Charge for the period	0.3	3.3	3.6
Disposals	-	(0.6)	(0.6)
At 27 February 2026	2.1	17.2	19.3
NET BOOK VALUE			
At 27 February 2026	4.9	9.0	13.9
At 28 February 2025	5.2	9.2	14.4

11. TANGIBLE ASSETS (CONTINUED)

CONSOLIDATED AND COMPANY

The individual freehold properties are valued externally on five-year cycles and reviewed by Directors annually supported by an external desktop review using market indices. The desktop review at 27 February 2026 was undertaken by an independent, professionally qualified RICS valuer.

If stated under historical cost principles, the comparable amount for the total of land and buildings would be:

	2026 £m	2025 £m
Cost	7.8	7.8
Accumulated depreciation	(6.1)	(5.5)
Net book value	1.7	2.3

All other tangible fixed assets are stated at historical cost less accumulated depreciation.

12. INVESTMENTS IN SUBSIDIARIES

COMPANY	£m
COST	
At 1 March 2025 and 27 February 2026	0.1
PROVISIONS FOR IMPAIRMENT	
At 1 March 2025 and 27 February 2026	-
NET BOOK VALUE	
At 27 February 2026	0.1
At 28 February 2025	0.1

Subsidiary companies

The subsidiaries which, in the opinion of the Directors, principally affect the result or net assets of the Group are:

Subsidiaries by division:

- Mechanical and electrical engineering services, with a mix of regional and large strategic projects across a range of industry areas including rail, manufacturing, industrial, defence, education, power, data centres, gigaplants, nuclear and decarbonisation:
 - NG Bailey Limited
- Manufacture and installation of ductwork:
 - OSM Ventilation Limited
- Design and installation of electrical infrastructure projects and facilities management and maintenance services to the UK distribution network operator (DNO) sector and to the wider utility and infrastructure industry:
 - The Freedom Group of Companies Ltd.
- Design, supply, installation, management and maintenance of voice, data networks and structured cabling solutions and mechanical and electrical, planned and reactive integrated building services maintenance:
 - NG Bailey IT Services Limited
 - NG Bailey Facilities Services Limited

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Subsidiary companies (continued)

Hold and manage the Group's investment in The Freedom Group of Companies Ltd:

NGBF Holdings Limited

NG Bailey Group Limited directly owns 100% of the shares in NG Bailey Limited. NG Bailey Limited owns 100% of the shares in NG Bailey IT Services Limited, NG Bailey Facilities Services Limited, NGBF Holdings Limited and OSM Ventilation Limited. NGBF Holdings Limited owns 100% of the shares in The Freedom Group of Companies Ltd.

The nominal value of share capital of the subsidiary companies comprises ordinary shares. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Group also owns the following non-trading and dormant subsidiary companies. All of the dormant companies are exempt from audit as dormant companies:

NAME OF COMPANY	Holding	Proportion of shares held		Owner
		2026	2025	
Dormant companies				
Hamsaard 2019 Limited	Ordinary	100%	100%	NG Bailey IT Services Limited
Bailey Leasing Limited	Ordinary	100%	100%	NG Bailey Group Limited
Bailey Systems Limited	Ordinary	100%	100%	NG Bailey Group Limited
Denton Park Ltd	Ordinary	100%	100%	NG Bailey Group Limited
Bailey Off-Site Limited	Ordinary	100%	100%	NG Bailey Group Limited
NG Bailey Pensions Trustees Limited	Ordinary	100%	100%	NG Bailey Group Limited
SI Site Services Limited	Ordinary	100%	100%	NG Bailey Limited
Berdost 2019 Limited	Ordinary	100%	100%	NG Bailey Limited
Bailey Rail Limited	Ordinary	100%	100%	NG Bailey Limited
Bailey Building Management Limited	Ordinary	100%	100%	NG Bailey Limited
Bailey Energy Limited	Ordinary	100%	100%	NG Bailey IT Services Limited
British Power International Limited	Ordinary	100%	100%	The Freedom Group of Companies Ltd.
Morfind 2019 Limited	Ordinary	100%	100%	NGBF Holdings Limited
Morfind 2020 Limited	Ordinary	100%	100%	Morfind 2019 Limited
Morfind 2021 Limited	Ordinary	100%	100%	Morfind 2020 Limited
Morfind 2022 Limited	Ordinary	100%	100%	Morfind 2021 Limited
Morfind 2023 Limited	Ordinary	100%	100%	Morfind 2022 Limited
Morfind 2024 Limited	Ordinary	100%	100%	Morfind 2023 Limited
Morfind 2025 Limited	Ordinary	100%	100%	Morfind 2024 Limited
Morfind 2026 Limited	Ordinary	100%	100%	Morfind 2025 Limited
Morfind 2027 Limited	Ordinary	100%	100%	Morfind 2025 Limited
Morfind 2028 Limited	Ordinary	100%	100%	Morfind 2025 Limited
Morfind 2029 Limited	Ordinary	100%	100%	Morfind 2028 Limited
Morfind 2030 Limited	Ordinary	100%	100%	Morfind 2025 Limited

All of the subsidiaries above are incorporated in England and their registered office is Ground Floor (Suite T), Arlington Business Centre, White Rose Park, Millshaw Park Lane, Leeds, England, LS11 0DL, except as shown in the table below:

NAME OF COMPANY	Incorporated in	Registered address
Hamsaard 2019 Limited	Northern Ireland	Carson Mcdowell, Murray House, Murray Street, Belfast, BT1 6DN
Morfind 2021 Limited	Jersey	44 Esplanade, St Helier, Jersey, JE4 9WG

13. STOCKS

	Consolidated		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Raw materials	0.4	0.6	-	-
Work in progress	0.1	0.2	-	-
	0.5	0.8	-	-

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Amounts recoverable on contracts	72.3	83.1	-	-
Trade debtors	49.5	48.1	-	-
Other debtors	4.8	2.0	6.4	3.4
Corporation tax	0.6	0.3	2.5	1.4
Group relief	-	-	-	0.8
Prepayments and accrued income	31.8	22.3	2.8	3.4
	159.0	155.8	11.7	9.0

Included within trade debtors are retentions of £7.0m (2025: £8.3m) which are due to be settled more than one year after the balance sheet date.

15. PENSION SCHEME

The Group participates in a defined benefit pension scheme, The Pension and Life Assurance Plan of NG Bailey (the "scheme").

The scheme is set up as a separate trust, independent of the Group and is governed by an independent Trustee. The Trustee is responsible for the operation and the governance of the scheme, including making decisions regarding the scheme's funding and investment strategy in conjunction with the Group. The scheme does not have any active members. The scheme is externally funded and was contracted-out of the second-tier of State pension provision.

During the period, to capitalise on the strong position of the scheme, the scheme purchased insurance policies (annuities) covering the benefits payable to the remaining members not already covered by existing insurance policies i.e. the scheme became fully-insured. This represents an important milestone in removing the Group's long-term exposure to risks arising from the operation of the scheme.

As the insurance policies are held in the name of the scheme, the scheme remains legally obligated to ensure that benefits continue to be paid as they fall due.

a) Information from the scheme actuary's triennial review of the pension scheme

The most recent triennial actuarial valuation of the scheme assets and the present value of the defined benefit obligation was carried out at 29 February 2024.

The Group is not currently required to make further contributions towards the funding of the scheme as it was in surplus at the most recent actuarial valuation. Administrative expenses are paid for from the scheme's assets. This valuation was prepared using the projected unit method.

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits"

The actuarial valuation described above has been projected to 27 February 2026. An allowance for the impact of Guaranteed Minimum Pension (GMP) equalisation using assumptions that are consistent with the requirements of FRS102 was included in an earlier period.

Investments have been valued, for this purpose, at fair value.

For FRS102 purposes the following financial assumptions have been used:

	2026 % p.a.	2025 % p.a.
Consumer Prices Index inflation ('CPI')	2.95	2.80
Retail Prices Index inflation ('RPI')	3.20	3.20
Rate of increase for deferred pensions in excess of GMP	2.95	2.80
Rate of increase for deferred pensions GMP benefits	4.95	4.80
Rate of increase for pensions in payment (post 2008)	2.10	2.05
Rate of increase for pensions in payment (post 1997, pre 2008)	2.90	2.75
Rate of increase for pensions in payment (pre 1997)	-	-
Discount rate	5.50	5.45

The most significant non-financial assumption is the assumed rate of longevity. Post-retirement mortality at 27 February 2026 has been assumed to be in accordance with 100% (2025: 100%) of the published self-administered pension scheme survey standard tables projected from 2017 (2025: standard tables projected from 2017) using 2024 CMI core projections with a 1.5% p.a. long-term trend improvement for males and females and a half-life parameter of one year (2025: 2023 CMI core projections with a 1.5% p.a. long-term trend improvement for males and females and the default post-CV19 mortality experience weighting "w" parameter of 15% for 2022 and 2023, and nil for 2021 and 2020). For the 2024 tables, a smoothing factor of 7.0 was used and an initial addition to mortality improvements of 0.5% was used to reflect the fact that mortality improvements have tended to be quicker for members of occupational pension schemes compared with the population of England and Wales (2025: for the 2023 tables, a smoothing factor of 7.0 and an initial addition to mortality improvements of 0.5%).

At 27 February 2026, the implied life expectancies are as follows:

	Males Years	Females Years
For a member aged 65 at 27 February 2026	87.2	89.5
For a member aged 45 at 27 February 2026	88.9	91.2

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in assumption	Impact on liabilities
Discount rate	0.1% +/-	£2.7m +/-
Inflation and pension increases	0.1% +/-	£1.8m +/-
Life expectancy	1 year +/-	£6.0m +/-

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

The sensitivities in the value of the scheme's liabilities are based on changing each assumption in isolation while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. The scheme has purchased insurance policies (annuities) which cover the benefits payable to all scheme members. As a result, movements in the value of the scheme's liabilities arising from changes in assumptions, such as interest rates or inflation, would typically be largely offset by corresponding movements in the value of the insurance policies.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2026	2025
Equities	-	7.5%
Property	0.1%	0.2%
Corporate bonds	-	6.2%
Multi-asset funds	-	12.6%
LDI portfolio	-	27.3%
Annuities	89.8%	24.5%
Asset-backed securities	-	10.7%
Cash	10.1%	11.0%

The scheme assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

The scheme holds the insurance policies as investments which are valued at the estimated value of the related liabilities measured using the FRS102 assumptions.

	Consolidated	
	2026 £m	2025 £m
Analysis of the movement in the scheme surplus during the period		
Surplus at 1 March 2025	34.0	31.2
Actuarial (loss) / gain	(12.1)	2.0
Net interest income	1.8	1.5
Scheme administration expenses	(0.6)	(0.7)
Surplus at 27 February 2026	23.1	34.0

In March 2022, a restructuring of the sponsoring entities of the scheme was carried out. This resulted in NGBF Holdings Limited becoming the sole sponsoring employer of the scheme, with the previous sponsoring employers retaining an obligation to guarantee the benefits of the scheme in order to maintain the security of members' benefits. Accordingly, the scheme's surplus is recognised on the balance sheet of NGBF Holdings Limited only.

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

	Note	Consolidated	
		2026 £m	2025 £m
Amounts charged to operating profit in respect of defined benefit schemes			
Scheme administration expenses		0.6	0.7
Amounts credited to interest receivable and similar income			
Net interest income on defined benefit asset	7	(1.8)	(1.5)
Total consolidated income statement credit before deduction of tax		(1.2)	(0.8)

	Consolidated	
	2026 £m	2025 £m
Analysis of amounts recognised in other comprehensive (expense) / income		
Loss on pension scheme assets	(9.2)	(12.8)
(Loss) / gain on change of assumptions	(0.9)	13.4
Experience (losses) / gains	(2.0)	1.4
Total actuarial (loss) / gain recognised in other comprehensive (expense) / income	(12.1)	2.0

	Consolidated	
	2026 £m	2025 £m
Analysis of the change in the present value of the scheme's liabilities		
Liabilities at 1 March 2025	217.0	229.5
Interest cost	11.6	11.3
Actuarial loss / (gain)	2.9	(14.8)
Benefits paid	(10.1)	(9.0)
Liabilities at 27 February 2026	221.4	217.0

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

	Consolidated	
	2026 £m	2025 £m
Analysis of the change in the fair value of the scheme's assets		
Assets at 1 March 2025	251.0	260.7
Interest income	13.4	12.8
Loss on scheme assets excluding interest income	(9.2)	(12.8)
Scheme administration expenses	(0.6)	(0.7)
Benefits paid	(10.1)	(9.0)
Assets at 27 February 2026	244.5	251.0

The scheme's liabilities increased by £2.9m due to changes in actuarial assumptions (2025: decreased by £14.8m). The principal driver of the increase in the current period was a small increase in expected future life expectancy, as well as high inflation over the period. Some of this increase was partially offset by the impact of an increase in the discount rate caused by the rise in corporate bond yields. The assumed long-term inflation rate remained broadly unchanged. The decrease in the prior period was mainly due to an increase in the discount rate caused by the rise in corporate bond yields and a decrease in the assumed long-term inflation rate. Some of this decrease was slightly offset by the impact of updated expectations of future life expectancy and recent high inflation experience.

Assets of the scheme had a loss of £9.2m excluding interest income (2025: loss of £12.8m) over the period. A portion of this loss reflects the purchase of insurance policies during the period covering the benefits payable to the remaining members, reflecting the difference between the value of assets transferred and the FRS102 value of the insured benefit obligations. The remaining loss reflects movements in the value of scheme assets over the period. For the majority of the period, this arose from changes in the value of the scheme's liability-driven investment (LDI) portfolio, which was designed to respond to market movements in a way that closely matched how pension scheme liabilities respond to interest rates. Following completion of the insurance buy-in in November 2025, asset movements have driven primarily by changes in the value of the insurance policies, which similarly respond to movements in the underlying scheme liabilities.

In June 2023, the High Court ruled that changes to the Virgin Media scheme were invalid because they lacked proper actuarial confirmation. On 25 July 2024, the Court of Appeal upheld this decision. The government has since proposed legislation to allow affected pension schemes to validate historic amendments, subject to specified conditions, including actuarial confirmation. Based on advice received, the scheme actuary has confirmed that, having regard to legal analysis to date, it is unlikely that the scheme is affected by the ruling.

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

Estimated contributions for the period from 27 February 2026

Further estimated contributions by the employer for the period beginning 27 February 2026 are £nil (2025: £nil).

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Five year history					
Scheme liabilities	(221.4)	(217.0)	(229.5)	(237.7)	(365.1)
Scheme assets	244.5	251.0	260.7	268.9	404.5
Asset	23.1	34.0	31.2	31.2	39.4
(Loss) / gain on scheme assets	(9.2)	(12.8)	(12.9)	(138.1)	13.1
Percentage of scheme assets	(3.8%)	(5.1%)	(4.9%)	(51.4%)	3.2%
Experience (loss) / gain on scheme liabilities	(2.0)	1.4	2.8	(0.4)	-
Percentage of scheme liabilities	(0.9%)	0.6%	1.2%	(0.2%)	0.0%

Scheme assets are valued at bid price, or in the case of annuities, at the estimated value of the related liabilities.

16. INVESTMENTS

	Consolidated and Company	
	2026 £m	2025 £m
Listed on a recognised investment exchange	12.1	31.9
Listed on an exchange of repute outside the United Kingdom	31.8	12.8
Listed investments at fair value	43.9	44.7
Unlisted investments at fair value	4.5	-
	48.4	44.7

The Group holds an investment of £4.5m (2025: £nil) in an externally-managed unlisted investment fund, which is classified as a financial asset and measured at fair value at the reporting date. Fair value is determined by reference to the net asset value ("NAV") of the investment as provided by the fund manager. The investment is redeemable on a monthly basis, subject to standard notice periods. The fund includes provisions that allow redemptions to be restricted in certain circumstances, including limits on the proportion of the fund that may be redeemed over specified periods, in order to protect investors. No such restrictions were in effect at February 2026 or in the post-balance sheet period. On this basis, management considers NAV to be an appropriate estimate of fair value and no subsequent events have occurred that would indicate that the fair value has materially changed.

	£m
Investments	
At 1 March 2025	44.7
Purchase of investments	44.4
Sale of investments	(46.2)
Fair value movement	2.9
Interest income on money market investments	2.6
At 27 February 2026	48.4

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Payments received on account	7.6	5.2	-	-
Trade creditors	38.8	50.4	1.2	2.1
Accruals	73.4	61.3	11.8	10.1
Other taxation and social security	10.9	21.0	0.3	0.3
Deferred income	43.0	32.7	-	-
Group relief	-	-	0.3	-
Amounts owed to subsidiary companies	-	-	11.6	4.7
	173.7	170.6	25.2	17.2

Amounts owed to subsidiary undertakings are unsecured, interest free and are repayable on demand.

18. DEFERRED TAX LIABILITY

	Note	Consolidated Deferred tax £m	Company Deferred tax £m
At 1 March 2025		5.9	0.6
Debit / (credit) to the income statement	8	3.5	(0.2)
Credit to other comprehensive income*		(3.0)	-
At 27 February 2026		6.4	0.4

* Deferred tax debit to other comprehensive income relates to movements in the deferred tax assets and liabilities associated with the pension scheme asset.

Deferred taxation liability provided for at 25% (2025: 25%) in the financial statements is set out below:

	Consolidated		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Accelerated capital allowances	0.8	0.6	1.1	0.8
Revalued property	(0.3)	(0.3)	(0.3)	(0.3)
Investments at fair value	0.3	0.4	0.3	0.4
Other short-term timing differences	(0.8)	(1.0)	(0.5)	(0.1)
Losses available to carry forward	(0.7)	(3.9)	(0.2)	(0.2)
Pension scheme asset	5.8	8.5	-	-
Acquired intangible assets	1.3	1.6	-	-
	6.4	5.9	0.4	0.6

The amount of the net reversal of deferred tax expected to occur next period is £0.4m (2025: £3.1m) relating to the reversal of other timing differences and utilisation of tax losses. There are no unrecognised tax losses at 27 February 2026 (2025: £nil).

19. CALLED UP SHARE CAPITAL

	Consolidated and Company	
	2026 £m	2025 £m
Share capital - allotted, called up and fully paid		
2,806,896 (2025: 2,806,896) ordinary shares of 5p each	0.1	0.1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends. The repayment of capital is governed by the terms of the procedures as set out in the Company's Articles of Association.

On 4 March 2024, the Board approved the buy back of 17,761 ordinary shares from a shareholder for £1.0m.

20. RESERVES

Called up share capital represents the nominal value of shares that have been issued.

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

Revaluation reserve represents the surplus arising from valuation of properties compared with the historic cost.

Retained earnings include all current and prior period retained profits and losses.

21. DIVIDEND PAID

	2026 £m	2025 £m
Analysis of amounts recognised in other comprehensive income / (expense)		
Interim 2026 dividend at £nil (2025: interim 2025 dividend at £0.71) per 5p share	-	2.0
Final 2025 dividend at £0.86 (2025: final 2024 dividend at £nil) per 5p share	2.4	-
	2.4	2.0

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 March 2025 £m	Cash flow £m	At 27 February 2026 £m
Cash and deposits	46.9	20.9	67.8
Net funds	46.9	20.9	67.8

23. COMMITMENTS

Operating leases

The Group and Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Consolidated		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
within one year	13.3	12.2	12.5	11.4
within two to five years	20.4	20.9	18.7	19.4
after five years	1.3	1.7	0.4	0.6
	35.0	34.8	31.6	31.4

24. FINANCIAL ASSETS

The Group's financial instruments may be analysed as follows:

	Consolidated	
	2026 £m	2025 £m
Financial assets		
Financial assets measured at fair value through the income statement	48.4	44.7

Financial assets measured at fair value through the income statement comprise investments in listed securities and externally managed investment funds.

25. POST-BALANCE SHEET EVENTS

On 31 March 2026, the Group acquired Engineering Solutions Group. The group, referred to as ECS after its main trading company (ECS Engineering Services Limited), is, a specialist engineering group operating across the water, environmental and wider infrastructure sectors. ECS is a well-established business with annual turnover of c£30m. The acquisition supports the Group's growth strategy and strengthens its full-service offering and access to the water infrastructure market. As the acquisition completed after the balance sheet date, it has not been reflected in these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

at 27 February 2026
Company Registration No. 1490238

	Note	2026 £m	2025 £m
FIXED ASSETS			
Intangible assets	10	0.7	2.5
Tangible assets	11	13.9	14.4
Investments	12	0.1	0.1
		14.7	17.0
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	11.7	9.0
Investments	16	48.4	44.7
Cash and deposits		15.7	9.9
		75.8	63.6
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(25.2)	(17.2)
NET CURRENT ASSETS		50.6	46.4
TOTAL ASSETS LESS CURRENT LIABILITIES		65.3	63.4
PROVISIONS FOR LIABILITIES	18	(0.4)	(0.6)
NET ASSETS		64.9	62.8
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	0.1	0.1
RESERVES			
Revaluation reserve	20	3.3	3.3
Capital redemption reserve	20	-	-
Retained earnings	20	61.5	59.4
		64.8	62.7
TOTAL EQUITY		64.9	62.8

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements. The profit for the financial period dealt with in the accounts of the Company was £4.5m (2025: a profit of £2.6m).

These financial statements were approved by the Board of Directors on 21 May 2026 and were signed on its behalf by:

Ian Funnell

I G FUNNELL

Jonathan Stockton

J STOCKTON

The notes on pages 113 to 135 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the 12 month period ended 27 February 2026

	Note	Share capital £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
AT 2 MARCH 2024		0.1	4.8	-	58.3	63.2
PROFIT FOR THE FINANCIAL PERIOD	9	-	-	-	2.6	2.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	2.6	2.6
<i>Transfer of revalued reserve</i>		-	(1.5)	-	1.5	-
<i>Transactions with owners</i>						
Purchase of own shares	19	-	-	-	(1.0)	(1.0)
Dividends paid	21	-	-	-	(2.0)	(2.0)
AT 28 MARCH 2025		0.1	3.3	-	59.4	62.8
PROFIT FOR THE FINANCIAL PERIOD	9	-	-	-	4.5	4.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	4.5	4.5
<i>Transactions with owners</i>						
Dividends paid	21	-	-	-	(2.4)	(2.4)
AT 27 FEBRUARY 2026		0.1	3.3	-	61.5	64.9

The notes on pages 113 to 135 form an integral part of these financial statements.



NG Bailey



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