



NG Bailey

NG BAILEY **GROUP LIMITED** FINANCIAL STATEMENTS

2025



COMPANY REGISTRATION NUMBER: 1490238

PASSION | INTEGRITY | RESPONSIBILITY | EXCELLENCE



CONTENTS

STRATEGY

<i>Highlights</i>	4
<i>Strategic Report</i>	10
<i>Sustainability</i>	38

GOVERNANCE

<i>Corporate Governance Report</i>	66
<i>Directors' Report</i>	78

FINANCIALS

<i>Independent Auditor's report</i>	82
<i>Consolidated Income Statement</i>	86
<i>Consolidated Statement of Comprehensive Income</i>	87
<i>Consolidated Statement of Financial Position</i>	88
<i>Consolidated Statement of Changes in Equity</i>	89
<i>Consolidated Statement of Cash Flows</i>	90
<i>Notes to the Financial Statements</i>	91
<i>Company Statement of Financial Position</i>	114
<i>Company Statement of Changes in Equity</i>	115

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.

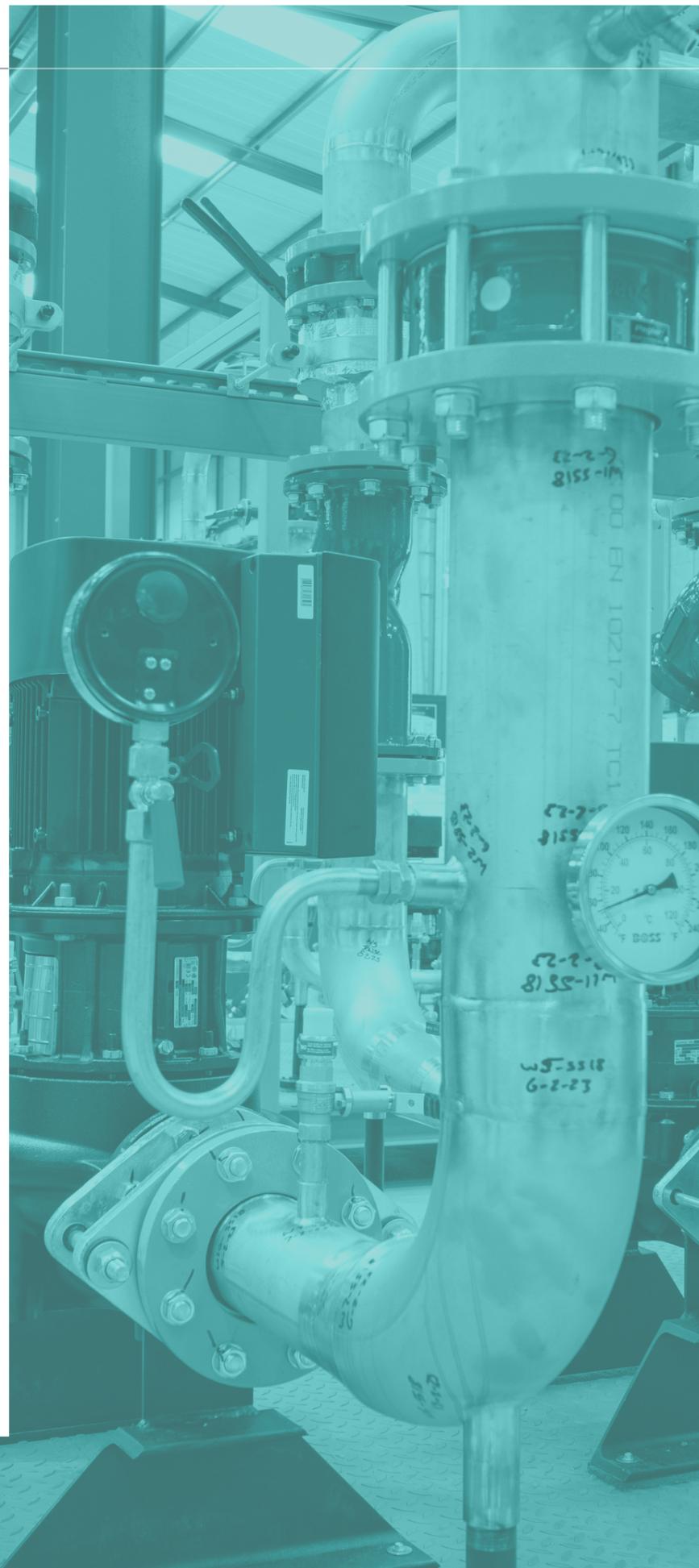
Founded in 1921, our business has grown from a small electrical contractor to the award-winning, industry-leading group of companies we are today. We are family-owned with a strong heritage. We are proud of the projects and services we've successfully delivered to our customers over the years.

Our vision 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.

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.

We have sites, offices and manufacturing facilities located across the UK with an expanding workforce of 3,500 employees.

Offsite Manufacture ▶



FINANCIALLY STRONG

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

ORDER BOOK

£1.6bn

2024 £1.4bn

NET ASSETS

£141m

2024 £129m

CASH & INVESTMENTS

£92m

2024 £70m

DEBT

£nil

2024 £nil

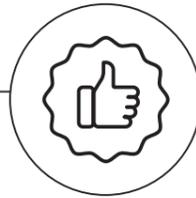
NG BAILEY AT A GLANCE



We're a **family-owned business** with approximately

3,500 employees

united by shared values and a commitment to excellence.



We're known for

consistently delivering high-quality flagship projects and services,

while always operating with integrity and doing business in the right way.



SAFETY FIRST & FOREMOST

DON'T WALK BY!

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



THE FAMILY'S GUIDING PRINCIPLES

capture the family's long-term aspirations for the business as a responsible, family-owned business (see pages 76 and 77)



ISO 45001
ACHIEVED
ACROSS THE
GROUP



PRESTIGIOUS
ISO 27001
FOR IT SERVICES



A NATIONAL BUSINESS WITH A LOCAL PRESENCE

1. Aberdeen
2. Glasgow
3. Boldon
4. Barrow-in-Furness
5. Catterick
6. Wakefield
7. Drighlington
8. Leeds*
9. Bradford
10. Sheffield
11. Manchester
12. Widnes
13. Birmingham
14. Cambridge
15. Stowmarket
16. Wickford
17. Basildon
18. Cardiff
19. London
20. Dartford
21. Reading
22. Basingstoke
23. Bristol
24. Plymouth

* Leeds - Group registered office



OUR ONE STORY

Our One Story articulates our purpose, brought to life through our four pillars of excellence and underpinned by our values.

Our Purpose

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.

Brought to life through our four pillars of excellence

Our people strive to make a difference.

Our people stand out in our industry – skilled and professional, but also genuine, innovative and positive. We add value for our customers, we put the project first, have the resources, the expertise and a relentless determination to deliver beyond expectation in every situation.

Passion

We put our customers at our core.

Our approach is rooted in our history as a business that builds strong client relationships forged on trust and operational excellence. We listen to our customers and work in partnership with them to deliver positive outcomes, no matter how challenging or complex the project is.

Integrity

Together, we operate responsibly.

As a family-owned business, working responsibly means delivering value in a safe, secure and sustainable manner. Environmental and social priorities influence the way we do business and enable us to make a difference for our customers, our people and society – as we transform and maintain the places where we work, live and relax.

Responsibility

Our expertise is driven by innovation and ambition.

We have a reputation as problem solvers, applying our innovative spirit and ingenuity to solve the engineering and infrastructure challenges of our nation. Our outputs and solutions are hugely innovative yet practical, and our clients trust and expect us to deliver consistently to the highest standard.

Excellence

Supported by our values and engrained in our values statement.

Together, for positive impact.

Delivered through **a unique offering**

A true end-to-end solution that covers the whole built environment. From initial project concept, through our design, build, manufacture and maintain offering, and digital infrastructure and sustainable electricity infrastructure solutions

BUILT ENVIRONMENT DIVISION



Group Functions Engineering Offsite Manufacture EV Infrastructure Facilities Services Freedom IT Services

STRATEGIC REPORT

BUSINESS REVIEW

We are pleased to report that the Group has had another strong year with record sales in 2024/25, alongside improved profitability and strong cash generation.

UK construction and infrastructure markets continue to face challenges from structural labour shortages, supply chain instability, and a sluggish UK economy, exacerbated by geopolitical tensions. The full impact of the recent increase in national insurance contributions is also yet to be felt.

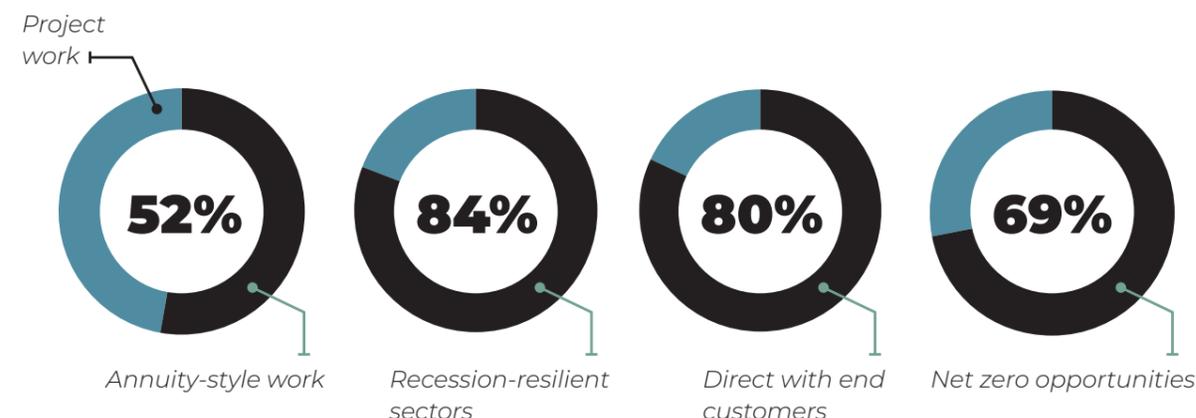
In this context, we remain highly selective with the contracts we undertake, maintaining a balanced portfolio of activities. Our high-quality order book has grown further to £1.6bn (2024: £1.4bn) whilst becoming lower risk. We have an increasing proportion of work directly with end clients alongside work through our preferred main contractors, and a healthy mix of project work and predictable, recurring income contracts. A robust pipeline of work in markets with high barriers to entry and that are resilient during economic downturns, such as defence, healthcare and rail, helps spread risk and gives the Group more stability overall.

Our chosen sectors are well-aligned to where future growth and funding is heading, linked to the net zero agenda and important UK infrastructure projects. Whilst it is reassuring that the UK government is committed to investment in these sectors, it is important that cash starts flowing on those schemes that are inherently at risk of delay.

Our well-established risk management approach is at the core of our operations and ensures we protect our balance sheet strength, a key differentiator as customers look for supply chain stability over the lifecycle of their projects in the face of uncertain trading conditions. At 28 February 2025, our net assets were £141m (2024: £129m) and we are strongly cash backed with cash and investments of £92m (2024: £70m) and no external debt.

Having recently set our 'Journey to 2030' strategy, we are confident that we have the right capabilities, people, investment appetite and market opportunities to deliver sustainable, long-term growth in the years to come, accepting that uncertain market conditions may bring challenges to navigate.

OUR ORDER BOOK



OUR JOURNEY TO 2030

In May 2025, we launched our new 'Journey to 2030' strategy, laying out a clear roadmap for the Group's exciting future. This strategy aims to achieve record-breaking results in the coming years by carefully prioritising the projects and sectors we work in, focusing on recession-resilient industries aligned with investment trends to bring sustainable long-term growth.

Our strong financial performance, consistent commitment to excellent delivery, relentless risk management focus and great reputation mean we are starting our 'Journey to 2030' from a strong place for future growth.

The strategy builds on the heritage and strengths of NG Bailey, with a commitment to invest for the long-term to allow us to capitalise on the significant opportunities in our marketplace including:

- **targeted investment in our people**, to ensure we have the right skills and experience to deliver our plan through upskilling, learning & development at multiple levels, wellbeing support and an evolving benefits offering
- **accelerating digital programmes** to boost agility, efficiency, responsiveness and customer focus
- **selective, low-risk, strategic acquisitions** that can complement organic growth by adding capability, geography and resilience to our business. We have the agility, funding and track record to deliver acquisitions quickly and effectively as demonstrated by four acquisitions completed since 2018. Most recently, we grew our manufacturing offering in February 2025 with the acquisition of the assets of a specialist ductwork manufacturer (now rebranded OSM Ventilation)

With the launch of our new strategy, we have reshaped the business to better align with our strategic goals, showcase our capabilities and ensure we remain agile and competitive. We transitioned from the previous Engineering and Services divisional model to a new 'Built Environment division' that operates alongside our Freedom and IT Services businesses:

- The **Built Environment division** includes our Engineering, Facilities Services and EV infrastructure businesses, collectively focusing on our unique Design, Build, Manufacture and Maintain offering. By bringing these businesses together under one umbrella, we can better serve our customers, leveraging the combined capabilities and expertise of the business. This change unlocks growth opportunities and enhances collaboration and innovation across the three business units, while ensuring each business retains its own identity, brand and clear strategic direction
- Our **Freedom** business has extensive expertise in designing, connecting, building, maintaining and renewing electricity infrastructure assets across the UK. To support our new strategy and future growth, Freedom has moved to a regional delivery model. This change strengthens customer

relationships, improves team collaboration and integration, and increases our agility to respond to evolving customer needs

- Our **IT Services** business leverages technical expertise, a consultative approach, and strong end-to-end capabilities to deliver transformative solutions in connectivity, data management, and analysis. Its strategy aims to continuously enhance its capabilities with new offerings, while also exploring innovative routes to market to maintain its competitive edge

Our Group Operating Executive team is renamed as the Group Leadership Team (GLT). Led by our CEO, Jonathan Stockton, the GLT will set and drive the business's strategic direction and operational delivery, ensuring alignment across all functions and business units. Day-to-day, they will focus on making key decisions that support sustainable growth, operational excellence, and a high-performing culture.

Whilst each business in the Group has its own strategy to 2030, we have captured the common themes in our five strategic priorities: investing strategically, delivering strong returns, optimising operations, prioritising resilience and planning for the future as set out on the next page.

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 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.

OUR EXCITING FUTURE... ...2030 LOOKS LIKE



◀ Offsite Manufacture, Drighlington

✔ 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

Economic outlook

Trading conditions remain challenging with ongoing uncertainty around the UK's economic outlook and geopolitical tensions from the newly-introduced global tariffs, the Ukraine conflict and instability in the Middle East. Additionally, higher interest rates and the tail end of high inflation continue to impact demand, with customers delaying investment decisions in an uncertain market.

A combination of market headwinds continues to fuel high levels of construction-sector insolvencies, with supply chain failures subsequently putting additional pressure on remaining businesses:

- Whilst inflation has eased during 2024/25, the construction sector has been acutely affected in recent years by cost pressures, with prices rising faster than other sectors, putting operational delivery and trading margins under pressure
- Although the recent increase in national insurance contributions is intended to strengthen the UK's public finances, it presents challenges for businesses by increasing the cost of employing staff and may hinder economic recovery, especially in sectors like ours that depend heavily on skilled labour
- Material and structural labour shortages have created their own challenges as supply chains have suffered from difficult trading conditions
- Whilst interest rates have started to fall, uncertainty around the timing of further rate reductions and the UK economic outlook is impacting customer decision-making and demand in the short-term
- Government data shows that payment times for construction are higher than any other industry. Lengthy payment terms, a culture of late payments and

underpayment are unfortunate features that increase financial strain and inhibit growth potential for businesses in our sector

The Building Safety Act 2022 (BSA) poses significant challenges in terms of compliance, costs and project management. This legislation, introduced in response to the Grenfell Tower fire tragedy, aims to enhance building safety standards. It imposes stricter regulations and oversight, particularly when the contractor has "principle contractor" and / or "principle designer" responsibility, for higher-risk buildings. This includes new requirements for building control, safety management, and accountability

In spite of the current headwinds, the medium to long-term outlook in our markets is positive, with the UK government publicly committed to driving economic growth through significant investment in critical infrastructure sectors, including our chosen sectors of decarbonisation, defence, healthcare and rail. It is important that cash starts flowing on such schemes that are inherently at risk of delay.

The UK government has pledged to make Britain a 'clean energy superpower' with once-in-a-generation levels of planned energy investment (estimated at an average of £40bn per year between 2025 and 2030) including spending on renewable energy projects and carbon capture and storage projects. The government also remains committed to the electric vehicle (EV) transition, recently confirming a 2030 deadline for the sale of cars that rely solely on internal combustion engines, with all new cars and vans sold after 2035 having to be zero emission (i.e. no

hybrids). c£2bn government spending has been earmarked to both help the British car manufacturing industry with this transition and improve EV charging infrastructure across the UK. NG Bailey is uniquely placed to play a key role in this critical transformation, already supporting a range of industries and clients as part of their transition to a low carbon economy.

Given the tough environment, we remain highly selective in the work we take on and cautious in our growth plans, particularly for our Engineering business, to ensure that we don't take on significant risk. Our 'bid no bid', estimation and procurement processes are continually refreshed and reinforced. Our commercial approach to terms and conditions has clearly defined acceptable parameters to ensure that we win work at margins on terms that align with our risk appetite and including inflationary protections. A significant proportion of next year's sales are already secured, supporting our highly selective 'bid no bid' approach as we will prioritise the delivery of sustainable profit margins over chasing turnover.

One of our key challenges is the structural labour skills shortage, with the recruitment and retention of people crucial for the delivery of our future growth plans. Our people are our biggest asset, and we continue to invest heavily in learning and development programmes to nurture our future talent and build skills. We have a well-established competitive employee benefits package which we continually review to ensure it is commensurate with the wider market offering to support our attract and retain people strategy along with continued investment in our wellbeing and 'Fairness, Inclusion and Respect' initiatives. Further information is given in the People section on pages 73 and 74.

▼ Manchester Airport



Performance

Health and safety

Our commitment to health and safety remains our top priority. We are committed to protecting the health and safety of our people, customers, supply chain partners and communities, ensuring they return home safely after each working day. We are proud of our robust safety standards, processes and procedures, which are under constant review to ensure we remain at the forefront of health and safety practices.

Our goal is to engage everyone across our business and supply chain to put 'safety first and foremost'. In support of this aspiration, all employees across the Group have a performance objective linked to safety in 2025/26 for the second year running.

Our cultural development Safety in Mind initiative (launched May 2023) has enhanced behavioural safety across the Group and has been very well received by our people. During 2024/25, our focus has been on developing and training a network of internal peer trainers to support the rollout and reinforce the initiative across the whole business.

Last year we successfully launched our safety performance reporting system MySafety, allowing incidents to be reported quickly and easily, risk assessments to be completed electronically and for trends to be identified and addressed promptly. During 2024/25, we have started to see the benefits from improved reporting and insights and continue to look at ways to incrementally enhance the functionality of the system.

In 2024/25 we refreshed our targeted Group-wide safety communications strategy, introducing new safety calendars that help make sure safety messages are communicated consistently throughout the year. Planning and scheduling safety topics in this way means it is easier for important safety messages to be refreshed regularly, emerging risks are quickly addressed, and safety is kept at the forefront of

everyone's mind through regular engagement.

Financial and operational performance

We are pleased to report that sales increased to a record £662m in 2024/25 (2024: £600m) and underlying operating profit (which is before amortisation of goodwill and acquired intangible assets, and exceptional items) has increased to a healthy £15.0m (2024: a profit of £11.2m).

Our Freedom business has had another excellent year delivering strong year-on-year profit growth, and is primed for further growth. Its core business has shown strong operational performance and cash generation with no significant commercial issues. The decarbonisation of the UK economy underpins a significant range of tangible opportunities for Freedom from privately funded connection projects (e.g. for datacentres and gigafactories) and its work with the electricity distribution network operators (DNOs) is expected to grow given the regulatory push to further electrify the UK. As a standalone business under our new operating model, Freedom will receive the focused attention it needs to support its growth trajectory.

Looking at the Built Environment businesses in turn:

- For our Engineering business, the benefits of our highly selective approach to the work we take on and a relentless focus on risk management at all stages of the contract lifecycle are paying dividends, with healthy contract margins, and increased profitability and cash levels during 2024/25. Our focus for Engineering is markets where we have leading expertise and experience such as defence, healthcare, and rail. Our cautious approach is bringing continued improvement in average margins within our order book, accompanied by a healthy balance of work under more commercially benign contract structures
- As a business, we continue to invest to ensure we remain at

the forefront for offsite manufacturing and modern methods of construction (MMC), having had a dedicated offsite manufacturing facility in Bradford since the early 1990's. Offsite manufacturing and MMC provide safer, more efficient and sustainable alternatives to traditional construction. We are increasingly using these capabilities as the industry sees the benefits, with our offsite business delivering record trading levels in 2024/25. With the addition of our ductwork manufacturing arm in February 2025 (OSM Ventilation), the growth prospects for our manufacturing businesses are very promising

Our Facilities Services business had a successful 2024/25, with year-on-year profit growth, achieving its forecast with strong cash generation. Its high customer retention rates, technical expertise and growing energy offering place it well to achieve its growth plans

Our newest EV infrastructure business has made great progress in 2024/25, converting its strong pipeline of opportunities into delivered projects. The expectation of further growth is underpinned by strong strategic relationships and quality delivery

IT Services also delivered healthy margins and cash levels in 2024/25, achieving its targets. Its future growth plans reflect its technical expertise in digital solutions with investment ring-fenced to further enhance its capabilities.

There was an exceptional profit during the period of £0.9m linked to the sale of our Leeds office and the associated move costs (2024: no exceptional items). Whilst global uncertainty caused some volatility in our money market investments during the period, stronger equity markets drove an increase in the value of the portfolio, generating income of £1.2m in the period (2024: £0.7m). The profit before taxation increased to £17.7m (2024: a profit of £10.7m).

Our people

We take immense pride in our people, who have shown unwavering dedication and hard work through recent challenging years. Our teams consistently go above and beyond, working together to support one another, deliver exceptional service to our customers and put more into our communities than we take out.

To support the delivery of our 'Journey to 2030' strategy, the GLT has developed a 'Ways of Working Charter' to give our people a shared understanding of a core set of behaviours that we can expect from one another. The charter is built around clear, simple principles that highlight the kind of behaviours that drive progress, collaboration, and respect. Together, they give a blueprint for how we will work and grow, as individuals and as a business. The charter will be fully rolled out during 2025/26.

In March 2025, we relocated our Leeds headquarters to the White Rose Park following five decades at our previous Brown Lane West office. The move marks the next phase in our long and proud history of working in Leeds, with our first office opening in the city in 1921.

Our new 25,000 square foot Leeds office offers a dynamic, amenities-rich workspace. It was chosen for its high-quality infrastructure and transport links, providing a great place to work for our Leeds-based workforce. The move represents our commitment to offering an exceptional working environment for our people, improving their daily work and wellbeing experience. The new office's strong ESG-credentials also support a reduction in our carbon footprint as part of our journey towards net zero emissions.

We know that our industry is highly competitive when it comes to attracting top talent. Therefore, it is essential for us to retain and develop our people, while also recruiting individuals with the right skills and experience to ensure we are ready to seize opportunities as they mature. We take pride in our history of

developing exceptional talent and continually invest in the development of our people to give them the skills and competencies they need for their future success, with nearly 22,000 training days delivered across the business during 2024/25.

In June 2024, we launched two brand-new executive development programmes to strengthen the leadership and succession pipeline. Investing in the development of our current and future senior leaders is essential for our success and these tailored training programmes are designed to future-proof our organisation, and empower our leaders to develop their skills to continually evolve in their roles. The bespoke leadership programmes are developed in partnership with an experienced, external consultant, and span 24 months of continuous learning.

As a business, we are actively inspiring the next generation through our award-winning apprenticeship programme and

graduate scheme, along with tailored training to support employees wherever they are on their career paths, including clear succession plans.

We're committed to fostering a healthy, supportive, and productive work environment for our people through our wider employee wellbeing plan. We set up our Wellbeing Committee in 2024 to drive our wellbeing agenda and launched our new annual wellbeing calendar in March 2025. Each quarter, we will explore a different wellbeing theme accompanied by a suite of initiatives that support the wellbeing of our people.

Since 2023, every single person across the Group has received an additional 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. The take up of the wellbeing day was fantastic at c80% with 1,100 days of

volunteering (2024: 900) given during 2024/25.

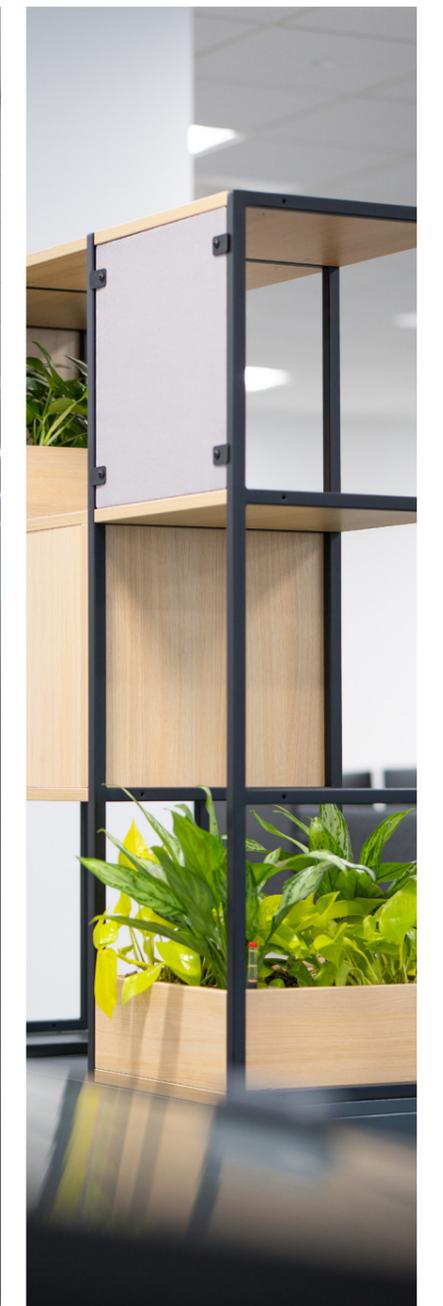
We launched our dedicated LGBTQ+ employee network in June 2024 to coincide with Pride month. This initiative will engage and support our LGBTQ+ colleagues and allies, with the hope of fostering a more inclusive and supportive environment within our workplace. Inspired by an employee-led proposal, we aim to build on this initiative and introduce additional employee networks as part of our fairness, inclusion, and respect strategy.

Employees who raise concerns in good faith are protected and we offer various channels to ensure they can do so confidentially. This includes an independent and confidential reporting service, which we recently transitioned to Safecall. Safecall, run by a team of former police officers, offers a professional, impartial service available 24/7, every day of the year, with care and confidentiality.

Alongside the introduction of Safecall, we have relaunched our Speak Up policy, encouraging our people to confidentially report

their concerns if they are worried about any potential wrongdoing or behaviour that is against the law, our values, policies or procedures.

We launched our new-look MyNGBailey employee intranet in December 2024. Our re-designed Group-wide intranet features a range of improvements including easier access to Group-wide news, simpler navigation, dedicated information hubs for essential resources and information, along with more functionality to engage with our news stories interactively.



▲ ▲ New Leeds office

Resilience

Our strong financial position sets us apart from others in our sectors and we safeguard it through smart decisions, relentless risk management and financial discipline. As a family-owned business, we make decisions focusing on sustainable long-term investment and growth. In these uncertain times, our strong balance sheet is a key differentiator for our customers, giving them confidence that we will be around for the long-term to see a project through its lifecycle. At 28 February 2025, our net assets were £141m (2024: £129m) and strongly cash backed with cash and investments of £92m (2024: £70m) and no external debt.

The Group's defined benefit pension scheme is well funded. At 28 February 2025, the pension scheme had a net surplus of £34.0m (2024: a net surplus of £31.2m). The scheme's actuarial valuation (a different basis which is the key metric for funding decisions) is a growing surplus and consequently, the Group is not required to contribute towards the funding of the scheme and the scheme pays for its own expenses.

Concerns about the economic outlook and a higher cost of capital continue to impact customer confidence and the gestation of projects from tender to award date, with projects inherently at risk of delay. Despite this, we have a strong, balanced, order book of £1.6bn that continues to grow whilst also becoming lower risk (2024: £1.4bn). The order book reflects our chosen sectors that are aligned to where future growth and funding is heading.

In these uncertain times, relentless

risk management at all stages of the contract lifecycle is of critical importance and our approach is continually refreshed and reinforced. This includes our well established 'bid no bid' and tendering processes and clearly defined, acceptable commercial terms and conditions, to ensure that we win work at terms aligned to our risk appetite and business principles. A well-balanced mix of contractual agreements with both project work and predictable, recurring income contracts, with a growing proportion of work directly contracted with end clients alongside our preferred main contractors, helps us remain financially stable.

Whilst inflation has eased during the period, we carefully manage cost inflation through offering short windows on pricing, incorporating inflationary protections into our contracts and ensuring advanced purchasing is undertaken once a job is secured. A significant proportion of the Group's sales are protected from inflationary pressures by contractual provisions.

Amid high levels of insolvencies in our sector, we consistently monitor the Group's exposures to prevent over reliance on individual counterparties. We carefully manage the risks of potential business failures from both upstream (i.e. customer) and downstream (i.e. supply chain) perspectives.

Our cash reserves have been substantial for many years, reflecting our robust cash controls and strong focus on cash collection. During 2024/25, we refinanced our bank facilities, increasing available facilities to £25m through a revolving credit facility (RCF) secured for three years (replacing our previous £15m on-demand overdraft). The RCF,

which remains undrawn, provides coverage against working capital fluctuations, which is helpful given the structural challenges of late and underpayments from customers prevalent in our industry. Additionally, it offers headroom for our strategic plans, particularly for selective, low risk acquisitions that can enhance our capabilities, geographic reach and business resilience.

Our supply chain partners are integral to our business and we understand the importance of timely payments, especially in these challenging times. The percentage of invoices paid within 60 days is industry leading at 99% (2024: 98%).

In 2024/25, we partnered with the Earlytrade platform to provide our Engineering subcontract trade partners with the choice to receive early payments. This increased optionality gives a route to improve 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. Looking ahead, we plan to explore extending the use of this offering to our broader supplier base to increase their optionality around cash flow.

Another further indicator of confidence in our growth plans and financial strength came from our surety partners who increased our bonding capacity, supporting our work winning efforts.

A further demonstration of our commitment to strong governance is the low-risk status awarded to us by HMRC during 2023 following its Business Risk Review of our tax controls and approach to tax matters.



◀ One of our dedicated offsite manufacturing facilities in Bradford

OUR RESILIENCE

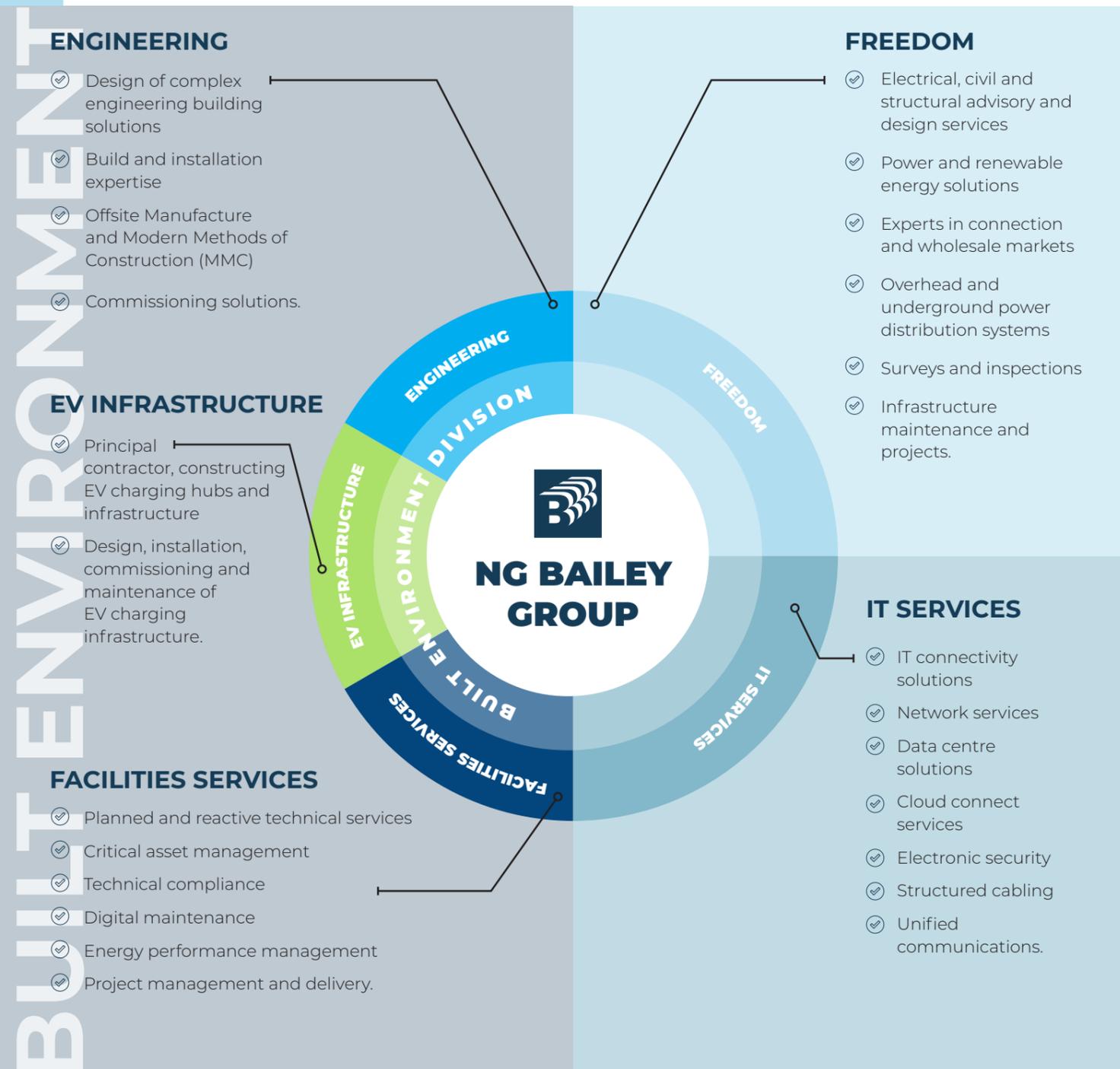
- » **Strong and growing order book**
A £1.6bn+ order book that continues to grow whilst becoming lower risk (£1.4bn in 2024)
- » **Balanced revenue streams**
A mix of project work and predictable, recurring income contracts, bringing financial stability
- » **Strategic sector focus**
Prioritising recession-resilient industries and following investment trends in the market to secure sustainable growth
- » **Direct customer relationships**
Strengthening partnerships with end customers to deliver what truly matters to them
- » **Robust contract mix**
A well-balanced mix of contractual agreements, ensuring terms align with our risk appetite and business principles
- » **Long-term vision**
As a family-owned business, we make decisions with a focus on sustainable, long-term investment and growth
- » **Relentless risk management**
Highly selective on the work we choose to do and with whom we do it. Maintaining financial, commercial and operational disciplines at our core

Despite challenging market conditions, the Group is well-positioned to grow in a controlled manner with our 'Journey to 2030' strategy outlining a clear route to achieving record levels of trading in the years ahead. We have an excellent reputation, extensive operational expertise, a balanced portfolio in resilient sectors that are aligned to investment trends, and a robust order book of £1.6bn, accepting that uncertain market conditions may bring challenges to navigate. The Board is confident that the Group is operating in the right markets and is well-equipped to play a pivotal role in critical long-term infrastructure projects and the transition to a decarbonised economy which are vital for the future growth of the UK economy.

The Board and Bailey family would like to express their **sincere thanks to all our people for their hard work and dedication** and for consistently demonstrating our values of Passion, Integrity, Responsibility and Excellence.

PRINCIPAL ACTIVITIES

Founded in 1921, 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.



BUILT ENVIRONMENT DIVISION

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 specialises in the design, offsite manufacture and installation of mechanical and electrical solutions, delivering outstanding projects for a range of customers. We have an industry-leading reputation for delivering our work and projects responsibly and sustainably. As a national business with a local presence, our project portfolio includes nuclear new build, defence, universities, hospitals, commercial office spaces, rail, airports, infrastructure and manufacturing facilities. We have a balanced portfolio of large projects of strategic importance to the UK and smaller projects delivered by our regional business. The division has strong credentials in the energy and decarbonisation sectors and is playing a key role in the UK's transition to a low carbon economy.

We pioneer the use of offsite manufacturing and provide offsite solutions through our dedicated offsite manufacturing facilities in Bradford. We maximise standardisation through a suite of pre-designed, engineered and modelled offsite products that streamline the process between design and assembly in our offsite facilities. In February 2025, we grew our manufacturing offering through the acquisition of the assets of a highly specialist ductwork manufacturer, based in East Sussex and rebranded OSM Ventilation.

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.

EV infrastructure

Through our EV infrastructure business, we are supporting the electrification of the UK's transportation system, working with our clients to design, construct and maintain high and low-voltage electric vehicle charging infrastructure tailored to their needs.

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 (DNO) and the wider utility and infrastructure industry.

As a trusted partner to the DNOs, we help 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 whole project lifecycle; from identifying suitable land and undertaking feasibility studies, right through 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 firstly, data network and communications infrastructure design and installation projects and secondly, the associated longer-term managed service and maintenance contracts. 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 that transform what's possible in 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, HR 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.



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 28 February 2025.

The Corporate Governance Report, which evidences how the Group applies the principles, is included on pages 66 to 75 and is also available on the Group's website at www.ngbailey.com.

These 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 affected 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 with regard to all its stakeholders and maintaining a reputation for high standards of business conduct.

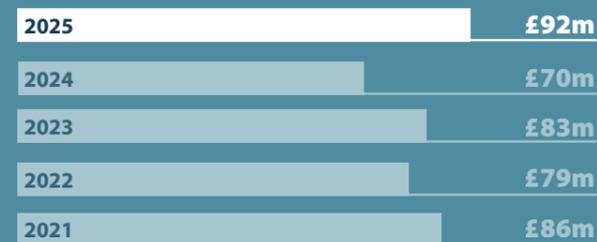
In carrying out this duty during the period, the Directors have had regard for, amongst other matters, the areas set out in the table on the next page with further information given in the Corporate Governance Report.

Area of consideration	Demonstrated by	Further information
Reputation of the business 	NG Bailey has a proud heritage and a proven track record of achievement for more than 100 years. We are a business founded on our values of Passion, Integrity, Responsibility and Excellence which guide the Group's strategy, decisions, processes and culture. The Board believes that in order to continue achieving our goals, we must protect our reputation and relationships with our stakeholders through robust governance on a day-to-day basis, as outlined in our Corporate Governance Report.	Pages 66 to 75
Our shareholders and wider family 	The Group is a family-owned business and recognises the importance of dialogue with its shareholders. The family have established their Guiding Principles which capture 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. The Chair of the Board and the two family non-executive Directors are the primary communication routes between the Board and shareholders. An understanding of the shareholders' goals and priorities for the Group is gathered from a programme of communications with the shareholders and wider family.	Pages 72 Pages 76 and 77
Impact on communities and the environment 	We recognise that our responsibilities extend beyond our immediate operations, and we are committed to being a good neighbour in our local communities and minimising our impact on the environment. We have established communication channels with communities to listen to their views and we support our employees and customers in charitable and volunteering efforts and community projects. Our 'Journey to Net Zero' responsibility strategy supports our long-term goal of doing business in a way that we put more into society, the environment and the global economy than we take out. We are proud to report that our long-term science based emissions reduction target, to become net zero by 2045, has been approved by the Science-Based Targets initiative (SBTi) during the period, further supporting our ambitions to limit our climate change impact.	Pages 38 to 59 Pages 75
Strategy and long-term impact 	The likely consequences on the success and long-term stability of the Group are taken into account when the Board makes decisions. Annually, the Board approves the Group's strategy and monitors its implementation throughout the period. This is facilitated by the Board's agenda of standing items which includes health and safety, operational and people matters, financial performance, strategy, risks and opportunities, market conditions, cyber security and sustainability. The Board and its Committees oversee the Group's comprehensive risk management framework.	Pages 70 and 71
Relationships with employees 	The Board recognises that attracting, retaining and developing people is key to its long-term success. The Group aims to be a great place to work through market-benchmarked competitive remuneration, training and development and fostering an inclusive culture through our 'Fairness, Inclusion and Respect' programme. Recently the Group has launched its 'Ways of Working Charter' to give our people a shared understanding of a core set of behaviours that we can expect from one another. The charter will be fully rolled out during 2025/26. We engage through team briefings, regular CEO briefings and our business update videos. Feedback is gathered through our annual employee survey, MyVoice, and acted upon. We continually review and update our people offering to ensure it remains competitive, and we seek to support our people through our wider approach to wellbeing.	Pages 73 and 74
Relationships with suppliers 	Our supply chain partners play a key role in the Group's long-term stability and success. We manage our supply chain in a responsible and sustainable way and forge close and effective supplier relationships. We recognise the importance of paying the supply chain on time, as demonstrated by our payment performance metrics which are consistently industry leading. In 2024/25, we partnered 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. Looking ahead, we plan to explore extending the use of this offering to our broader supplier base to increase their optionality around cash flow.	Page 74
Relationships with customers 	We listen to feedback from customers through our regular customer engagement surveys to identify improvements and retain our industry-leading reputation. This helps us build strong relationships with customers to support the long-term success of the Group. We regularly undertake our Group-wide Net Promoter Score (NPS) surveys with excellent feedback from our customers. We have long-standing relationships with many of our customers and retention rates remain high across the business.	Pages 74

KEY PERFORMANCE INDICATORS

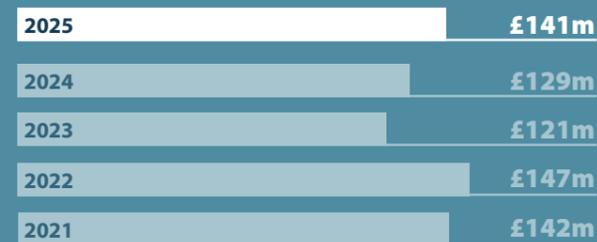
Cash & investments

£92m



Net assets

£141m



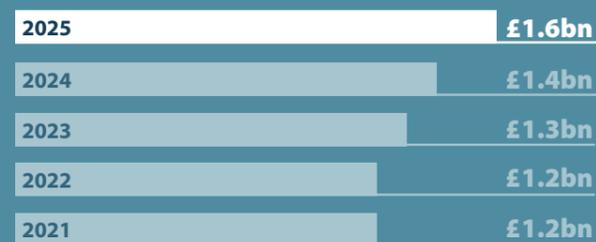
EBITDA¹

£22m



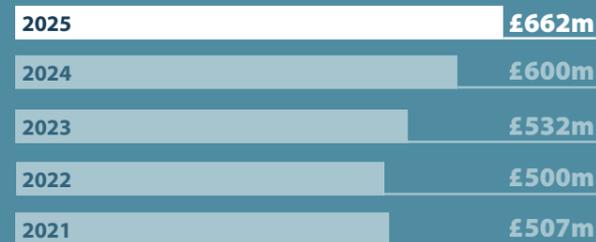
Order book

£1.6bn



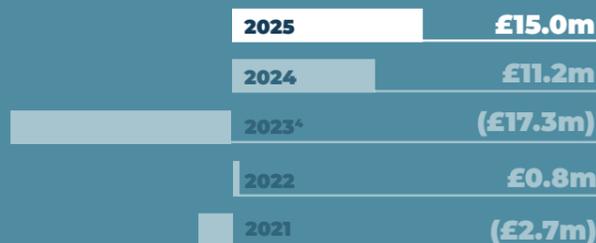
Turnover

£662m



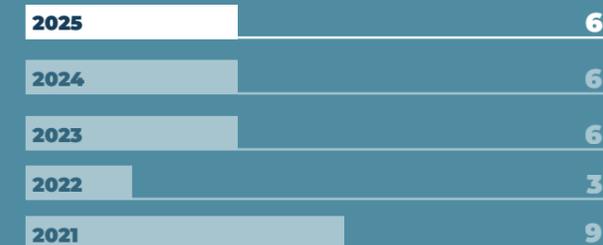
Underlying operating profit / (loss)²

£15.0m



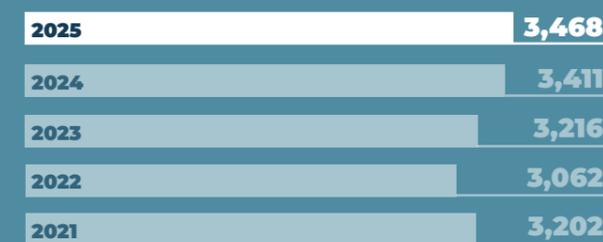
Reportable RIDDOR incidents³

6



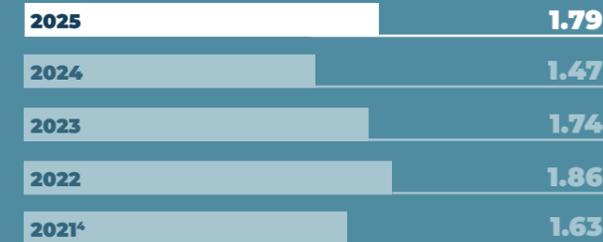
Group employees

3,468



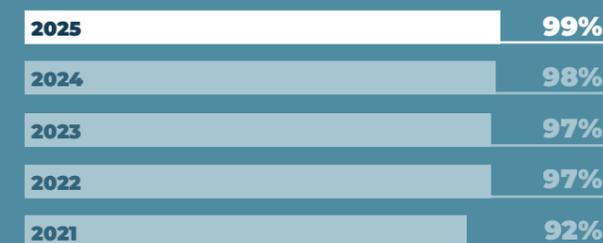
Carbon intensity – tCO₂e per employee (market-based)

1.79



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 86

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

HEALTH AND SAFETY



Health and safety is first and foremost in our business. Our goal is always to reduce risk and ensure our people are protected.

We are proud of our standards and the systems we use, enabling us to provide a safe place of work for our workers, with our primary goal to ensure everyone returns home safely at the end of each day.

Our processes and procedures are under constant review to ensure we align health and safety with the business needs. To support this we have refined the structure of our Safety, Health, and Environment ("SHE") team in 2024/25, increasing collaboration between the individual business SHE teams under the leadership of the Group SHE director. This ensures that the SHE team continually aligns to business requirements.

In 2024/25 we refreshed our targeted Group-wide safety communications strategy, introducing new safety calendars that help make sure safety messages are communicated consistently throughout the year. Planning and scheduling safety

topics in this way means it is easier for important safety messages to be refreshed regularly, emerging risks are quickly addressed, and safety is kept at the forefront of everyone's mind through regular engagement.

We successfully launched our new MySafety system in 2023/24. This is 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 assessment method statements (RAMS). During 2024/25, we have started to see the benefits from improved reporting and insights and continue to look at ways to incrementally enhance the functionality of the system.

Behaviour plays a major part in creating an overall safe working environment. Our Safety in Mind initiative, a safety culture development programme facilitated by Setters (leaders in coaching safety performance improvement), is driven by the conviction that no-one should be harmed through work. The programme has been successfully used by a number of national and international organisations that operate in high-risk environments. The programme started with the leadership teams followed by the wider workforce and supports our approach to achieve zero harm. During 2024/25, our focus has been on developing and training a network of internal peer trainers to support the rollout of the initiative across the whole business.



We are proud of our low Accident Frequency Rate (AFR) of 0.06



36,100 observations reported in the last 12 months



▲ Apprentice in our Engineering business



Safety in Mind

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



11 RoSPA

awards received across the Group



MySafety

new safety reporting system to make reporting incidents, inspections, 'Don't Walk By!' observations and risk assessments quick, easy and consistent

FUTURE DEVELOPMENTS

The UK economy continues to face challenges, with structural labour and skills shortages, uncertainty from the impact of newly introduced US global tariffs, the Ukraine conflict and instability in the Middle East combined with the lingering effects of Brexit and inflationary pressures. However, the medium-term outlook for our markets is positive with the UK government committed to driving economic growth through substantial investment in infrastructure and decarbonising our environment.

Significant government commitments that underpin our markets include the 10 Year Infrastructure Strategy working paper (which sets out plans to transform UK infrastructure and achieve net zero emissions by 2050) and to increase defence spending to 2.5% of GDP (with an ambition to increase this to 3% in the next parliament).

We are well positioned to benefit with a strong pipeline of work in key infrastructure sectors with funding, including defence, nuclear, healthcare, airports, universities and rail, and growing credentials in the decarbonisation sector.

The Group's diversification strategy is well established with the order book split broadly 50:50 between project work and predictable, recurring income contracts and an increasing proportion of work direct with end clients. This mix helps spread risk and gives us more stability overall.

Our order book (secured and anticipated work) is £1.6bn at the period end and forecast to grow further (2024: £1.4bn).

The Board and management team continually monitor market factors and develop the Group's plans to ensure we deliver long-term value to our stakeholders.

ELECTRICITY DISTRIBUTION NETWORK OPERATORS (DNOS)



UPDATE

The latest regulatory investment cycle for the DNO's that started in April 2023 has driven an increase in underlying run rates, alongside rising demand for independent connection projects, through 2024/25. These factors are expected to drive significant further investment over the next three years as the government looks to accelerate the decarbonisation of the UK electricity network. This includes supporting a shift to more homegrown renewable energy generation and reducing the UK's dependence on imported fossil fuels.

EXPERTISE

Through our Freedom business, we are closely aligned with the skills requirements in the DNO and electricity regulatory environment. The business has many years experience in the sector with a strong reputation for the quality of its work, and safety culture with long-term frameworks with the DNO's.

We continue to invest in business development and regionally-focused resources to maximise the opportunities which will become available during DNO regulatory cycles.

Our in-house design capabilities allow us to develop product and process innovations, including our awardwinning POC-MAST™ solution which enables a safer, faster and more affordable point of connection.

NET ZERO BUILDINGS



UPDATE

The UK government's net zero strategy sets out how the UK will deliver on its commitment to reach net zero emissions by 2050.

The UK Green Building Council has estimated that the UK's built environment is currently responsible for 25% of the total UK greenhouse gas emissions. Whilst this has reduced in recent years (mainly due to the decarbonisation of the electricity network), there is still a long way to go to meet the agreed targets.

80% of the UK's buildings are expected to still be in use in 2050, which is currently the oldest building stock in Europe. It is expected that reducing building emissions will necessitate the decarbonisation of existing buildings. With the government starting to introduce rising standards on the energy efficiency of buildings, there is a real risk for our customers of unusable 'stranded assets' if they don't act soon.

EXPERTISE

The capabilities within our businesses enable us to provide our customers with a service of measurable carbon reduction strategies across their estates.

Our market leading data assessment tools and professional services teams support our customers from the development of their initial strategies through to the implementation and ongoing management of their assets for transitioning to a net zero economy by 2050.

Whilst retrofitting older building stock to modern standards is particularly challenging as there is often incomplete information until the renovation is underway, we have extensive experience in this area such as our recent work on the 140-year-old Grade 1 listed Town Hall in Manchester.

ELECTRIC VEHICLES



UPDATE

Transport is responsible for roughly 25% of the UK's total greenhouse gas emissions, with over half coming from cars. The government is committed to the decarbonisation of the transport and energy sectors to meet the UK's legally binding commitment of net zero carbon emissions by 2050, with a focus on electric vehicles including battery gigaplants and charging infrastructure.

The sale of new petrol and diesel cars will be phased out by 2030 with all new cars and vans required to be 100% zero emission by 2035. All new build homes, workplaces, supermarkets and buildings undergoing major renovations are required to install electric vehicle charging points.

In April 2025, the UK government confirmed that £2bn spending has been earmarked to both help the British car manufacturing industry with this transition and improve EV charging infrastructure across the UK.

EXPERTISE

Our market-leading dedicated electric vehicle infrastructure business has been established to support the increasing demand for electric vehicle infrastructure. Leveraging expertise and skills from across our business, our in-house design, Independent Connection Provider (ICP) and delivery teams means we can offer our customers a complete service, from early concept through to installation, commissioning, ongoing maintenance and aftercare.

In February 2025, we delivered BP Pulse's first new format EV charging and convenience hub in the UK in our role as principal contractor. This follows on from successful projects with First Bus in 2024, providing the design and installation of new electric bus charging facilities at two Bristol depots.

We have demonstrated our credentials in the gigafactory space with our work at the UK's prestigious and pioneering new battery development facility, the UK Battery Industrialisation Centre (UKBIC). NG Bailey has been named as one of two mechanical, electrical and plumbing ('MEP') partners for the delivery of the new multi-billion-pound Agratas gigafactory in Somerset.

NUCLEAR



UPDATE

Nuclear is a key source of large scale, low carbon energy for the UK, which currently supplies around 15% of the country's electricity needs. In 2022, the government released the British Energy Security Strategy with nuclear playing a central role. The strategy targets 24 gigawatts (a quarter of the UK's projected electricity demand) of nuclear power generation by 2050, which could see up to eight new reactors developed.

A new government body, Great British Nuclear, was launched in July 2023 to support the UK nuclear industry by providing better opportunities to build and invest. The launch was accompanied by a commitment to invest up to £20bn in funding to design and build small modular reactor (SMR) nuclear projects and a £157m grant funding package across the nuclear industry.

In February 2025, the new Labour government announced plans to accelerate the construction of nuclear power stations across England and Wales.

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 its new commitment to increase spending on defence, targeting to reach 2.5% of GDP by 2030 to ensure the UK is well placed to defend its people, bolster its alliances and deter its adversaries in a more dangerous world. The UK's defence spending will rise steadily to reach c£87bn annual spending by 2030. This reflects an additional £75bn of spend over the next six years on top of the government's previous commitments.

In March 2025, the new Labour government pledged £13.4bn additional spending on defence from 2027, with plans to increase this further to 3% of GDP in the next parliament.

EXPERTISE

With 900 employees and 700 trusted subcontract partners with a range of security clearances, our teams have the skills and expertise to deliver 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 delivered and are delivering numerous defence projects, many in highly secure environments.

AIRPORTS



UPDATE

The UK has the third largest aviation network in the world after the USA and China, and London's airports serve more routes than any other European city. The UK government is committed to securing the long-term future of the aviation sector, recognising its vital role in supporting economic growth, innovation, and global trade. This includes addressing capacity constraints at major airports like Heathrow to maintain the UK's competitive edge.

Major investment programmes have been approved for London Stansted and London City airports. Proposals for the expansion of Heathrow airport are expected to be brought forward to parliament in the summer of 2025.

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 12 months, 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

Increase in online demand, the continuous drive to outsourcing and rapid deployment of technology (including artificial intelligence) are all driving demand and growth in the data centres sector (the UK data centre market is projected to grow from £8bn in 2023 to £13bn in 2032).

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.

EDUCATION



UPDATE

The UK government's ten-year school rebuilding programme was set up in 2021 and covers 518 confirmed projects. The new Labour government has confirmed that they remain committed to improving the condition of school buildings with £1.4bn spending confirmed for the programme in 2025/26, an increase of £550m on the previous year.

Government plans extend beyond the rebuilding programme, with a long-term aim to rebalance their approach to prioritise sustainable maintenance, and retrofit for energy efficiency and climate resilience.

Whilst university building projects are likely to be restricted given current pressures on their finances from capped UK student fees and a sharp decrease in overseas student numbers, universities are increasingly focusing on energy and decarbonisation initiatives. With many UK universities committed to meeting net zero carbon emissions by 2030, these initiatives may include retrofitting older buildings or constructing new ones with high energy performance standards.

EXPERTISE

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

- Significant school projects such as the Dixon Trinity Academy in Leeds and the Ada Lovelace Church of England School in Ealing
- 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 was set up in 2020 combining eight hospital building projects already underway with the delivery of 40 new hospitals by 2030. In 2023, seven hospitals that needed rebuilding because they contained reinforced autoclave aerated concrete (RAAC) were brought under the programme and prioritised due to the safety risk posed. The addition of these seven hospitals to the project and the rising cost of building materials mean that the government has confirmed that some projects will now not be completed until after 2030.

The new Labour government is currently reassessing its approach to the New Hospital Programme in order to establish the funding plan. The government remains committed to strengthening the NHS's infrastructure.

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, Aberdeen Royal Infirmary, the Sheffield Children's Hospital and Royal Hallamshire Hospital.

RAIL



UPDATE

The UK government has made several significant commitments to improving the rail network. There are substantial investments planned for rail infrastructure, including upgrades to existing lines and the development of new routes to boost connectivity and support economic growth. The timeline for the UK's rail strategy is currently being shaped through a public consultation process.

Whilst the HS2 project, the UK's high-speed rail network, is currently undergoing a significant 'reset' to address cost challenges and ensure timely delivery, there is significant regional rail investment underway as part of broader efforts to modernise and expand the UK's rail infrastructure.

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.

SUPPORTING THE UK'S JOURNEY TO NET ZERO

The UK government has set ambitious targets to achieve clean power by 2030 and net zero emissions by 2050. These goals form part of a broader strategy to tackle climate change, ensure energy security and create economic opportunities. The government recognises the challenges ahead and is committed to working with various stakeholders, particularly the private sector, to achieve its aims. NG Bailey is increasingly playing a role in this critical new future, using its unique offering to support a range of industries and clients as they transition to a low carbon economy.



TRANSFORMING THE UK'S BUILT ENVIRONMENT



BOOTH STREET EAST

We recently completed the refurbishment of The University of Manchester's Booth Street East building, addressing some long-term maintenance issues and aligning with the university's zero-carbon masterplan, which aims to reduce carbon emissions by 13% each year. As principal contractor, we provided mechanical, electrical, and plumbing installations, including air source heat pumps and CO₂-efficient lighting.



MANCHESTER TOWN HALL

We're proud to play a key role in restoring Manchester Town Hall, one of the UK's most significant heritage projects. Our team is refurbishing all mechanical and electrical systems in the Grade I listed building, helping to bring this gothic masterpiece back to its former glory. The restoration will renew the 140-year-old building, preserving its heritage while modernising it so that it is more functional, sustainable, and easier to maintain.



FACILITIES SERVICES ENERGY SAVINGS

Our Facilities Services business has successfully delivered energy savings to a range of clients through its data-led energy offering. As an example, the Facilities Services team achieved substantial energy savings at a central Manchester property with year-on-year gas usage reduced by 51% and electrical consumption by 7%. These savings were realised through the monitoring of energy-consuming assets, which identified savings opportunities in mechanical, electrical and plumbing systems, particularly air handling units, chillers, and boilers. Key improvements included optimising plant operating hours and adjusting control parameters.



TRANSITIONING THE UK'S ENERGY INFRASTRUCTURE



DECARBONISING THE UK GRID

For our Freedom business, the regulatory investment cycle for the electricity distribution network operators (DNOs) started in April 2023, and is driving significant investment over the next three years to accelerate the decarbonisation of the UK's electricity network. Freedom has long-term frameworks with DNOs throughout the UK with a proven track record of high quality delivery in this highly regulated sector.



NUCLEAR NEW BUILD

NG Bailey has worked in the nuclear power sector since the 1950s, a key source of low carbon energy for the UK. Our Engineering team is part of the 12,000-strong team delivering Hinkley Point C. The installation of the nuclear reactor in unit one marks the first in Britain in over 30 years, a historic milestone. Our team is also working as a key delivery partner under an 18-year framework on the Sellafield decommissioning programme, which aims to create a clean and safe environment at the site for future generations.



POC-MAST™ – SCURF DYKE

The drive towards electrification and renewable energy is increasing grid access demand. Our internally developed POC-MAST™ solution offers a cost-effective, sustainable, safe, and reliable way to connect to the grid. Our Freedom business installed a 132kV POC-MAST™ connection on Northern Powergrid's network, linking a 50mW solar farm near Driffield, Yorkshire to the electricity network. The POC-MAST™ enabled a direct connection to an existing tower, avoiding a lengthy and costly process with the installation only taking 10 working days and requiring minimal power outage.



SUPPORTING THE ELECTRIC VEHICLE REVOLUTION



BP PULSE'S FIRST DEDICATED EV CHARGING AND CONVENIENCE HUB

NG Bailey successfully delivered BP Pulse's first all-electric vehicle charging and convenience hub. Located on Cromwell Road in West London, this project marks a key milestone in BP's transition to sustainable transportation. As the principal contractor, we transformed a former petrol station into a state-of-the-art EV charging hub designed to meet the growing demand for fast and accessible charging. The station features ten 300kW Alpitronic ultra-rapid chargers, capable of providing a 100-mile charge in just 15 minutes, making it one of the most advanced charging facilities in the UK.



BATTERIES AND GIGAFACTORIES

NG Bailey is proud to be the principal contractor for UK Battery Industrialisation Centre's (UKBIC) prestigious battery development facility, where we completed the installation of mechanical and electrical (M&E) services. UKBIC is a pioneering concept in the race to develop battery technology for the transition to a greener future and a key part of the Faraday Battery Challenge, a government programme to fast track the development of cost-effective, high-performance, durable, safe, low-weight and recyclable batteries. NG Bailey has also been chosen as one of two MEP partners for the £4bn Agratas gigafactory in Somerset. We will provide comprehensive MEP services for the new battery-cell manufacturing facility.

OUR JOURNEY TO NET ZERO

Our 'Journey to Net Zero' responsibility strategy outlines a way of doing business that ensures we put more into society, the environment and the economy than we take out. It is a long-term strategy that provides us with the vision to drive change across our businesses through the six ambitions.



1 ZERO CARBON

We are focused on a range of measures across the Group's activities to reduce carbon in line with our science-based targets.

Science-based targets approved



2045 NET ZERO 90% reduction in absolute scope 1, 2 and 3 emissions by 2045

Focus for 2025/26



- Embed net zero action plans throughout the Group, aligning with our 'Journey to 2030' strategy
- Develop our EV roadmap towards transitioning areas of our commercial fleet
- Examine alternative fuels for use in plant and equipment
- Continue to engage and upskill our supply chain to help them set targets

2 ZERO WASTE

Our ambition is to drive down the amount of waste generated by our own activities and from within our supply chain and divert the waste we do generate from landfill.



324 tonnes of products and materials redirected from landfill and reused

Pioneers in modern methods of construction and offsite manufacture, significantly reducing construction waste and carbon footprint



Focus for 2025/26



- Continue to investigate ways to redirect and reuse waste from landfill
- Continued expansion of our offsite manufacturing delivery material returns scheme
- Examine innovative inert waste reduction options

3 ZERO HARM

We are committed to zero harm to people and the planet, ensuring an industry-leading safety culture. We aim to achieve zero RIDDORs and zero reportable environmental incidents across the Group.

2024/25 ACHIEVEMENTS:

All employees had a performance objective linked to safety in 2024/25 as part of **engaging everyone across the business to put Safety First & Foremost**

0.06
ACCIDENT FREQUENCY RATE (AFR)

SAFETY IN MIND
Culture development programme on track with 32 peer trainers trained

Zero at fault reportable environmental incidents

Focus for 2025/26



Continue to rollout and reinforce the **Safety in Mind** behavioural safety initiative to further enhance safety culture and performance

All employees have a performance objective linked to safety for 2025/26

Continue to look at ways to incrementally enhance the functionality of **MySafety**, our safety reporting system

5 DELIVERING SOCIAL VALUE

Our ambition is to deliver social value beyond the direct benefits delivered by our projects.

Over £49 million spent in local supply chains generating local employment opportunities with our suppliers

7,799 young people engaged in STEM, education & employability sessions and placements

1,134 days of volunteered time generating over £130,000 of social value in our communities

138 charity and community groups supported

£52k charity donations

Focus for 2025/26



Establish regional social value strategies to enable us to deliver maximum impact in our local communities

Continue to engage and upskill our supply chain to support social value delivery

Encourage ongoing growth in the take up of our volunteering days to benefit our communities

4 A GREAT PLACE TO WORK

We want our people to be happy, healthy, and able to be themselves at work.

2024/25 ACHIEVEMENTS:

c80% take up for our annual wellbeing day every person across the Group received an additional day on top of their normal holiday allowance

We launched our dedicated **LGBTQ+ employee network** in June 2024 to coincide with Pride month. This initiative engages and supports our LGBTQ+ colleagues and allies, with the hope of fostering a more inclusive and supportive environment within our workplace

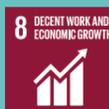
Relocated Leeds headquarters to the **White Rose Park**, a new 25,000 square foot office with a dynamic, amenities-rich workspace and great transport links

Launched new **Ways of Working charter**

22,000 training days delivered to develop our people supported by the new MyDayforce learning & development platform

Two new leadership development programmes launched in Summer 2024 as part of our commitment to nurture future talent

Focus for 2025/26



Embed our new **Ways of Working Charter**, to give our people a shared understanding of a core set of behaviours that we can expect from one another

Recruit 2025/26 apprentice and graduate cohorts

Fully embed our new annual wellbeing calendar, launched in March 2025, which will explore a different wellbeing theme accompanied by a suite of initiatives that support the wellbeing of our people

6 SUSTAINABLE GROWTH

Our ambition is to operate responsibly to support sustainable growth and demonstrate that we are a partner of choice in our industry and that we can help our clients achieve their sustainability targets through the delivery of our services.

ORDER BOOK	NET ASSETS
£1.6bn	£141m
2024 £1.4bn	2024 £129m

CASH & INVESTMENTS	DEBT
£92m	£nil
2024 £70m	2024 £nil

Focus for 2025/26



Grow our robust and balanced forward order book further in our chosen sectors

Continue to achieve greater than 95% of suppliers paid within 60 days

Support the UK's journey to net zero in sectors linked to the decarbonisation agenda such as nuclear, net zero buildings, electric vehicles, offsite manufacture and work with DNOs

SOCIAL VALUE

Our 'Journey to Net Zero' strategy incorporates a commitment to generate meaningful social value. Social value is an umbrella term covering economic, social, and environmental activities. It seeks to maximise the benefits of public procurement by encouraging employment opportunities, developing skills, and improving environmental sustainability.

Our social value standards provide a consistent framework by which we can respond to project and community requirements, whilst also outlining the areas where our teams can generate the most impact through leveraging our business capabilities. To support this activity, we continue to invest in our digital reporting tools to measure and capture our project-related social value to increase visibility and engagement.

The Group's social value contributions include a range of activities, with some examples given on pages 44 to 49.



2024/25 achievements:

£130k

Social value generated in our communities through volunteering



£8.5m

Social value created through employment of local people



£2.2m

Social value created through apprentice programme



£51k

Social value generated through STEM education & employability sessions and placements



£35k

Social value generated through the reuse of products and materials



£49m

Spent in local supply chains



797

Colleagues volunteered



1,134

Days volunteered



138

Charity and community groups supported



£52k

Charity donations



291

Local people directly employed on our projects



243

Apprentices supported in the business



7,800

Young people engaged in STEM, education & employability sessions and placements



41

Weeks of work placements



8,980

Apprentice weeks completed within the business



101

Schools, colleges and universities supported



69

Candidates engaged in employability sessions



324

Tonnes of products and materials reused



18

Organisations in our supply chain who have supported our social value delivery



47

Volunteers in our supply chain who have supported our social value delivery



COLLABORATING WITH OUR SUPPLY CHAIN PARTNERS TO SUPPORT LOCAL COMMUNITIES

NG Bailey, alongside other key delivery partners on the Sellafield project, held a virtual 'meet the buyer day'; an event designed to connect local suppliers with potential clients.

Companies were invited to learn about contracts at Sellafield that required their expertise and to discover additional opportunities available across the country.

Social value delivery was a key topic for discussion and how social value activity can factor into scoring matrices when bidding for contracts. We worked with one local supplier to develop their own social value policy and identify existing and future activities within their organisation that would contribute to this agenda. Subsequently, they have been able to demonstrate their social value impact to new clients.

LEADING THE WAY IN SUPPLY CHAIN COLLABORATION

Our London Engineering teams and our supply chain partner Rexel volunteered their time and energy to transform the garden at Westbourne Park Dementia Centre.

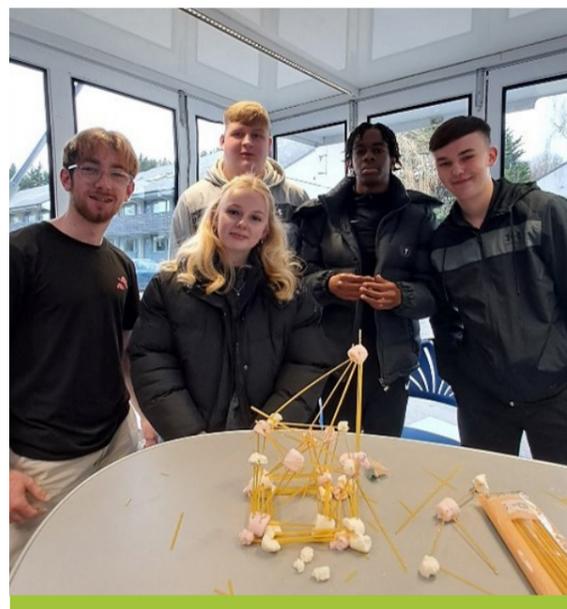
Their collaborative efforts to remove ivy, plant new greenery, and perform general maintenance have transformed the area into a serene and welcoming environment for residents and their families to enjoy.



COLLABORATING FOR GROWTH

Our Plymouth office hosted a two-day continuing professional development event, for local students, in collaboration with Thorlux Lighting.

The event showcased NG Bailey's capabilities and introduced the students to the world of engineering, from the projects NG Bailey delivers to the products Thorlux supplies. This collaboration is a significant step in helping our communities access engineering knowledge, experience, and pathways to entry.



LOCAL INTERNSHIP LAUNCHED ON SELLAFIELD

As part of a wider internship scheme established by Sellafield to promote local employment, the NG Bailey site team at Sellafield have launched a bespoke internship role offering an 18-month paid work placement to people who have been unsuccessful in finding employment.

Unlike other internships, which have a predetermined role, this innovative internship offers candidates the chance to discover skills and opportunities they would not have originally thought of exploring and gives them the flexibility to decide what role they would like to pursue at the end of their placement.

GRADUATE PROJECT ENGINEER DELIVERS A MASTERCLASS AT THE ROYAL ACADEMY OF ENGINEERING



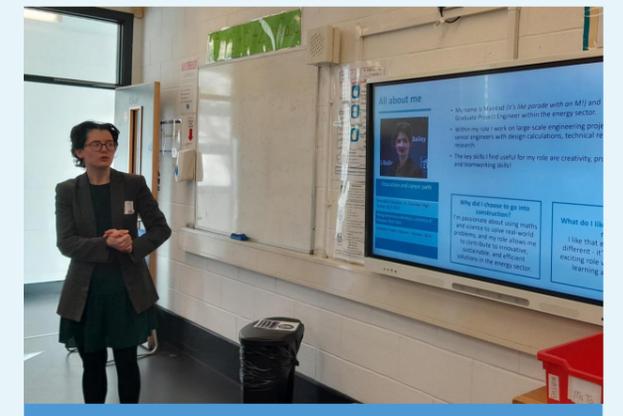
Mairéad Reid
Graduate Project Engineer
in our Freedom business

"The session was highly interactive and well-received. The structured networking and group presentation tasks helped students build confidence and develop essential skills."

Mairéad Reid, a graduate project engineer played a key role in a Royal Academy of Engineering initiative, supporting engineering undergraduates through a structured masterclass event.

As a volunteer group leader, she guided students through two key sessions on personal branding and networking, as well as an assessment centre-style task.

With c100 students in attendance across two sessions, Mairéad shared her experience and knowledge providing first hand insight into her role, the key skills needed, the qualifications required and how she balances work and life. Reflecting on the event, Mairéad noted how engaged and eager the students were:





Volunteering our time, skills and experience

MANCHESTER TOWN HALL PROJECT: 4,000 HOURS OF COMMUNITY IMPACT – AND COUNTING!

During the year NG Bailey's Manchester Town Hall project team celebrated a major milestone: 4,000 hours of volunteering!

This achievement is testament to the team's dedication to giving back to the community and creating a lasting, positive impact in Manchester, supporting over 50 charities, schools, and community groups.

From cooking in community centres, cleaning up parks, delivering emergency parcels, digging allotments and supporting food banks to hosting workplace visits for students, every volunteer hour has strengthened our bond with the community.

"A big thank you to NG Bailey for supporting us as part of their volunteering on Our Town Hall. We can always rely on the team to turn up and deliver. Volunteers like you make up such a big part of the work we do to make our community a cleaner and greener space."

Daniell MUSAHEB, Project Lead, Ardwick Climate Action Group



SUPPORTING THE CHILDREN'S BOOK PROJECT IN BIRMINGHAM, LEEDS AND LONDON

Throughout the year, 83 colleagues from across the Group volunteered 569 hours to the Children's Book Project Charity in Birmingham, Leeds and London. Colleagues worked alongside our client and supply chain partner, Mace Dragados.

The inspiring Children's Book Project charity works to gift books to disadvantaged children in early years settings, primary schools and secondary schools across the country, fostering a love of reading and learning. Our colleagues' efforts have ensured that these books have reached the hands of children who need them most.

"Thank you for sending the wonderful team from NG Bailey & Mace Dragados today. We absolutely love your volunteers who are always so enthusiastic, happy, lively and super helpful. Please send our heartfelt thanks"

Clare Lawler (volunteer manager) at Children's Book Project for the HS2 Curzon Street Project



COLLABORATION AT ITS BEST AT DARTMOOR ZOOLOGICAL PARK

Our Facilities Services Devonport project team has formed a strong alliance with Dartmoor Zoological Park over the last 12 months, using their volunteering days to undertake repair and restoration works at the Devon-based charity.

During the year the team have carried out 395 volunteering hours between 36 colleagues. On their visit in March 2025, they were joined by volunteers from our client Babcock and their client, the Ministry of Defence (MOD).

Everyone worked together to replace damaged fencing, construct new aviaries, undertake gutter and roof repairs, carry out gardening works such as

grass cutting and hedge trimming, as well as building an Alpaca shelter.

"I wanted to say that your team that I was with yesterday were great and an absolute credit to NG Bailey, they conducted themselves perfectly and worked hard to get the job done! I was very impressed! I would definitely be interested in more volunteering opportunities in the future, as I know the rest of my team would also be. Thank you for considering us"

Lydia Bale from the MOD



GROUP LEADERSHIP TEAM SORT DONATIONS FOR FAMILIES IN NEED

Our Group Leadership Team (GLT) helped MammaKind Baby Bank in London sort donations in November 2024 to ensure families in need have gifts for Christmas as part of our six-week season of festive giving initiative.

MammaKind is an amazing charity supporting families with children under five in south-east London. The majority of the families supported are headed by a single mother and many face additional disadvantages, such as disability or having experienced violence, and have no route to public funds.

HOMELESS CHARITY BENEFITS FROM EXPERT ADVICE

Your Place is a charity dedicated to solving homelessness in east London, one person at a time. Their mission is to build hope and enable lasting change to end homelessness for people in East London.

Members of our social value team are supporting the charity, offering expert advice on how they can measure their social return on investment. The outputs from this work will support requests for funds from both voluntary and statutory sources.



Ensure a happy, healthy and diverse workforce

TURNING THE IDEA OF 'BLUE MONDAY' ON ITS HEAD

During January 2025, our colleagues turned 'Blue Monday' into something brighter with 'Brew Monday'.

These gatherings centred around sharing a hot drink and a chat, encouraged colleagues to take a moment to pause, connect, and support one another during what is often seen as a gloomy time of year.

The events aligned with the Samaritans' 'Brew Monday' campaign, serving as a reminder of the importance of maintaining a healthy work-life balance, creating a workplace where everyone feels safe to speak up, and recognising that a simple brew and chat can make a big difference.

WOMEN MAKING STRIDES IN SUSTAINABLE AND ENVIRONMENTALLY FRIENDLY BUILDING PRACTICES

The NG Bailey Temple Quarter Enterprise Campus (TQEC) team attended the Women in Construction / Green Skills event, hosted by Sir Robert McAlpine, in celebration of International Women's Day.

It was fantastic to hear about the diverse roles women are currently undertaking on the TQEC project and to be a part of such an important conversation about sustainability and inclusivity in construction.

The team undertook a site walk and heard inspiring stories of women's careers into the built environment. It was wonderful to see our shared passion acknowledged in one place! We concentrated on discussing the green skills we bring to our roles and the various sites we work on.



Share our time and knowledge of environmental best practice

324 TONNES OF PRODUCTS AND MATERIALS WERE REDIRECTED FROM LANDFILL AND REUSED

Timber repurposing

307 tonnes

Through our waste broker, Circle Waste, we collaborate with Community Wood Recycling (CWR), a national community interest company. CWR primarily recruits individuals from marginalised communities, including those who are physically or mentally disabled, ex-offenders, and addicts. Instead of chipping and burning waste wood, CWR repurposes it by either selling it for reuse or crafting various wood products for sale. Whenever we have a significant amount of wood waste on a job or site, we aim to utilise CWR's services.

Offsite delivery material returns scheme

4 tonnes

Repurposing numerous small items used in Offsite's work, which are typically challenging to recycle due to their composite nature of mixed plastic and metal.

Leeds furniture

13 tonnes

Reusing furniture from the old Leeds head office by redistributing it throughout the business, instead of sending it to landfill.

RAISING A PHENOMENAL £32,500 FOR OUR CORPORATE CHARITY PARTNERSHIP WITH 'CRASH'

Since 2022, we have been a Corporate Patron with CRASH and over the last year we have provided donations, fundraising and professional expertise totalling a phenomenal £32,512. Here are some highlights of our colleagues' involvement with CRASH and examples that have contributed to the lives of vulnerable homeless people and children and adults with life-limiting conditions.



Colleagues from London clocking up steps in the 'Big March' fundraiser



Bury Hospice – North West

The hospice provides inpatient services, hospice at home care, bereavement support, a phlebotomy clinic, and chemotherapy. The hospice was experiencing daily backlogs of cars, so approached CRASH for support in extending their parking facilities. CRASH Patrons have supported with project management and cost consultancy expertise, as well as providing construction materials. We completed the installation of external car park lighting and four new EV charging points on the site.



Wacky Races fundraiser - Reading Engineering team



Colleagues from London region collecting donations for the CRASH CPA Autumn Lunch

STREAMLINED ENERGY AND CARBON REPORT

REPORTING PERIOD

NG Bailey is reporting for the financial period of 2024/25 (March 2024 – February 2025), using the previous period as a comparator and 2018/19 as the baseline. 2018/19 is the baseline period to reflect the carbon impact of the Group following our acquisition of Freedom in March 2018.

ENVIRONMENTAL MANAGEMENT SYSTEM

NG Bailey operates an environmental management system compliant to ISO 14001:2015 standard for all companies that operate as part of the Group. The Group's management system ensures that it meets environmental standards and legislative requirements across all the Streamlined Energy and Carbon Reporting key environmental impacts.

REPORTING BOUNDARY

The statutory entities included in the Group's carbon reporting boundary are:

- NG Bailey Group Limited
- NG Bailey Limited
- NG Bailey Facilities Services Limited
- NG Bailey IT Services Limited
- The Freedom Group of Companies Limited

Our reporting boundary is based on the Group's financial reporting period and includes impacts from all material reporting units from the entities listed above.

The materiality of our units is determined by its contribution to our overall impact and our ability to influence the impact of the

operations. We are unable to report impacts from our project and site locations due to limited availability of accurate data at this time.

MEASUREMENT METHODOLOGY

Organisational boundaries were set with reference to the methodology described in the GHG Protocol and the ISO 14064-1:2018 standards. An operational control consolidation approach was used to account for our impacts and emissions. 2024/25 is the seventh consecutive year our Group carbon impacts have been subject to 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 is committed to managing and reducing its emissions in respect of the operational activities in the UK.

ENERGY AND CARBON STRATEGY

The Group takes its role as a responsible business seriously and over the past decade we have consistently looked to reduce our environmental impacts through the reduction of energy and carbon. Our near-term science-based carbon reduction target was approved by the Science-Based Targets initiative 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 committed to achieving net zero emissions by 2045.

▼ EV chargers at the new Leeds campus



OPERATIONAL TRENDS

Whilst the Group's total gross carbon emissions have reduced by 22% compared with the 2018/19 baseline, there was a 20% increase in total gross carbon emissions in 2024/25 compared with the prior period as the result of business growth.

The litres of diesel fuel used in our commercial vehicle fleet has increased due to growth in contract delivery, particularly in our Freedom business (sales grew by 20%) which accounts for a large part of our commercial fleet. There has also been an increase in the period in air travel due to the location of some larger projects. Together, these factors have resulted in higher scope 1 and scope 3 emissions, increasing 16% and 40% respectively compared with the prior year. Scope 1 and scope 3 emissions have reduced by 22% and 13% respectively since our baseline year from several years of reduced emissions prior to 2024/25.

Our scope 2 (location-based) emissions fell 4% on the prior year due to further focus on our property portfolio and the change of our previous Leeds headquarters at the end of 2024. Scope 2 emissions have

reduced by 51% since our baseline year.

Absolute carbon emissions have reduced 22% since the baseline period of 2018/19, from 8,201 tCO₂e to 6,387 tCO₂e (location-based method) and reduces further to 6,224 tCO₂e when accounting for our market-based footprint.

Our location-based carbon emissions intensity ratio is 1.84 tCO₂e per employee, an increase of 18% on the prior period and a 26% decrease since our baseline period. Furthermore, when accounting for our market-based reporting, our intensity reduces further to 1.79 tCO₂e per employee, an increase of 22% on the prior period and a decrease of 26% since our baseline period.

Prior to 2024/25, the Group recorded several years of reduced carbon emissions having successfully progressed areas such as:

- our **company car fleet**, with 97% of the fleet either a mild hybrid, hybrid or electric vehicle at February 2025

- **electric vehicle charging** available at eight of our offices
- since April 2021, 100% of **electricity consumed at sites** where we have operational control has been procured from renewable sources
- 38 electric and plug-in hybrid vehicles in operation in our **commercial van fleet**

We remain committed to making further progress in managing our carbon footprint in the context of a growing business. During 2025/26, we are looking to further develop our roadmap for transitioning areas of our commercial fleet to electric vehicles (EV) whilst safeguarding operational performance, given that c55% of our current footprint comes from this source. We recognise that this transition may take time whilst the UK EV charging infrastructure matures and technology evolves, particularly for higher weight vehicles. We are also looking to use improved telematics data to support better fleet utilisation and driving practices.

ENERGY PERFORMANCE

MWh	2024/25 Reporting year	2023/24 Comparative year	2018/19 Baseline year
Gas	654	918	1,442
Electricity	1,366	1,496	2,587
Transport fuels	19,657	17,061	20,083
Other energy sources	40	11	6,688
Total	21,717	19,486	30,800

CARBON PERFORMANCE

tCO ₂ e	2024/25 Reporting year	2023/24 Comparative year	2018/19 Baseline year
Scope 1	4,343	3,757	5,538
Scope 2	357	371	733
Scope 3	1,687	1,206	1,930
Location-based total	6,387	5,334	8,201
Scope 2 - market adjustment	(163)	(306)	(514)
Market-based total	6,224	5,028	7,687

INTENSITY RATIO

Emissions per employee tCO ₂ e per employee	2024/25 Reporting year	2023/24 Comparative year	2018/19 Baseline year
Market-based	1.79	1.47	2.34
Location-based	1.84	1.56	2.50

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

- » In 2024/25, our long-term science-based target was approved by the Science-Based Targets initiative, committing us to achieving net zero emissions by 2045
- » Our 'Journey to Net Zero' Steering Group successfully launched in 2024/25, with representation from across the business. Two working groups, including one focused on carbon and waste reduction, report to the Steering Group
- » Since 2018/19, we have generated over 1,577 MWh of our own energy from our investments in solar photovoltaics across the Group
- » Since 2018, we have maintained ISO14001:2015 accreditation for our environmental management system
- » We have made net zero carbon training available to all employees and delivered introductory workshops to our senior leadership teams
- » Through engagement with our suppliers, we have established a baseline understanding of the environmental awareness and impacts arising from our supply chain
- » 30% of our supply chain have a carbon reduction target or are committed to a target (2024: 17%)
- » We have directly engaged c50% of our supply chain on ESG topics including net zero, modern slavery and social value
- » Since April 2021, 100% of the electricity consumed at sites where we have operational control has been procured from renewable sources
- » Average emissions across the existing car fleet as of February 2025 is 26gCO₂/km (FY24:35gCO₂/km), significantly below our company car emissions cap of 75gCO₂/km
- » As of February 2025, 97% (2024: 91%) of our company car fleet is either a mild hybrid, plug-in hybrid or electric vehicle. As our company car choice only features 100% plug-in hybrid and hybrid cars, standard petrol and diesel vehicles will be fully removed from our fleet in the near future
- » Following the introduction of the salary sacrifice car scheme in 2023/24, open to our employees, 40 petrol or diesel cars have been replaced by the latest plug-in hybrid and electric cars

Six EV chargers have been installed at our new Leeds head office site, with a further 6 planned to be installed in 2025.

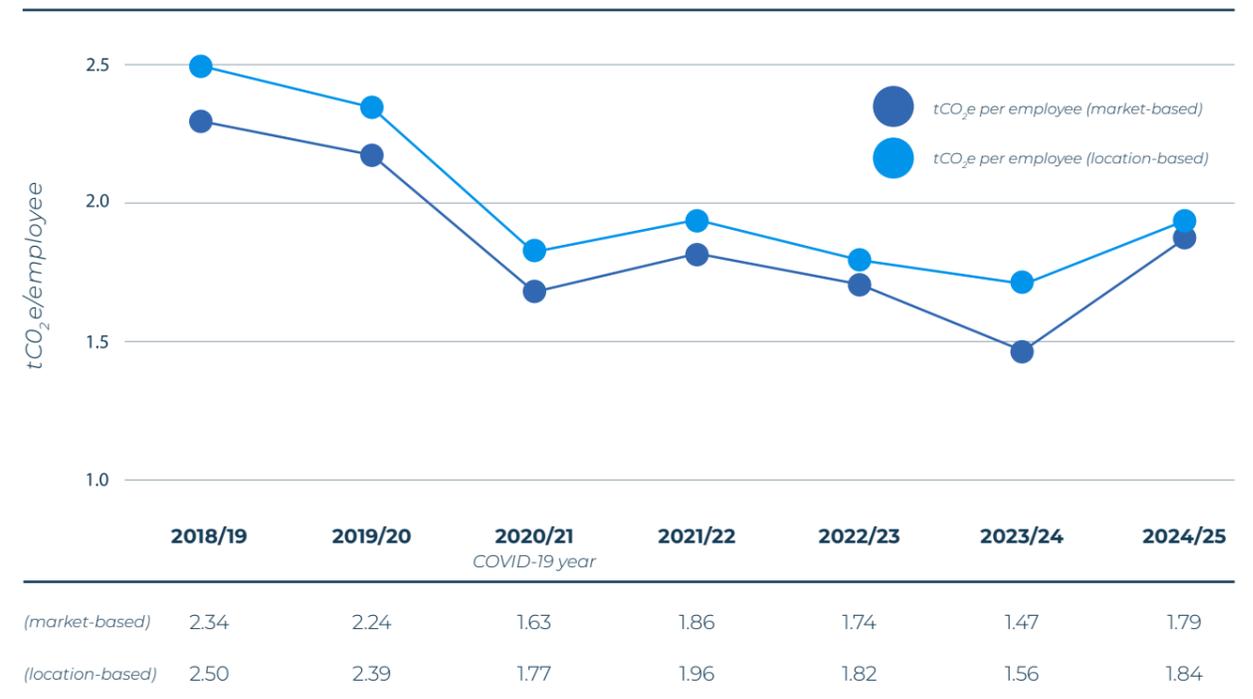
Across the Group, EV charging is available in eight of our office locations with a view to expanding this further in 2025.



38 electric and plug-in hybrid vehicles operational within our van fleet.

Feasibility work is underway to set out a roadmap for how we can transition our commercial vehicle fleet to electric vehicles whilst safeguarding operational performance.

CARBON INTENSITY COMPARISON





GOVERNANCE

The Board is responsible for setting the long-term strategy of the Group, supported by a framework of effective systems and controls that enable risks and opportunities (including climate-related risks and opportunities) to be assessed and managed effectively. The Board has delegated the implementation of the strategy and day-to-day operation of the business to the Group Leadership Team (GLT). The Corporate Governance Report on pages 66 to 75 sets out further information on the Group's overall governance structure.

NG Bailey has a dedicated Environmental, Social and Governance (ESG) team that is responsible for driving the ESG agenda within the Group, providing the business with support in delivering its ESG objectives and embedding strong ESG governance. The team is led by the Group Head of Responsibility, supported by specialist carbon and sustainability managers embedded across the Group's operations. The ESG team ensures that regulatory requirements are met, advises on best practice and provides ESG insight. An update on the activities of the ESG team is provided at each board meeting.

Our new ESG governance framework has been successfully implemented this year. Under this framework, the Journey to Net Zero Steering Group (the 'Steering Group') guides the Group's ESG agenda, developing and overseeing the delivery of a coherent strategy to manage climate risks and opportunities and achieve the Group's carbon reduction targets. The Steering Group has representation from across the business, including GLT-level, and reports into the Audit & Risk Committee. The net zero & sustainability and social impact working groups provide support to the Steering Group by identifying ESG opportunities and risks, implementing strategic decisions, engaging with employees, customers and the supply chain, and monitoring progress against ESG targets.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The NG Bailey Group recognises the threat posed by climate change and its importance as a driver of change for business and wider society. The Group is committed to becoming a business that puts more into society, the environment, and the global economy than we take out.

This includes managing and reducing the Group's impact on the environment and playing our part in limiting the damage caused by global warming. The Group's commitment is underpinned by our 'Journey to Net Zero' strategy, further details of which can be found on pages 38 to 41.

For the period ended 28 February 2025, the Group has applied the recommendations from The Task Force on Climate-related Financial Disclosures (TCFD) for the second year. These recommendations provide a framework for reporting climate-related financial information across four thematic areas: governance; strategy; risk management; and metrics and targets. These disclosures will continue to evolve and mature as we progress along our net zero journey.



STRATEGY



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

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.

To mitigate these risks, the Group implemented its 'Journey to Net Zero' strategy, which was launched in June 2021. The strategy outlines a way of doing business that ensures the Group puts more into society, the environment, and the economy than it is taking out. It is a long-term strategy that provides the vision to drive change across the business through six ambitions; zero carbon, zero waste, zero harm, a great place to work, delivering social value and sustainable growth (see pages 38 to 41 for further information).

To keep this strategy aligned with our stakeholders' priorities, we are undertaking a double materiality assessment across the Group in 2025/26. A double materiality stakeholder assessment is a comprehensive evaluation process that helps identify and prioritise sustainability issues from two

perspectives: how they impact financial performance and the broader impact on society and the environment. By understanding both, the Group can make informed decisions that balance profitability with sustainability.

The Group has undertaken high-level scenario analysis to understand the resilience of the business to the risks of climate change and how its existing strategies are anticipated to perform under potential future scenarios. This analysis has been supported by advice from Bioregional (an award-winning sustainability consultancy). Our approach involved selecting two climate-related scenarios (as set out in the table below) and projecting them forward to 2050 to estimate how the business will fare under different climate outcomes.

Scenario	Temperature Range	Source*	Overview	Rationale
High emissions scenario (HES)	> 4°C temperature rise by 2100	SSP 5 RCP 8.5	A 'high emissions' climate change scenario, with limited climate action beyond current levels, energy intensive growth and increasing fossil fuel emissions	Represents a worst-case scenario for possible future risks if there is minimal action to mitigate the worst impacts of climate change
Low emissions scenario (LES)	< 2°C temperature rise by 2100	SSP 1 RCP 2.6	A co-ordinated global low carbon transition, which limits the global temperature rise to 1.5°C by 2100 (from pre-industrial levels). It assumes current net zero pledges are achieved in full and there are extensive efforts to de-carbonise	Aligns with a best-case scenario and current recommendations from the IPCC (Intergovernmental Panel on Climate Change)

We conducted a qualitative analysis of the identified climate-related risks and opportunities facing the Group, supported by quantitative data where available. Risks and opportunities were categorised against the likelihood of occurrence and their impact on operations. Impact categories considered in this process included the effect on revenue, expenditure,

assets and liabilities, capital and financing. Each area of risk and opportunity identified was scored against the two climate scenarios selected, to assess how the business may be impacted. This analysis was conducted at a Group-level across all NG Bailey businesses.

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	Any 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

Whilst climate change introduces risks to all businesses, the UK government's commitment to achieving net zero also provides significant business opportunities for NG Bailey. The Group will benefit by taking action to deliver a low carbon economy; both indirectly through reduced physical risks to its own operations from climate change, and directly from the significant business opportunities presented by supporting the UK's wider transition to a low carbon economy.

The Group is uniquely positioned with the key skills and experience needed to support a range of industries and clients in this endeavour. c70% of the Group's order book is linked to net zero opportunities and we have growing credentials in the decarbonisation sector.

Examples of the Group's expertise include decarbonisation of existing building stock (retrofitting), supporting the installation and maintenance of the UK's electricity network (via the services our Freedom business provides to the UK distribution network operators), end-to-end electric vehicle charging infrastructure installation, installation of rail infrastructure (becoming an energy-efficient sustainable mode of transport) and supporting the development of the UK's nuclear power capacity (a low emissions alternative to fossil fuels for power generation). Further information on the Group's capabilities in this area are given on pages 36 and 37.

RISK MANAGEMENT

The Board has ultimate responsibility for risk management, including climate-related risks, and has a well-established risk management framework which has been developed over many years and continues to evolve to respond to the changes in the risk environment. The framework identifies risks that threaten the objectives of the Group, considers the systems and controls in place to manage these risks and the further actions required to mitigate risks to acceptable levels.

Key risks are documented in the Group's Board and GLT risk registers, supported by more detailed business unit and functional risk registers. Climate is identified as a standalone risk in these registers

given its importance. Material enterprise level risks are reviewed by the Audit & Risk Committee through a rolling programme of reviews and by the Board twice a year.

A working group has been established between the Group's procurement and ESG teams that aims to drive engagement across our supply chain on the topic of science-based carbon targets. The group has a clear, strategic plan to educate and support its supply chain in their own journeys to creating and committing to carbon reduction targets. This includes the creation of an ongoing training programme for the procurement team supported by the Supply Chain Sustainability School and the

development and delivery of a suite of supplier webinars and workshops by NG Bailey's ESG team. 30% of our supply chain have a carbon reduction target or are committed to a target (2024: 17%).

Carbon performance is formally measured twice yearly, with the full year carbon performance externally audited and published in the Group's Streamlined Energy and Carbon Report (on pages 50 to 53).

METRICS AND TARGETS

Our ESG governance structure ensures we regularly review and monitor 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. We have reduced carbon emissions by 22% since 2018/19 (baseline year for measurement) and are committed to meeting our carbon reduction targets.

In 2022/23, the commitment to achieving net zero emissions was formalised through the approval of NG Bailey's near-term science-based carbon reduction targets by the Science-Based Targets initiative (SBTi). The targets are:

- 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 to be committed to science-based targets by 2027

In 2024/25, our long-term science-based carbon reduction target was also approved by the SBTi, which sees us committed to achieving net zero emissions by 2045 (a 90% reduction of absolute scope 1, 2 and 3 emissions).

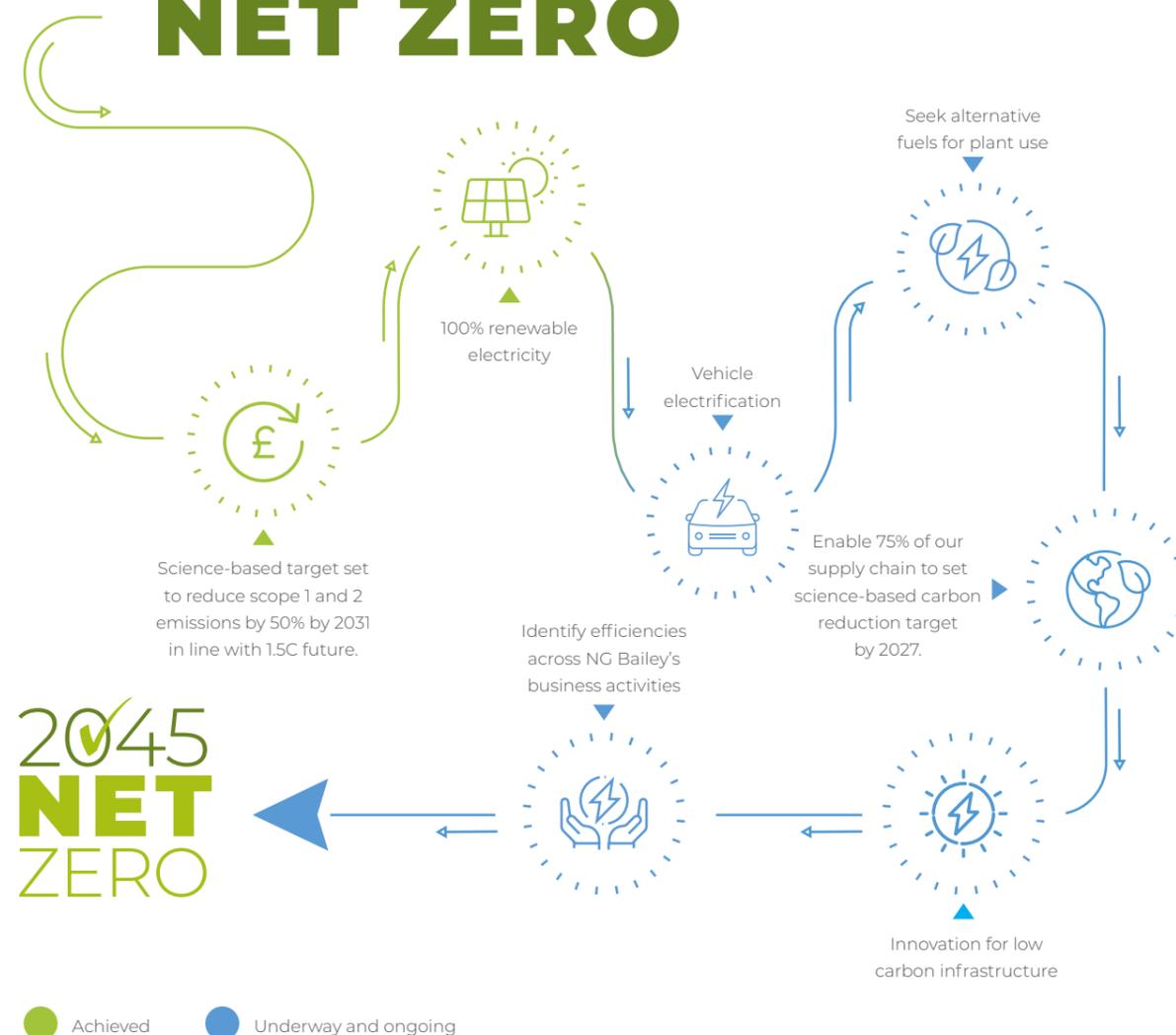
After several years of carbon reductions, in 2024/25 we saw a 20% increase in total gross carbon emissions on the prior period for our Group carbon footprint as the result of growth in our business, particularly in our Freedom

business (sales up 21%) which accounts for a large part of our commercial fleet.

A Group-wide transition pathway to net zero is being refreshed, linked to our 'Journey to 2030' strategy which enables us to quantify the carbon impacts of business activities as they evolve, ensuring we can understand the carbon reductions required. We are developing plans to deliver the targeted reductions supported by a range of specific carbon reduction initiatives, most of which are now underway.

Significant steps have already been deployed to reduce the Group's carbon footprint including using renewable electricity, switching the company car fleet to low-carbon alternatives (hybrid, plug-in hybrid or electric), investing in electric vehicle chargers across the property estate and introducing electric vans into the commercial van fleet. The wider transition of our commercial fleet is a key focus area given it accounts for c55% of our current carbon footprint. Updates are regularly provided to the Audit & Risk Committee and the Board on the Group's carbon performance and initiatives.

OUR JOURNEY TO NET ZERO



● Achieved ● Underway and ongoing

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 70 and 71. The Group's principal risks and mitigations are as follows:

Risk	Description	Mitigations
Health & safety 	<p>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.</p> <p>Further information on health and safety is provided on pages 28 and 29.</p>	<p>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.</p> <p>To ensure we remain at the forefront of health and safety practices, we successfully launched the MySafety system in 2023/24. This is 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 assessment method statements (RAMS). Following MySafety going live across the business, we are working on ways to further leverage safety insights and trends using the system's growing functionality.</p> <p>We understand the importance of strong leadership and behaviours in creating an overall safe working environment. Our behavioural Safety in Mind initiative launched in May 2023, supports and further develops the health and safety culture and continues to be messaged across the Group.</p>
Competition 	<p>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.</p>	<p>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.</p> <p>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 our Group-wide Net Promoter Score (NPS) surveys with excellent feedback from our customers. Customer retention rates and levels of repeat business remain excellent across all our businesses.</p> <p>Increasing 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 four acquisitions completed since 2018. Most recently, we grew our manufacturing offering in February 2025 by the acquisition of the assets of a specialist ductwork manufacturer (now rebranded OSM Ventilation).</p>

Risk	Description	Mitigations
Market conditions (including inflation) 	<p>The Group's services may be affected by an economic downturn and reductions or delays in government and private sector spending.</p> <p>Whilst inflationary pressures eased during 2024/25, market conditions remain uncertain with higher interest rates and US-led global tariffs impacting demand. The full impact of the recent increase in national insurance contributions is also yet to be felt.</p> <p>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.</p> <p>The ongoing effect on supply chains of the combination of the pandemic, Brexit, the Ukraine Conflict, and uncertainty in the Middle East, has led to material and labour shortages.</p> <p>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.</p>	<p>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.</p> <p>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 £1.6bn whilst becoming lower risk and is forecast to grow with an increasing proportion of work direct with the end client.</p> <p>Given the challenging environment, 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 commensurate with the risk. A well-balanced strategic mix of contractual agreements, and between project work and predictable, recurring income contracts, alongside a growing proportion of work directly contracted with the end client alongside our preferred main contractors, help ensure that we remain financially stable.</p> <p>Whilst inflation has eased during the period, 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. A significant proportion of the Group's sales are protected against inflationary pressures by contractual provisions or through advance purchases on secured jobs. The Group will only take on work where the impacts of inflation can be acceptably managed.</p>
Project Delivery 	<p>The execution of projects involves estimating, planning, designing and delivering, often in complex environments.</p>	<p>The Group's activities are controlled by business management systems within each division, which contain frameworks of policies and procedures designed to minimise avoidable risks.</p> <p>In light of current market conditions, contract risk management is of critical importance at all stages of the contract lifecycle and our approach is continually refreshed and strengthened.</p> <p>All our policies and procedures, including end-to-end process maps, are hosted on our quality management system, which is accessible to all employees via the MyNGBailey intranet. These resources guide our teams through the various stages of a project lifecycle and enforce best practice, procedural compliance and the necessary points of governance and control.</p> <p>Successful project delivery is supported through a combination of management oversight, project reviews, peer and independent reviews, strong commercial management and contract administration processes, and customer feedback.</p> <p>Significant investment is committed in the coming years to accelerate further digitalisation and systemisation of our systems and workflows to improve productivity, enable better decision making and enhance the working experience for our people.</p>

Risk	Description	Mitigations
Attracting and retaining talent 	<p>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.</p>	<p>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.</p> <p>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 2024/25, we delivered 22,000 training days and launched two new leadership development programmes to strengthen our leadership and succession pipeline.</p> <p>Mental and physical wellbeing continues to be an important part of our people policy and we have 1,300+ people trained in mental health and wellbeing awareness across the Group. A Wellbeing Committee was formed in 2024/25, reflecting our ongoing commitment to prioritising the wellbeing of all colleagues. 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.</p> <p>The relocation of our Leeds headquarters in March to the White Rose Park represents our commitment to offering an exceptional working environment for our Leeds-based workforce, improving their daily work and wellbeing, experience.</p>

Customers and supply chain 	<p>The risk of insolvency within the construction industry is increasing as businesses struggle to deal with rising costs from high inflation, supply chain challenges, higher interest rates and customer demand uncertainty given wider geopolitical pressures.</p>	<p>The Group continues to appropriately manage its cash flows through robust contract administration of our contracts and undertakes credit checks on customers and our supply chain as a matter of routine.</p> <p>Against a backdrop of increased levels of insolvencies in our sector, we routinely monitor the Group's exposures in order 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.</p> <p>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 we are not over-reliant on any one supplier or subcontractor.</p> <p>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.</p> <p>The Group is committed to paying its supply chain promptly. The percentage of invoices paid within 60 days is industry leading at 99%. In 2024/25, we partnered 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. Looking ahead, we plan to explore extending the use of this offering to our broader supplier base to increase their optionality around cash flow.</p>
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Risk	Description	Mitigations
System, data, cyber security and GDPR 	<p>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.</p> <p>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.</p> <p>The Group's ability to enable safe, secure, and resilient business operations is dependent on our systems being robust and secure and our data being protected.</p> <p>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.</p>	<p>We are continually developing and upgrading our IT infrastructure, software and cyber threat and assessment capabilities.</p> <p>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 (includes a third party security monitoring service).</p> <p>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. A cyber rehearsal exercise for the Board was conducted in 2024/25.</p> <p>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.</p> <p>We hold Cyber Essentials Plus accreditation which demonstrates our commitment to providing secure and robust ICT and information assurance across the Group.</p> <p>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.</p> <p>In 2024/25, the Group held its inaugural supplier cyber event: a workshop with key supply chain partners to share cyber learning to foster collective and ongoing improvement in our cyber security.</p> <p>In January 2025, we implemented a new policy to establish best practices, approved tools and technologies and governance for the use of generative artificial intelligence in our operations. Generative artificial intelligence is a branch of artificial intelligence that focuses on creating new content, such as text, images, audio, or video, based on existing data.</p>

Liquidity risk 	<p>The Group manages its financing facilities and cash flows such that it has sufficient cash resources to meet the business needs.</p>	<p>The Group has a strong balance sheet with cash and investments of £92m and net assets of £141m at 28 February 2025, along with banking facilities of £25m in place to provide further headroom should it be required (no external debt at February 2025). The Group is not complacent and continually monitors and stress tests its liquidity position as a matter of routine.</p>
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Risk	Description	Mitigations
<p>The environment</p> 	<p>Failure to adequately address the impact of our activities on the environment would present a risk to the reputation of the Group and be 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.</p>	<p>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.</p> <p>Our 'Journey to Net Zero' 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>More detail can be found in our Streamlined Energy and Carbon Reporting on pages 50 to 53 and our Task Force on Climate-related Financial Disclosures on pages 54 to 59.</p> <p>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.</p>

Approved by the Board of Directors on 23 May 2025 and signed on its behalf by:



Rosemary Bruce
Company Secretary

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



Offsite Manufacture, Drighlington ▶

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

For the period ended 28 February 2025, 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 largest independent provider of engineering and infrastructure services in the UK with a proud heritage and proven track record of achievement over more than 100 years.

As a family-owned business, our shareholders are actively involved stewards of the Group, with two family shareholders appointed as family non-executive Directors. The Bailey family maintain a visible and prominent presence in the Group, supporting a responsible culture across the business. The family have established their Guiding Principles which capture 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 76 and 77.

We are a business founded on our values of Passion, Integrity, Responsibility and Excellence. Under the Board's direction, these values underpin our purpose and vision, and guide the Group's strategy, decisions, processes and culture. These messages are communicated to our people through various routes including our leadership conferences, business update videos and regular CEO briefings.

Our purpose is that 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. This supports our values statement, "Together, for positive impact". To do this responsibly, we consider both our current operations and our future activities and recognise that the best way to achieve this is through our projects, and by working with our people, customers, supply chain and communities.

Our values statement and purpose are brought together to form our One Story, as set out on pages 8 and 9. Our One Story articulates the whole Group narrative in a clear and consistent way for our people and external stakeholders.

Our 'Journey to Net Zero' strategy supports our goal of doing business in a way that ensures we put more into society, the environment and the global economy than we take out. The strategy outlines six key ambitions as summarised on pages 38 to 41. These commitments are a mix of operational goals that we strive to always meet, including zero harm, being a great place to work and delivering social value and sustainable growth. Alongside these, we have two transformational goals of zero carbon and zero waste that will drive long-term change through our operations. Each commitment is underpinned by long-term deliverables and we regularly review our priorities for these areas.

Our success is marked by a continuing focus to do things better and to meet the challenges of the day, however tough. Spurred on by a growing demand for creative change, we explore ways of doing things differently whilst maintaining our responsibilities to our stakeholders as set out on pages 72 to 75.

◀ *Offsite Manufacture*

2. BOARD COMPOSITION

We recognise the value that a diverse range of experience at Board level can offer to our Group. Our Board of Directors comprises of two executive Directors and five non-executive Directors (two are members of the Bailey family and three are independent non-executive Directors).

Each of our Directors brings with them a wealth of knowledge and experience relevant to their area of expertise, which we believe provides a solid foundation for the direction and leadership of the Group. The strength of our non-executive Director group allows for constructive challenge of the executive team.

All our Directors have access to the advice and services of the Company Secretary and, if they wish, can take professional advice at the Company's expense. Our Company Secretary ensures that the Board receives appropriate and timely information, that Board procedures are followed and that statutory and regulatory requirements are met.

Our independent non-executive Directors are wholly independent in that they have no material business relationships with the Group that might influence their independence or judgement.

We have a separate Chairman and

Chief Executive to ensure an effective balance of responsibility, accountability and decision making. Likewise, all the Directors have opportunities to voice their views at Board meetings and have equal voting rights when making decisions.

Our Chairman (non-executive Director) is responsible for the Board's effectiveness and sets its agenda. He facilitates the effective contribution of the non-executive Directors and ensures a positive and constructive relationship across the Board and with shareholders.

Our Chief Executive is responsible for the operational management of the Group. He is accountable to the Board for carrying out the Group's strategy, including its corporate responsibility commitments. Jonathan Stockton was promoted to the role of Chief Executive in May 2024, following the retirement of David Hurcomb after 14 years in the role. Jonathan joined NG Bailey in 2016 and had held several senior roles within the Group, including Chief Financial Officer, Chief Operating Officer and Chief Executive Designate and was appointed to the Board in 2021. Clare Salmon joined the Board as Group Finance Director in June 2024.

Whilst the Board maintains oversight over all its duties, certain of these are executed through committees which have clearly

defined terms of reference. These terms clearly set out the objectives and responsibilities of each committee and are regularly reviewed. Family and independent non-executive Directors are members of these committees so there is an appropriate degree of challenge and influence in these areas.

The Directors maintain and develop their skills, knowledge and familiarity with the Group through meetings with senior management and shareholders and visiting operations (such as visits to project sites). There is an induction programme for all new Directors which is tailored to their specific experience and knowledge and which provides access to all parts of the Group.

The Board reviews the effectiveness and programme for the Board and Board Subcommittees periodically. Most recently, an internal review of the effectiveness of the Audit & Risk Committee took place in January 2025 and concluded that it was comfortable with its activities and the approach it was taking.

We acknowledge that Board diversity is a challenge across our sector and are committed to fostering an inclusive culture that encourages diversity across the Group including at the most senior levels. Workforce diversity is discussed further on page 71.

GROUP BOARD

Chaired by the independent non-executive Chairman and comprising of seven Directors listed on page 79

GROUP SUBCOMMITTEES

Audit & Risk Committee'	Remuneration Committee	Nomination Committee	Pensions Steering Committee	Family Employment and Development Committee	Investment Committee
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[1] The 'Journey to Net Zero' 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. These meetings are also attended by the Group Finance Director. The Head of Governance, Risk and Assurance and other Group executives 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 Committee has relevant financial experience and knowledge to allow for an appropriate level of constructive challenge.

The 'Journey to Net Zero' 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 Group's carbon reduction targets.

INVESTMENT COMMITTEE

The Investment Committee is responsible for appointing and overseeing suitable investment managers for our current asset investments and monitoring their performance against agreed benchmarks. During 2024/25, we undertook a periodic review of the investment portfolio to ensure there was an appropriate balance between risk and reward that aligned to the Group's overall risk appetite.

NOMINATION COMMITTEE

The Nomination Committee is responsible for monitoring the composition and balance of the Board and making recommendations to the Board on new Board appointments. Dependent upon the appointment being made, the Committee will be selected from the Board as appropriate. The Committee met once during the year.

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.

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 (GLT, formerly the Group Operating Executive) is the senior leadership team for driving the operational and strategic performance of the business. The members of the GLT are:

- Chief Executive
- Group Finance Director
- Managing Director, Built Environment
- Group HR Director
- Group Commercial Director
- Managing Director, Freedom (From March 2025)

▼ Facilities management at 135 Bishopsgate, London



3. DIRECTORS' RESPONSIBILITIES

The Board is responsible to the shareholders for the overall success of the Group. The Board reviews and approves the Group's strategy, monitors its implementation and reviews business performance and the control framework in place.

The Group Leadership Team (GLT), led by the Chief Executive, is responsible for developing the Group's strategy and policies and their implementation along with day-to-day management and monitoring of performance. The GLT has a regular cycle of meetings and conference calls throughout the year.

The Board has a programme of six principal meetings every year and operates an agenda of standing items appropriate to the Group's operating and reporting cycle including health and safety, operational and people matters, financial performance, strategy, risks and opportunities, market conditions, cyber security and sustainability. Board papers are provided sufficiently in advance of the meeting to allow for appropriate review. Papers are made available for the Board to view and annotate via a secure, virtual platform specifically designed to enable effective and collaborative information sharing for boards and board committees.

The Board has put in place reporting processes and other controls designed to ensure that it is provided with relevant information on a timely basis and set out authorisation limits and reserve certain significant matters for the Board or its Committees.

The Chair is responsible for effective communication with the shareholders and undertakes the evaluation of performance and commitment of individual members of the Board, the Board of Directors as a whole and its Subcommittees. The performance of the Chair is evaluated by the Chair of the Audit & Risk Committee.

The Group's conflicts of interest policies are outlined in the Code of Integrity for Employees which applies to all employees including the Directors and other members of the wider leadership team. The Code requires employees to act honestly, fairly and with transparency and not in a manner which could discredit them or NG Bailey or put themselves in a position which may result in a conflict of interest. A register of potential conflicts is maintained, and 'conflicts of interest' is a standing agenda item at each Board meeting.

4. OPPORTUNITY AND RISK

The overall sustainability and success of our Group depends upon our ability to identify opportunities and mitigate risks in both the short and long-term

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' 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.

RISKS

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 Group has adopted an integrated assurance model for risk management and control. There are several different assurance providers in our business, all of whom contribute to effective controls and risk management:

- First line: how risks are managed and controlled through the day-to-day operations of the business. The first line of responsibility is carried out by operational management and support functions (such as HR, Finance, and ICT) that directly influence the Group's activities
- Second line: how we oversee the framework to ensure it operates effectively. The second line of responsibility is carried out by 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 in managing risk to the first line of responsibility

- Third line: provides independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. This third line of responsibility is carried out independently by our Internal Audit function, which can utilise the expertise of external specialists to strengthen its assurance activities

We recognise that the effectiveness of the Risk Management Framework is dependent on the establishment of a risk management culture throughout the Group, led from the top.

The Group's systems and controls, which have been developed and refined over many years, 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 current controls in place to bring the risks to an acceptable level. Risk registers are maintained at various levels:

- Board risk register
- GLT risk register
- Divisional and functional risk registers

The Board risk register is in place to capture the most significant risks faced by the Group, Board and shareholders which require oversight and monitoring at a Board level. The register is reviewed by the Board periodically.

The GLT maintains an overall Group risk register containing the principal risks faced by the Group and undertakes a full risk review twice a year, facilitated by the Head of Governance, Risk and Assurance. These principal risks and uncertainties are outlined in the Strategic Report on pages 60 to 64. Through the annual Group strategy process, the GLT is responsible for the identification of business risks associated with the strategy and target setting. The Chief Executive formally presents the GLT risk register to the Board for discussion and review twice a year.

Each division and key functional area maintains a risk register supported by the Head of Governance, Risk and Assurance to ensure consistency and rigour. The divisional and functional risk registers are reviewed annually on a cyclical basis by the Audit & Risk Committee. The Audit & Risk Committee selects key activities for more detailed review three times a year

covering how the activities are managed and the processes and controls in place to mitigate risk and maximise opportunities in these areas.

Our delegated authorities matrices (DAMs) clearly set out our financial and commercial authorisation framework and form a central part of our governance approach. Alongside each businesses' detailed policies and procedures, these combine to help guide responsible decision making throughout the business. Oversight is maintained over corporate policies via the quality management system to ensure they are regularly reviewed and updated and changes are approved and controlled. The quality management system can be easily accessed by employees across the Group via the employee portal 'MyNGBailey'.

Additionally, the Internal Audit function 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 is a blend of audits performed by the in-house Internal Audit team and audits performed by our co-source providers (including BDO), particularly for specialist areas.

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

Demonstrating our commitment to robust governance and continuous improvement, an external quality assessment (EQA) of our Internal Audit function was undertaken during 2024/25. This EQA independently evaluated our internal audit practices against established global standards for internal auditing and broader best practice. The review confirmed that our 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. The assessment also provided valuable insights to further enhance our practices.

We have well established business continuity plans in place across the Group. These form a critical component of our resilience planning and were used to support the Group's response to the CV19 pandemic. Crisis management exercises are carried out periodically to test our plans and rehearse the Group's response to, and recovery from, a crisis situation. These are carried out at various levels including the Board, the GLT and specific function-wide exercises such as for the ICT department. Several exercises have been carried out during 2024/25 to rehearse the Group's potential response

to a cyber security breach. Business impact analysis is routinely refreshed to identify the critical functions and processes that must be managed during a disruption. This allows us to further refine our business continuity plans by providing a clear prioritisation for recovery efforts to ensure essential services are restored.

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

5. REMUNERATION

The Remuneration Committee's primary responsibility is ensuring that remuneration is set at a level which reflects the long-term interests of the Group, shareholders and employees. This recognises that to deliver our strategic aims we need to retain, motivate, and where necessary attract, senior executives and employees of the highest quality.

The Remuneration Committee has a clearly defined terms of reference and is responsible for making proposals to the Board concerning remuneration for executive Directors and the GLT. In addition, it has an oversight role with regards to the remuneration policy for senior managers (normally the first layer of management below the GLT). In carrying out these responsibilities, the Committee considers remuneration packages throughout the Group and also approves the annual salary pay award for the wider workforce.

The Committee seeks external support when it feels it is necessary to fulfil its duties and takes advice and guidance from a number of recognised external advisors. This includes specialists in executive pay and benefit benchmarking, executive pay process and methodology, pensions and employee benefits.

Pay for senior executives is aligned with both short and long-term performance. Short-term performance is recognised through our senior management bonus scheme with criteria requiring both financial and non-financial achievement. The non-financial objectives are linked to the Group's priorities and values including health and safety, sustainability and people development. Long-term success is rewarded through long-term incentive and retention plans which align remuneration with the long-term financial and non-financial objectives of the Group including the family's Guiding Principles.

Annually the Committee reports Directors' pay to the shareholders at the Annual General Meeting.

For our workforce, we offer a competitive package of salary, fixed and flexible benefits and employee discounts across the Group. Salary is reviewed annually to ensure that our people are fairly rewarded for their work in the light of market conditions whilst individual salary reviews are linked to personal performance as measured through our annual performance assessment process. All of our people are paid above the living wage.

In 2024/25 we started the process of reviewing the employee benefit strategy, to ensure it remains competitive and attractive to both current and future employees. The review will conclude in 2025 with the resultant three-year plan being rolled out across the organisation.

Many of our front-end workforce are covered by national agreements and as such their pay and benefits are defined by these. We regularly review this to ensure that the Group, as a minimum, complies with these requirements.

The Remuneration Committee approved a pay award for the Group-wide workforce for the 2025/26 year. Following several years of tiered fixed pay increases, the 2025/26 year's annual increase has returned to an allocation based on individual performance.

We recognise that workforce diversity and gender pay are areas for improvement within our industry and that this will take time. We are confident that we pay people the same for doing equal work. We are committed to our principles of fairness, inclusion and respect and we believe that utilising these will enable us to attract, recruit and retain the best people, ensuring equity at the point of selection and making NG Bailey a place where everyone feels welcomed and valued. The outcome will be a diverse and talented workforce that will continue to make NG Bailey an outstanding organisation. Our 'Fairness, Inclusion and Respect' working group provides the leadership and drive in this area.

Our dedicated Pride (LGBTQ+) Employee Network was launched in 2024/25. This initiative will engage and support our LGBTQ+ colleagues and allies, with the aim of fostering a more inclusive and supportive environment within our workplace. This network is a significant step forward in our ongoing commitment to fostering inclusion in our workplace. Inspired by a colleague-led proposal, we intend to build on this initiative and introduce additional employee networks as part of our fairness, inclusion, and respect strategy.

6. STAKEHOLDERS

Our employees, customers, suppliers, communities and other stakeholders expect the highest levels of operational and technical excellence from us as a business. The Board believes that in order to achieve our goals and protect our reputation and relationships with our stakeholders, robust governance and effective communication are essential on a day-to-day basis.

We periodically engage with our stakeholders to identify the issues that matter most to them. As part of this, we examine the environmental, social and supply chain issues that are of most concern to our stakeholders against those that pose risks or present opportunities to the Group. This analysis enables us to identify the material issues that our stakeholders want us to prioritise as a business.

OUR SHAREHOLDERS AND WIDER FAMILY

The Group recognises the importance of dialogue with our shareholders. The family's Guiding Principles aim to capture the family's long-term aspirations for the business including leadership excellence, being a great place to work and acting as a responsible business. The Board seeks to closely align the Group's strategic direction with these Guiding Principles, set out on pages 76 and 77.

The Chairman of the Board and the two family non-executive Directors are the primary communication routes between the Board and shareholders. The Family Council is a representative body for the family which supports the development of responsible owners, facilitates communication between the family and the business via the Board and encourages healthy relationships with the family and the Board.

The family non-executive Directors are both members of the Family Council to provide a communication link between the Board, the shareholders and the wider family.

All Board members attend the Annual General Meeting and are available to answer questions from the shareholders. The Chairman, Chief Executive and Group Finance Director meet with the shareholders on two further occasions each year to review the Group's strategic objectives and performance.

Members of the senior management team also provide business updates on various topics during these family update sessions. This programme of communications provides an opportunity for the business to understand the shareholders' goals and priorities for the Group.

Engagement with the next generation of shareholders is supported by the Group at the annual 'Next Generation' event.

OUR PEOPLE

Our people are at the heart of everything we do. We value their commitment, technical expertise and endeavours in helping us achieve our goals. We recognise and reward exceptional performance from our employees through the employee recognition scheme value awards and our long service awards.

Our Group-wide commitment to putting health and safety first and foremost is core to how we operate with a Safety, Health and Environment (SHE) update at every Board meeting.

We understand the importance of strong leadership and behaviours in creating an overall safe working environment. Our cultural development programme, Safety in Mind, helps focus our employees' attention and actions on working safely. We have continued to invest in 2024/25 on the rollout and employee training for the programme.

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 Safety in Mind programme supports our proactive safety culture through:

- Equipping everyone with an understanding of why they make the choices they do and how to make better ones
- Sharing a common language, encouraging everyone to talk to each other about safety
- Ensuring everyone understands their role and the impact they can have on health and safety.

Our work towards ensuring a safe working environment for our people and those around us resulted in 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.

We have a clearly defined outcome to be recognised as a great place to work and one of our key strategic objectives is to engage,

train and retain our people. We continue to invest in learning and development (L&D) to ensure our L&D strategy addresses the needs of our people at each stage in their career journey, with 22,000 training days delivered across the business during 2024/25.

Talent is attracted and retained through clear career paths across the Group and adult training in technical and leadership skills, alongside a growing number of apprentice schemes. We have invested in our recruitment team in 2024/25, improving our ability to attract talent, streamline recruitment processes, and continue to build a workforce to deliver on future plans.

We have introduced two new leadership development programmes in 2024/25 to strengthen the leadership and succession pipeline. The Future Leader and Future Executive programmes started in June 2024, taking a blended learning approach to give our future leaders the skills they need to drive change and support the delivery of our future plans.

We employed our first apprentice in 1934 and since then have successfully trained nearly 6,000 people in their chosen field with c240 apprentices currently working through the programme.

We relaunched our graduate scheme in 2022 with the programme running for two years with a series of work-based projects and rotations. The graduate intake from 2022 completed the two year programme in 2024, with positive feedback from the graduate cohort. The next intake to the programme were recruited in 2024.

Employees are offered the opportunity to gain insight into how similar businesses operate in their respective countries through three-month placements in either Australia or the USA through our overseas employee exchange programme with our peer group partners based in those countries.

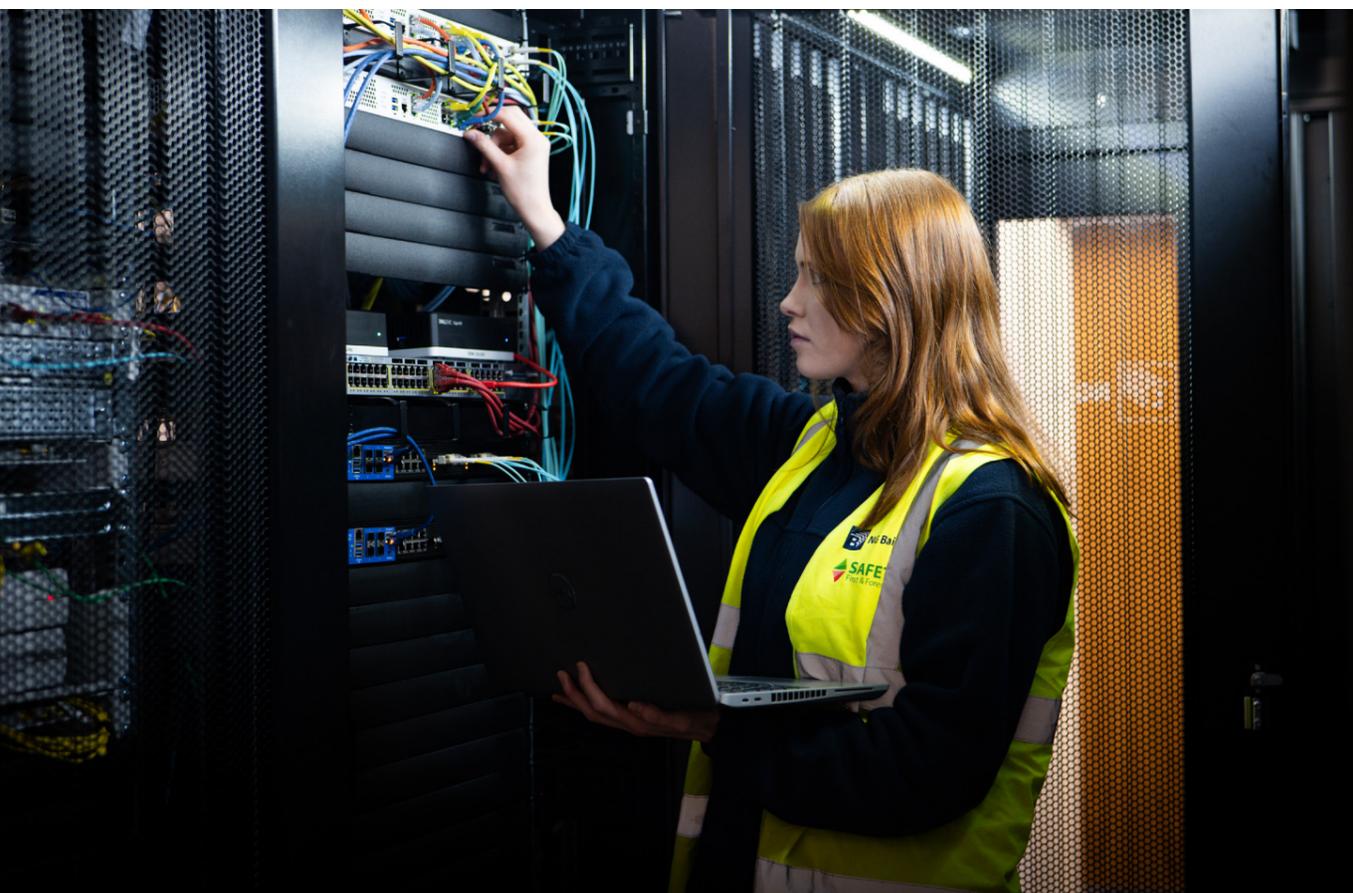
Fairness, inclusion and respect is a key focus for our business. As part of our commitment to being a great place to work we recognise the important role that a diverse and inclusive culture plays in our organisation. As a minimum we

expect all our people and those working on our behalf to treat those around them in a fair, inclusive and respectful manner. Our Equality, Diversity and Inclusion guide alongside our Codes of Integrity for Employees and Business Partners addresses our expectations.

Our dedicated Pride (LGBTQ+) Employee Network was launched in 2024/25. This initiative will engage and support our LGBTQ+ colleagues and allies, with the aim of fostering a more inclusive and supportive environment within our workplace. This network is a significant step forward in our ongoing commitment to fostering inclusion in our workplace. Inspired by a colleague-led proposal, we intend to build on this initiative and introduce additional employee networks as part of our fairness, inclusion, and respect strategy.

Annual 'My Voice' employee surveys provide insight into what the Group's people are thinking and feeling and help to shape our people strategy. The results and feedback from the December 2024 survey were positive. Team briefings, regular CEO briefings, business update videos and senior leadership conferences further enable the Group to engage and communicate with its people. A GLT communications plan was successfully implemented in 2024/25, received positive engagement, and continues to be actively implemented. A 'one-stop shop' for all communication and news is provided by the employee portal 'MyNGBailey'.

The Engineering business has an employee workplace forum to improve the level of engagement and collaboration. The aims of the forum are to enhance quality, safety and productivity on our project sites and ensure that the interests, ideas and concerns of all employees are heard, understood and responded to.



▲ Apprentice in our IT Services business working on a data centre move

Employees who raise concerns in good faith are protected and we offer various channels to ensure they can do so confidentially. This includes an independent and confidential reporting service, which we recently transitioned to Safecall. Safecall, run by a team of former police officers, offers a professional, impartial service available 24/7, every day of the year, with care and confidentiality. Alongside the introduction of Safecall, we have relaunched our Speak Up policy, encouraging our people to confidentially report their concerns if they are worried about potential wrongdoing or behaviour that is against the law, our values, policies or procedures.

In support of our strategic commitment to have a happy and healthy workforce, we have invested in a Group-wide Working Well strategy that has been designed to encourage individual wellbeing to deliver business and personal success together.

We promote our wellbeing offering via internal channels, including our Working Well Hub which makes resources, information and practical support accessible to all our people, and a series of awareness campaigns encouraging physical and mental health wellbeing, including a mental health awareness week.

We provide 24/7 support via our Employee Assistance Programme, a completely confidential and personal service offering counselling and advice for all employees. More than 1,300 employees across the Group have been trained in mental health and wellbeing awareness.

A Wellbeing Committee was formed in 2024/25, reflecting our ongoing commitment to prioritising the wellbeing of all colleagues across the NG Bailey Group. The committee will develop programmes and initiatives that promote a healthy, supportive, and productive work environment.

In March 2025, we relocated our Leeds headquarters to the White Rose Park, with our new office providing a great place to work for our Leeds-based workforce with high-quality amenities and good transport links.

We continue to have a hardship fund in place that supports our people if they find themselves in significant short-term financial hardship by providing support through grants or wage advances. Our employee discount scheme also helps our people make savings on day-to-day expenses with access to discounts and cashback offers through the 'My Discounts app'.

Since 2023/24, 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 themselves, with two further days of paid volunteering leave offered to support our communities.

We are investing heavily in our ICT systems to support our philosophy of 'making it easy to work here'.

OUR SUPPLIERS

Our supply chain partners form an important part of our business and play a key role in our continued success. We want to build and maintain a supply chain that embodies our values and vision. We manage our supply chain in a responsible and sustainable way and make sure we have a selection of suppliers and subcontractors who perform well and undertake their activities to the highest quality standards and safety expectations.

Payment Practices and Performance Reporting increases the level of scrutiny of how companies pay their suppliers. Payment performance in our sector is inherently challenging due to complex supply chains, contractual terms and the impact of disputes. Payment times for construction are higher than any other industry with lengthy payment terms and a culture of late payments increasing financial strain and inhibiting growth potential for businesses in our sector. 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 now at an industry leading, consistent level of 99% (2024: 98%).

In 2024/25, we partnered 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. Looking ahead, we plan to explore extending the use of this offering to our broader supplier base to increase their optionality around cash flow.

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 digital magazine Infocus and social media interactions. 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. We have recently undertaken a Group-wide Net Promoter Score (NPS) survey with excellent feedback from customers across the Group.

As a result, we continue to see high numbers of repeat customers and strong retention rates across the business.

PENSION TRUSTEE

We regularly communicate and work collaboratively with the Pension Trustee of our defined benefit pension scheme (The Pension and Life Assurance Plan of NG Bailey) including attendance by the Trustee at the Pension Steering Committee meetings periodically. This ensures that decisions made by both the Group and the defined benefit pension scheme reflect the interests of all stakeholders, particularly the members of the scheme.

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 pages 42 to 49.

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 'Journey to Net Zero' strategy continues to align with them.

We are always willing to listen to the concerns of our communities and have established communication channels via our website to facilitate this. We make every effort to ensure we operate as a good neighbour in our local communities making considerations for appearance, noise, environmental and access impacts as a result of our work.

We recognise that our sector needs to engage a diverse range of individuals if we are to continue to be successful. In light of this we are engaging with young people and educators in relation to their adoption of science, technology, engineering and maths (STEM). Through our engagement programme, INSPIRE, we've engaged with 7,800 young people across 101 UK schools, colleges and universities through our STEM (science, technology, engineering and maths) and careers sessions and provided 41 weeks of work placements as we have sought to bring real life experience and role models into the learning environment for the benefit of young people. This may help encourage them into STEM careers to address the current skills shortage.

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 totalling £52k (2024: £48k). Paid volunteering leave is available to all our people and an amazing 1,134 days of volunteering (2024: 900) were delivered during 2024/25.

We are partnering with CRASH, the Construction Industry's Charity as a corporate patron. This enables us to offer our skills, time and

resources for the charities that require CRASH's support and helps us to deliver social value back into the communities in which we work. Activities in the period included a wacky races charity bike ride in August 2024, apprentices from across the Group completing a charity walk in the Lake District in October 2024, and supporting their Christmas card appeal for the fourth year running.

One of our key considerations as a Group is to reduce our impact on the environment. We have a strong history of achievement and were an early adopter of low carbon technologies. We recognise there is work to do in this area, particularly in the context of business growth with a growing commercial fleet. Further details can be found in our Streamlined Energy and Carbon Reporting on pages 50 to 53.

HIS MAJESTY'S REVENUE AND CUSTOMS (HMRC)

We take our tax responsibilities extremely seriously and are committed to meeting our statutory tax obligations. Our low risk approach to tax is firmly embedded within the business and integral to our culture. We have a Group tax strategy in place which is annually updated, approved by the Board and published on our website.

We are committed to maintaining a transparent and constructive dialogue with HMRC with updates on business activities and key developments as they arise. We seek the views of HMRC on uncertain tax positions on a real-time basis.

This is demonstrated by the award of a low risk status by HMRC following its Business Risk Review of our tax controls and approach to tax matters during 2023, with the next review scheduled for later in 2025.

▼ Freedom surveying work at a substation



BAILEY FAMILY GUIDING PRINCIPLES

The Bailey Family Guiding Principles express our shared vision 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 and Our Business Values cascade into the NG Bailey One Story.

Our Values:

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

➤ **Passion** ➤ **Integrity** ➤ **Responsibility** ➤ **Excellence**

DIRECTORS' REPORT

DIRECTORS

The Directors who held office during the period and subsequently were as follows:

Ian Funnell	1 2 3 4 5 6	(Chairman)
Jonathan Stockton		(Chief Executive)
David Hurcomb <i>(resigned 1 June 2024)</i>		(Previous Chief Executive)
Clare Salmon <i>(appointed June 2024)</i>	5 7	(Group Finance Director)
Chris Bailey	1 2 3 4 5 7	
Martin Chown	1 2 3 4 7	
Claire East	1 2 4 6	
Jane Moriarty	1 2 5 6	

- 1** Non-Executive Director
- 2** Member of the Audit & Risk Committee (chaired by Jane Moriarty)
- 3** Member of the Remuneration Committee (chaired by Martin Chown)
- 4** Member of the Nomination Committee (chaired either by the Chairman 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 86.

On 4 March 2024, the Board approved the buy back of 328,720 ordinary shares from a shareholder for £1.0m.

An interim dividend for the period ended 28 February 2025 was paid on 13 December 2024 at the rate of £0.71 per share on the ordinary shares of 5p each amounting to £2.0m.

The Directors propose that a final dividend for the period ended 28 February 2025 be paid on the ordinary shares of 5p each at the rate of £0.86 amounting to £2.4m

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 current asset investments. The risk is managed by a subcommittee of the Board (Investment Committee) that is responsible for appointing and overseeing suitable investment managers and monitoring their performance against agreed benchmarks with regards to changes in risk profile.

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 30 to 37. 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 60 to 64.

The Group's reputation, strong balance sheet, balanced strategy and solid market positions mean it is optimistic and well positioned for the future. The Group has contracts with many customers and suppliers across its chosen sectors which align with investment trends. With the government's commitment to defence, nuclear, decarbonisation and infrastructure spending, the Group remains positive that the markets in which it operates will remain resilient.

A significant proportion of the Group's sales are protected against inflationary pressures by contractual provisions or through advance purchases on secured jobs. For new work, the Group's standard 'bid no bid' process and clearly defined acceptable commercial terms and conditions ensure the Group only commits to work at an appropriate price and in line with the Group's risk appetite. Proposed bid prices are kept open for a short period of time. The Group is only willing to accept the risk of taking on work where the impacts of risks can be acceptably managed.

The Group's high-quality order book has grown further to £1.6bn (2024: £1.4bn) whilst becoming lower risk. There is an increasing proportion of work directly with end clients alongside work through preferred main contractors, and a healthy mix of project work and predictable, recurring income contracts.

The Group has considerable financial resources including cash and deposits of £46.9m and liquid current asset investments of £44.7m at 28 February 2025. Additionally, the Group has

available bank facilities amounting to £25m (through the Group's three-year revolving credit facility).

In arriving at their opinion on going concern, the Directors have considered the Group's forecast for 12 months from the date of approval of these financial statements. The forecast was prepared based on current productivity with a high proportion of the Group's revenue in the forecast period already secured and includes consideration of future obligations on existing contracts.

Given the economic and trading uncertainties following the pandemic, Brexit, the conflicts in the Ukraine and the Middle East, and the recent US global tariffs, including inflationary pressures and availability of labour and materials challenges, the Directors have deemed it appropriate to carry out stress testing to model the impact of potential severe, albeit remote, downside scenarios. Under these remote downside scenarios, the cash flow forecasts indicate the Group would have comfortable headroom on 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 66 to 75 and the Section 172 statement on pages 24 and 25.

POST BALANCE SHEET EVENTS

There are no post balance sheet events requiring disclosure.

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 50 to 53.

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 23 May 2025 and signed on its behalf by:



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 28 February 2025 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 28 February 2025 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 81, 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 and revenue recognition 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.

Kelly Boorman
(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

23 May 2025

CONSOLIDATED INCOME STATEMENT

for the 12 month period ended 28 February 2025

	Note	2025			2024		
		Underlying performance* £m	Exceptional items and amortisation £m	Total £m	Underlying performance* £m	Exceptional items and amortisation £m	Total £m
TURNOVER	3	661.7	-	661.7	600.1	-	600.1
Cost of sales		(586.4)	-	(586.4)	(533.9)	-	(533.9)
GROSS PROFIT		75.3	-	75.3	66.2	-	66.2
Administrative expenses	4	(60.9)	(1.6)	(62.5)	(56.6)	(2.5)	(59.1)
Other operating income	4	0.6	-	0.6	1.6	-	1.6
OPERATING PROFIT	4	15.0	(1.6)	13.4	11.2	(2.5)	8.7
Interest receivable and similar income	7	4.5	-	4.5	2.2	-	2.2
Interest payable and similar charges	7	(0.2)	-	(0.2)	(0.2)	-	(0.2)
PROFIT BEFORE TAXATION		19.3	(1.6)	17.7	13.2	(2.5)	10.7
Tax on profit	8			(4.2)			(2.5)
PROFIT FOR THE FINANCIAL PERIOD				13.5			8.2

*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 91 to 113 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 12 month period ended 28 February 2025

	Note	2025 £m	2024 £m
PROFIT FOR THE FINANCIAL PERIOD		13.5	8.2
Remeasurement of defined benefit pension scheme asset	15	2.0	(0.7)
Deferred tax	18	(0.5)	0.1
OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE FINANCIAL PERIOD		1.5	(0.6)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		15.0	7.6

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

The notes on pages 91 to 113 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 28 February 2025
Company Registration No. 1490238

	Note	2025 £m	2024 £m
FIXED ASSETS			
Intangible assets	10	18.5	23.8
Tangible assets	11	16.7	18.1
		35.2	41.9
CURRENT ASSETS			
Stocks	13	0.8	1.4
Debtors: amounts falling due within one year	14	155.8	149.7
Pension scheme asset	15	34.0	31.2
Investments	16	44.7	42.6
Cash and deposits		46.9	27.3
		282.2	252.2
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(170.6)	(162.6)
NET CURRENT ASSETS		111.6	89.6
TOTAL ASSETS LESS CURRENT LIABILITIES		146.8	131.5
PROVISION FOR LIABILITIES	18	(5.9)	(2.6)
NET ASSETS		140.9	128.9
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	0.1	0.1
RESERVES			
Revaluation reserve	20	3.3	4.8
Capital redemption reserve	20	-	-
Retained earnings	20	137.5	124.0
		140.8	128.8
TOTAL EQUITY		140.9	128.9

These financial statements were approved by the Board of Directors on 23 May 2025 and were signed on its behalf by:



I G FUNNELL



J STOCKTON

The notes on pages 91 to 113 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 12 month period ended 28 February 2025

	Note	Share capital £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
AT 3 MARCH 2023		0.1	4.9	-	116.3	121.3
PROFIT FOR THE FINANCIAL PERIOD		-	-	-	8.2	8.2
Other comprehensive expense		-	-	-	(0.6)	(0.6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	7.6	7.6
Transfer of additional depreciation on revalued assets		-	(0.1)	-	0.1	-
AT 1 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

The notes on pages 91 to 113 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 12 month period ended 28 February 2025

	Note	2025 £m	2024 £m
PROFIT FOR THE FINANCIAL PERIOD		13.5	8.2
Adjustments for:			
Depreciation	4	4.0	4.0
Amortisation of intangible fixed assets	4	5.3	4.0
Profit on sale of tangible fixed assets	4	(2.1)	-
Interest receivable and similar income	7	(4.5)	(2.2)
Interest payable and similar charges	7	0.2	0.2
Tax charge	8	4.2	2.5
Decrease / (increase) in stock		0.6	(0.8)
Increase in debtors		(6.2)	(21.1)
Increase in creditors		8.4	4.0
Other non-cash items		0.7	0.8
		10.6	(8.6)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		24.1	(0.4)
Taxation paid		(1.7)	(0.1)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		22.4	(0.5)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets	11	(4.7)	(3.7)
Proceeds from sale of property		4.2	-
Proceeds from sale of other tangible fixed assets		-	0.2
Proceeds from sale of businesses		-	1.2
NET CASH USED IN INVESTING ACTIVITIES		(0.5)	(2.3)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	21	(2.0)	-
Purchase of own shares	19	(1.0)	-
Repayment of bank loans	22	-	(10.5)
Bank interest and fees	7	(0.2)	(0.2)
Purchase of investments	16	(3.1)	(34.1)
Sale of investments	16	4.0	34.4
NET CASH USED IN FINANCING ACTIVITIES		(2.3)	(10.4)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	22	19.6	(13.2)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	22	27.3	40.5
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	46.9	27.3

The notes on pages 91 to 113 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the 12 month period ended 28 February 2025

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 22 and 23.

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.

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 made up their financial statements to 28 February 2025. 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 30 to 37. 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 60 to 60.

The Group's reputation, strong balance sheet, balanced strategy and solid market positions mean it is optimistic and well positioned for the future. The Group has contracts with many customers and suppliers across its chosen sectors which align with investment trends. With the government's commitment to defence, nuclear, decarbonisation and infrastructure spending, the Group remains positive that the markets in which it operates will remain resilient.

A significant proportion of the Group's sales are protected against inflationary pressures by contractual provisions or through advance purchases on secured jobs. For new work, the Group's standard 'bid no bid' process and clearly defined acceptable commercial terms and conditions ensure the Group only commits to work at an appropriate price and in line with the Group's risk appetite. Proposed bid prices are kept open for a short period of time. The Group is not willing to accept the risk of taking on work where the impacts of inflation cannot be acceptably managed.

The Group's high-quality order book has grown further to £1.6bn (2024: £1.4bn) whilst becoming lower risk. There is an increasing proportion of work directly with end clients alongside work through preferred main contractors, and a healthy mix of project work and predictable, recurring income contracts.

2. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The Group has considerable liquid financial resources including cash and deposits of £46.9m and liquid current asset investments of £44.7m at 28 February 2025. Additionally, the Group has available undrawn bank facilities amounting to £25.0m (through the Group's secured three-year revolving credit facility).

In arriving at their opinion on going concern, the Directors have considered the Group's forecast for 12 months from the date of approval of these financial statements. The forecast was prepared based on current productivity with a high proportion of the Group's revenue in the forecast period already secured and includes consideration of future obligations on existing contracts.

Given the economic and trading uncertainties following the pandemic, Brexit, the conflicts in the Ukraine and the Middle East, and the recent US global tariffs, including inflationary pressures and availability of labour and materials challenges, the Directors have deemed it appropriate to carry out stress testing to model the impact of potential severe, albeit remote, downside scenarios. Under these remote downside scenarios, the cash flow forecasts indicate the Group would have comfortable headroom on 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, they continue 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 28 February 2025 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 28 February 2025, the value of amounts recoverable on contracts was £83.1m (2024: £73.3m) and the value of payments received on accounts was £5.2m (2024: £2.8m).

b) Valuation of properties

Freehold properties are professionally valued externally on five-year cycles and reviewed annually by a Directors' valuation supported by an external desktop review using market indices. Surpluses or deficits on individual properties are transferred to the revaluation reserve. Where deficits are considered permanent, these are charged to the income statement. At 28 February 2025, the value of freehold properties was £5.2m (2024: £7.3m).

Recent disposals of properties have realised proceeds in line with the carrying value in the financial statements. There have been no events following the reporting date which would indicate there has been a subsequent material movement in the value of properties.

c) 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 28 February 2025, the retirement benefit asset recognised on the Group's statement of financial position was £34.0m (2024: £31.2m). 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.

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.

2. ACCOUNTING POLICIES (CONTINUED)

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. 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	-	7 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.

2. ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. ACCOUNTING POLICIES (CONTINUED)

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.

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 £34.0m at 28 February 2025 (2024: £31.2m), 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 £15.9m (2024: £12.6m).

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.

2. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

ii. Financial liabilities

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

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.

3. TURNOVER

The turnover of the Group is principally related to the provision of activities in the following sectors in the United Kingdom:

	2025 £m	2024 £m
Analysis of turnover by sector:		
Engineering	346.1	312.0
Services	315.6	288.1
	661.7	600.1

4. OPERATING PROFIT

	2025 £m	2024 £m
Operating profit is stated after charging / (crediting):		
Amortisation of goodwill and acquired intangible assets	2.5	2.5
Amortisation of other intangible assets	2.8	1.5
Depreciation expense	4.0	4.0
Profit on disposal of tangible assets	(2.1)	-
Operating lease rentals	3.0	2.8
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	(0.6)	(1.6)
Rental income	(0.2)	(0.1)

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 £320k (2024: £298k) in respect of audit fees and £nil (2024: £nil) in respect of other professional fees.

4. OPERATING PROFIT (CONTINUED)

Exceptional items

	Note	2025 £m	2024 £m
Analysis of exceptional items:			
Administrative expenses:			
Leeds office move		0.9	-
		0.9	-

In February 2025, we sold our 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 period made up of the one-off profit on the sale of the property and associated relocation costs.

5. EMPLOYEES

	2025 £m	2024 £m
Employee costs during the period:		
Wages and salaries	187.0	177.4
Social security costs	20.4	18.9
Other pension costs: Defined contribution scheme	14.4	12.6
	221.8	208.9

	2025 No.	2024 No.
Average number of employees during the period:		
Management, engineering, sales and administrative	2,265	2,310
Hourly paid	1,203	1,101
	3,468	3,411

The average number of employees of the Company during the period was 199 (2024: 194) and the employee costs of the Company were £14.1m (2024: £13.8m).

The total remuneration of key management personnel was £3,421k (2024: £5,633k) being remuneration of £2,213k (2024: £2,298k) and incentive-based payments of £1,208k (2024: £3,335k).

6. DIRECTORS

Directors' remuneration

	2025 £000	2024 £000
The remuneration of the Directors was as follows:		
Emoluments excluding long-term incentive plans	1,671	2,120
Emoluments under long-term incentive plans	261	2,196
	1,932	4,316

The Group operated cash-settled long-term incentive plans for the financial periods ended 28 February 2025 and 1 March 2024. The awards under these plans are linked to a combination of financial and non-financial targets for the financial periods ended 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 the awards is being charged to the income statement over the three-year payment period. The Group also operated a cash-settled long-term retention arrangement linked to financial targets for the financial period ending 1 March 2024. The cost of this award was charged to the income statement over the performance period. Three (2024: two) directors were members of the Group's long-term incentive plans during the period.

Pensions

No directors (2024: 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:

	2025 £000	2024 £000
Emoluments excluding long-term incentive plans	826	1,049

Long-term incentive plan remuneration for the highest paid Director was £199k (2024: £2,094k).

7. NET INTEREST INCOME / (EXPENSE)

a) Interest receivable and similar income

	Note	2025 £m	2024 £m
Net interest income on post-employment benefits	15	1.5	1.5
Changes in fair value of listed investments	16	1.3	0.1
Interest income on money market investments	16	1.7	0.6
		4.5	2.2

b) Interest payable and similar charges

	Note	2025 £m	2024 £m
Interest expense on bank loans		(0.2)	(0.2)
		(0.2)	(0.2)

8. TAX ON PROFIT

The tax charge is based on the profit for the period and represents:

	2025 £m	2024 £m
Current taxation:		
UK corporation tax	0.7	0.8
Foreign tax	0.5	0.3
Adjustments in respect of prior periods	0.2	0.3
Total current tax charge	1.4	1.4
Deferred taxation:		
Origination and reversal of timing differences	3.2	1.7
Adjustments in respect of prior periods	(0.4)	(0.6)
Total deferred tax charge	2.8	1.1
Total tax charge	4.2	2.5

The tax assessed for the period is lower than (2024: lower than) the standard rate of corporation tax in the United Kingdom at 25% (2024: 24.5%). The differences are explained as follows:

	2025 £m	2024 £m
Profit before taxation	17.7	10.7
Profit multiplied by the standard rate of corporation tax in the United Kingdom of 25% (2024: 24.5%)	4.4	2.6
Income not subject to tax	(0.1)	-
Expenses not deductible for tax purposes	0.3	0.2
Other temporary differences	(0.1)	-
Impact of overseas tax rates	(0.1)	-
Adjustments in respect of prior periods	(0.2)	(0.3)
Total tax charge	4.2	2.5

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 28 February 2025 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 (2024: 25%).

9. PROFIT OF THE COMPANY FOR THE FINANCIAL PERIOD

	2025 £m	2024 £m
Profit for the financial period before dividend dealt with in the financial statements of the Company	2.6	0.7

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 2 March 2024 and 28 February 2025	13.4	0.6	16.6	8.0	0.5	5.5	2.3	16.3	46.9
ACCUMULATED AMORTISATION									
At 2 March 2024	7.6	0.2	6.6	4.0	0.5	2.2	2.0	8.7	23.1
Charge for the period	2.7	0.1	1.1	0.7	-	0.4	0.3	1.4	5.3
At 28 February 2025	10.3	0.3	7.7	4.7	0.5	2.6	2.3	10.1	28.4
NET BOOK VALUE									
At 28 February 2025	3.1	0.3	8.9	3.3	-	2.9	-	6.2	18.5
At 1 March 2024	5.8	0.4	10.0	4.0	-	3.3	0.3	7.6	23.8

COMPANY	Software £m
COST OR VALUATION	
At 2 March 2024 and 28 February 2025	11.5
ACCUMULATED AMORTISATION	
At 2 March 2024	6.8
Charge for the period	2.2
At 28 February 2025	9.0
NET BOOK VALUE	
At 28 February 2025	2.5
At 1 March 2024	4.7

The individual intangible asset, excluding goodwill, which is material to the financial statements is the enterprise resource planning system used by certain parts of the Services division which has a carrying amount of £2.5m (2024: £4.7m) and a residual amortisation period of 2 years (2024: 4 years).

11. TANGIBLE ASSETS

	Land and buildings £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
CONSOLIDATED				
COST OR VALUATION				
At 2 March 2024	9.8	2.6	25.0	37.4
Additions	-	1.5	3.2	4.7
Disposals	(2.8)	(0.2)	(3.8)	(6.8)
At 28 February 2025	7.0	3.9	24.4	35.3
ACCUMULATED DEPRECIATION				
At 2 March 2024	2.5	1.5	15.3	19.3
Charge for the period	0.4	0.4	3.2	4.0
Disposals	(1.1)	(0.1)	(3.5)	(4.7)
At 28 February 2025	1.8	1.8	15.0	18.6
NET BOOK VALUE				
At 28 February 2025	5.2	2.1	9.4	16.7
At 1 March 2024	7.3	1.1	9.7	18.1

	Land and buildings £m	Fixtures and fittings £m	Total £m
COMPANY			
COST OR VALUATION			
At 2 March 2024	9.8	24.3	34.1
Additions	-	3.2	3.2
Disposals	(2.8)	(3.8)	(6.6)
At 28 February 2025	7.0	23.7	30.7
ACCUMULATED DEPRECIATION			
At 2 March 2024	2.5	14.9	17.4
Charge for the period	0.4	3.1	3.5
Disposals	(1.1)	(3.5)	(4.6)
At 28 February 2025	1.8	14.5	16.3
NET BOOK VALUE			
At 28 February 2025	5.2	9.2	14.4
At 1 March 2024	7.3	9.4	16.7

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 28 February 2025 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:

	2025 £m	2024 £m
Cost	7.8	12.7
Accumulated depreciation	(5.5)	(9.9)
Net book value	2.3	2.8

All other tangible fixed assets are stated at historical cost less accumulated depreciation.

12. INVESTMENTS IN SUBSIDIARIES

COMPANY	£m
COST	
At 2 March 2024 and 28 February 2025	0.1
PROVISIONS FOR IMPAIRMENT	
At 2 March 2024 and 28 February 2025	-
NET BOOK VALUE	
At 28 February 2025	0.1
At 1 March 2024	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 and nuclear:
 - 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
		2025	2024	
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	
	2025 £m	2024 £m	2025 £m	2024 £m
Raw materials	0.6	0.9	-	-
Work in progress	0.2	0.5	-	-
	0.8	1.4	-	-

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Amounts recoverable on contracts	83.1	73.3	-	-
Trade debtors	48.1	59.5	-	0.1
Other debtors	2.0	1.8	3.4	4.5
Corporation tax	0.3	1.4	1.4	-
Amounts owed by Group undertakings	-	-	-	1.2
Group relief	-	-	0.8	-
Prepayments and accrued income	22.3	13.7	3.4	2.0
	155.8	149.7	9.0	7.8

15. PENSION SCHEME

The Group participates in a defined benefit pension scheme, The Pension and Life Assurance Plan of NG Bailey.

The Pension and Life Assurance Plan of NG Bailey 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. Most of the scheme's current pensioners are covered by an insurance policy, although they remain the responsibility of the scheme. The scheme is externally funded and was contracted-out of the second-tier of State pension provision.

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 1 March 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.

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits"

The actuarial valuation described above has been projected to 28 February 2025. 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.

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

For FRS102 purposes the following financial assumptions have been used:

	2025 % p.a.	2024 % p.a.
Consumer Prices Index inflation ('CPI')	2.80	2.80
Retail Prices Index inflation ('RPI')	3.20	3.25
Rate of increase for deferred pensions in excess of GMP	2.80	2.80
Rate of increase for deferred pensions GMP benefits	4.80	4.80
Rate of increase for pensions in payment (post 2008)	2.05	2.05
Rate of increase for pensions in payment (post 1997, pre 2008)	2.75	2.75
Rate of increase for pensions in payment (pre 1997)	0.00	0.00
Discount rate	5.45	5.00

The most significant non-financial assumption is the assumed rate of longevity. Post-retirement mortality at 28 February 2025 has been assumed to be in accordance with 100% (2024: 105%) of the published self-administered pension scheme survey standard tables projected from 2017 (2024: standard tables projected from 2007) using 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 (2024: 2022 CMI core projections with a 1.5% p.a. long-term trend improvement for males and females and the default "w" parameter of 25% for 2022, and nil for 2021 and 2020). For the 2023 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 (2024: for the 2022 tables, a smoothing factor of 7.0 and an initial addition to mortality improvements of 0.5%).

At 28 February 2025, the implied life expectancies are as follows:

	Males Years	Females Years
For a member aged 65 at 28 February 2025	86.9	89.4
For a member aged 45 at 28 February 2025	88.5	91.1

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Change in assumption	Impact on liabilities
Discount rate	0.1% +/-	£2.8m +/-
Inflation and pension increases	0.1% +/-	£2.0m +/-
Life expectancy	1 year +/-	£5.9m +/-

The above 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 a hedging strategy, which is achieved by investing in a Liability Driven Investment (LDI) portfolio. This is an investment in a fund containing a range of assets which respond to market movements in a way that closely matches how the scheme's liabilities respond to changes in interest rates and inflation. The scheme has also purchased insurance contracts (annuities) which match the majority of the scheme's pensioner liabilities. The LDI portfolio and annuities will mean that the balance sheet position of the scheme is less sensitive to changes in interest rates or inflation than the sensitivities shown above for the scheme's liabilities in isolation.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
Equities	7.5%	8.0%
Property	0.2%	0.7%
Corporate bonds	6.2%	6.1%
Semi-liquid credit fund	-	10.1%
Multi-asset funds	12.6%	10.7%
LDI portfolio	27.3%	37.2%
Annuities	24.5%	26.5%
Asset-backed securities	10.7%	-
Cash	11.0%	0.7%

The scheme assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

To capitalise on the strong position of the scheme, the scheme has purchased insurance contracts (annuities) which match the majority of the scheme's pensioner liabilities. The scheme holds the insurance policies as investments which are valued at the estimated value of the related liabilities measured using the FRS102 assumptions.

During the period, the scheme has invested in an asset-backed securities fund which aims to provide additional liquid collateral in times of market stress. Asset-backed securities are credit investments that are backed by an underlying pool of assets that generate income (e.g. mortgages or car loans). These loans are too small on their own to justify investment so these assets are pooled together. As the loans are typically floating rate, asset-backed securities are less affected by changes in market interest rates.

The scheme also holds multi-asset funds that seek to provide a total return, taking into account both capital and income returns over the long-term through multiple asset classes which are together expected to generate growth with comparatively lower risk than investing in worldwide equities alone.

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Analysis of the movement in the scheme surplus during the period				
Surplus at 2 March 2024	31.2	31.2	-	-
Actuarial gain / (loss)	2.0	(0.7)	-	-
Net interest income	1.5	1.5	-	-
Scheme administration expenses	(0.7)	(0.8)	-	-
Surplus at 28 February 2025	34.0	31.2	-	-

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. The scheme's surplus is recognised on the balance sheet of NGBF Holdings Limited.

	Note	Consolidated		Company	
		2025 £m	2024 £m	2025 £m	2024 £m
Amounts charged to operating profit in respect of defined benefit schemes					
Scheme administration expenses		0.7	0.8	-	-
Amounts credited to interest receivable and similar income					
Net interest income on defined benefit asset	7	(1.5)	(1.5)	-	-
Total consolidated income statement credit before deduction of tax		(0.8)	(0.7)	-	-

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Analysis of amounts recognised in other comprehensive income / (expense)				
Loss on pension scheme assets	(12.8)	(12.9)	-	-
Gain on change of assumptions	13.4	9.4	-	-
Experience gains	1.4	2.8	-	-
Total actuarial gain / (loss) recognised in other comprehensive income / (expense)	2.0	(0.7)	-	-

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Analysis of the change in the present value of the scheme's liabilities				
Liabilities at 2 March 2024	229.5	237.7	-	-
Interest cost	11.3	11.5	-	-
Actuarial gain	(14.8)	(12.2)	-	-
Benefits paid	(9.0)	(7.5)	-	-
Liabilities at 28 February 2025	217.0	229.5	-	-

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Analysis of the change in the fair value of the scheme's assets				
Assets at 2 March 2024	260.7	268.9	-	-
Interest income	12.8	13.0	-	-
Loss on scheme assets excluding interest income	(12.8)	(12.9)	-	-
Scheme administration expenses	(0.7)	(0.8)	-	-
Benefits paid	(9.0)	(7.5)	-	-
Assets at 28 February 2025	251.0	260.7	-	-

15. PENSION SCHEME (CONTINUED)

b) Information relating to Financial Reporting Standard No. 102 "Retirement benefits" (continued)

The scheme's liabilities decreased by £14.8m due to changes in actuarial assumptions (2024: decreased by £12.2m). The main drivers for the decrease in the current period were 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. The decrease in the prior period was due to the combined impact of an increase in the discount rate caused by the rise in corporate bond yields, a decrease in the assumed inflation rate, updated expectations of life expectancy improvements and an allowance for updated scheme membership data obtained during the prior period.

Assets of the scheme had a loss of £12.8m excluding interest income (2024: a loss of £12.9m) over the period driven mostly by changes in the value of the scheme's LDI investments, which are designed to respond to market movements in a way that closely matches how pension scheme liabilities respond to interest rates. This demonstrates the effectiveness of the scheme's hedging strategy.

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. This ruling may affect other salary-related schemes contracted-out and amended between April 1997 and April 2016. There is still uncertainty, as new government legislation could change the ruling. The Group had been waiting for the Court of Appeal's ruling before looking into possible effects on its pension schemes. Investigations are in the early stages so the Group cannot reliably estimate the impact at this time on its defined benefit obligations and hasn't included it in its calculations at the reporting date.

Estimated contributions for the period from 28 February 2025

Further estimated contributions by the employer for the period beginning 28 February 2025 are £nil (2024: £nil).

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Five year history					
Scheme liabilities	(217.0)	(229.5)	(237.7)	(365.1)	(357.8)
Scheme assets	251.0	260.7	268.9	404.5	388.6
Asset	34.0	31.2	31.2	39.4	30.8
(Loss) / gain on scheme assets	(12.8)	(12.9)	(138.1)	13.1	(16.0)
Percentage of scheme assets	(5.1%)	(4.9%)	(51.4%)	3.2%	4.1%
Experience gain / (loss) on scheme liabilities	1.4	2.8	(0.4)	-	-
Percentage of scheme liabilities	0.6%	1.2%	(0.2%)	0.0%	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	
	2025 £m	2024 £m
Listed investments at fair value		
Listed on a recognised investment exchange	31.9	24.7
Listed on an exchange of repute outside the United Kingdom	12.8	17.9
	44.7	42.6

	£m
Investments	
At 2 March 2024	42.6
Purchase of investments	3.1
Sale of investments	(4.0)
Fair value movement	1.3
Interest income on money market investments	1.7
At 28 February 2025	44.7

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Payments received on account	5.2	2.8	-	-
Trade creditors	50.4	59.1	2.1	2.0
Accruals	61.3	56.7	10.1	9.9
Other taxation and social security	21.0	15.6	0.3	0.3
Deferred income	32.7	28.0	-	-
Corporation tax	-	0.4	-	-
Amounts owed to subsidiary companies	-	-	4.7	-
	170.6	162.6	17.2	12.2

Amounts owed to subsidiary undertakings are unsecured, interest free and are repayable on demand.

18. DEFERRED TAX LIABILITY / (ASSET)

	Note	Consolidated Deferred tax £m	Company Deferred tax £m
At 2 March 2024		2.6	(1.0)
Debit to the income statement	8	2.8	1.6
Debit to other comprehensive income*		0.5	-
At 28 February 2025		5.9	0.6

* Deferred tax debit to other comprehensive income relates to movements in the deferred tax assets and liabilities associated with revalued property and the pension scheme asset.

Deferred taxation liability / (asset) provided for at 25% (2024: 25%) in the financial statements is set out below:

	Consolidated		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Accelerated capital allowances	0.6	0.4	0.8	0.7
Revalued property	(0.3)	(0.9)	(0.3)	(0.9)
Investments at fair value	0.4	0.5	0.4	0.5
Other short-term timing differences	(1.0)	(1.1)	(0.1)	(0.5)
Losses available to carry forward	(3.9)	(6.0)	(0.2)	(0.8)
Pension scheme asset	8.5	7.8	-	-
Acquired intangible assets	1.6	1.9	-	-
	5.9	2.6	0.6	(1.0)

The amount of the net reversal of deferred tax expected to occur next period is £3.1m (2024: £2.8m) relating to the reversal of other timing differences and utilisation of tax losses. There are no unrecognised tax losses at 28 February 2025 (2024: £nil).

19. CALLED UP SHARE CAPITAL

	Consolidated and Company	
	2025 £m	2024 £m
Share capital - allotted, called up and fully paid		
2,806,896 (2024: 2,824,657) 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

	2025 £m	2024 £m
Analysis of amounts recognised in other comprehensive income / (expense)		
Interim 2025 dividend at £0.71 (2024: interim 2024 dividend at £nil) per 5p share	2.0	-
	2.0	-

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 2 March 2024 £m	Cash flow £m	At 28 February 2025 £m
Cash and deposits	27.3	19.6	46.9
Net funds	27.3	19.6	46.9

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	
	2025 £m	2024 £m	2025 £m	2024 £m
within one year	12.2	9.9	11.4	9.7
within two to five years	20.9	21.4	19.4	20.9
after five years	1.7	-	0.6	-
	34.8	31.3	31.4	30.6

24. FINANCIAL ASSETS AND LIABILITIES

The Group's financial instruments may be analysed as follows:

	Consolidated	
	2025 £m	2024 £m
Financial assets		
Financial assets measured at fair value through the income statement	44.7	42.6

Financial assets measured at fair value through the income statement comprise current asset investments in a trading portfolio of listed company shares.

COMPANY STATEMENT OF FINANCIAL POSITION

at 28 February 2025
Company Registration No. 1490238

	Note	2025 £m	2024 £m
FIXED ASSETS			
Intangible assets	10	2.5	4.7
Tangible assets	11	14.4	16.7
Investments	12	0.1	0.1
		17.0	21.5
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	9.0	7.8
Deferred tax asset	18	-	1.0
Investments	16	44.7	42.6
Cash and deposits		9.9	2.5
		63.6	53.9
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(17.2)	(12.2)
NET CURRENT ASSETS		46.4	41.7
TOTAL ASSETS LESS CURRENT LIABILITIES		63.4	63.2
PROVISIONS FOR LIABILITIES	18	(0.6)	-
NET ASSETS		62.8	63.2
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	0.1	0.1
RESERVES			
Revaluation reserve	20	3.3	4.8
Capital redemption reserve	20	-	-
Retained earnings	20	59.4	58.3
		62.7	63.1
TOTAL EQUITY		62.8	63.2

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 £2.6m (2024: a profit of £0.7m).

These financial statements were approved by the Board of Directors on 23 May 2025 and were signed on its behalf by:



I G FUNNELL



J STOCKTON

The notes on pages 91 to 113 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the 12 month period ended 28 February 2025

	Note	Share capital £m	Revaluation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
AT 3 MARCH 2023		0.1	4.9	-	57.5	62.5
PROFIT FOR THE FINANCIAL PERIOD	9	-	-	-	0.7	0.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	0.7	0.7
Transfer of additional depreciation on revalued assets		-	(0.1)	-	0.1	-
AT 1 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
Transfer of revalued reserve		-	(1.5)	-	1.5	-
Transactions with owners						
Purchase of own shares	19	-	-	-	(1.0)	(1.0)
Dividends paid	21	-	-	-	(2.0)	(2.0)
AT 28 FEBRUARY 2025		0.1	3.3	-	59.4	62.8

The notes on pages 91 to 113 form an integral part of these financial statements.

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