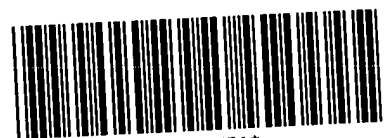


ENGINEERING FOR A BETTER TOMORROW

Company number
650447

WEDNESDAY



ADV8FNE1
A08 29/01/2025 #286
COMPANIES HOUSE

CONTENTS

Strategic report

IFC	Highlights
1	Why invest
2	Strategic roadmap
4	This is us
6	Chairman's statement
9	Chief Executive Officer's review
17	Market focus
20	Business model
23	Our strategy
25	Our culture
27	Key performance indicators
29	Section 172(1) statement
30	Stakeholder engagement
34	Operational review
47	Financial review
51	Sustainability
62	Climate-Related Financial Disclosures
72	Risk management
78	Non-financial and sustainability information statement

Governance

79	Chairman's introduction to Governance
80	Board of Directors
82	Governance at a glance
84	Statement of corporate governance
92	Audit and Risk Committee report
95	Nomination Committee report
97	Directors' remuneration report
105	Directors' report
108	Statement of Directors' responsibilities

Financial statements

109	Independent auditor's report
114	Group income statement
115	Group statement of comprehensive income
115	Group statement of changes in equity
116	Group balance sheet
117	Group cashflow statement
118	Notes to the accounts
154	Company balance sheet
155	Company statement of comprehensive income
155	Company statement of changes in equity
156	Notes to the Company accounts
163	Directors, officers and advisors
164	Shareholder information
IBC	Our subsidiary businesses

We operate on some of the country's most challenging infrastructure networks directly delivering day-to-day engineering support services.

ENGINEERING FOR A BETTER TOMORROW

www.renewholdings.com

Read more about our business, people and operations

Group¹ revenue

£1,057m

2023: £887.6m

2024	1,057*
2023	887.6*
2022	849.0

Adjusted¹ operating profit

£70.9m

2023: £62.4m

2024	70.9*
2023	62.4*
2022	58.8

1. Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

* Following the disposal of Walter Lilly post period end, the financial statements have been amended to exclude its trading result from profit for the year from continuing activities. Its result has been included in discontinued activities. All FY23 comparatives have been restated accordingly, in compliance with IFRS 5.

Full year dividend per share

19.0p

2023: 18.0p

2024	19.0
2023	18.0
2022	17.0

Adjusted¹ operating margin

6.7%

2023: 7.0%

2024	6.7*
2023	7.0*
2022	6.9

WHY INVEST

BUILDING VALUE CREATION AND STRONG LONG-TERM GROWTH PROSPECTS

1

**Market-leading position,
expertise and capabilities**

Read more on page 3

2

**High quality,
value-accretive
compounder**

Read more on page 8

3

**Exposure to attractive
long-term, non-discretionary
structural growth drivers**

Read more on page 16

4

**Differentiated low-risk
business model**

Read more on page 22

5

**Strong long-term
growth prospects**

Read more on page 46

6

**Ideally poised to benefit from
green infrastructure investment**

Read more on page 50

WORKING TOGETHER

We support the maintenance and renewal of essential UK infrastructure, performing a critical role in keeping the nation's infrastructure functioning efficiently and safely.

Our purpose

We provide essential engineering services to maintain and renew critical infrastructure networks.

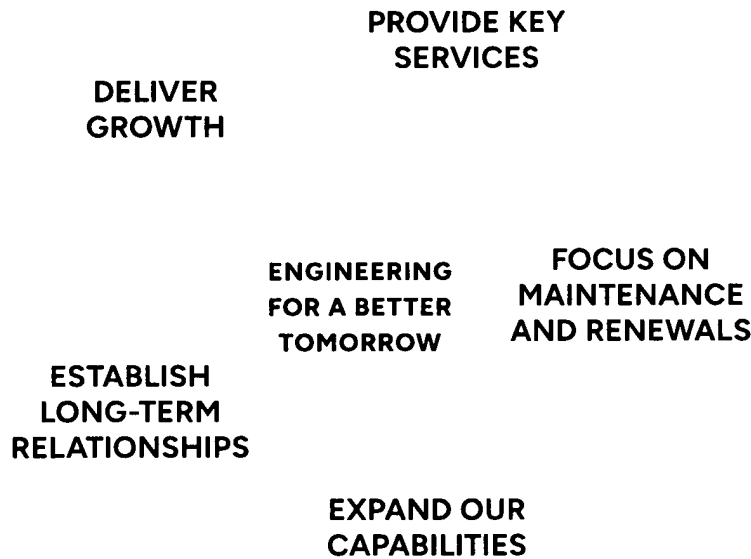
Our multidisciplinary engineering services are delivered through our independently branded subsidiary businesses that support the vital day-to-day running of these infrastructure networks.

Our vision

To safely and sustainably deliver these vital engineering services that improve the performance of critical infrastructure assets.

To deliver our priorities and to satisfy all our stakeholders in the execution of our strategy.

Our strategy



Read more on pages 23 and 24

Sustainability

We continue to deliver against our key sustainability commitment areas with responsibility and transparency at the heart of our approach.

Read more on pages 51 to 61

Environment

Using technology and innovative working practices to reduce our carbon footprint.

Social

Building relationships with a wide range of local stakeholders, including schools, communities and customers.

Governance

Acting responsibly to deliver sustainable value.

WHY INVEST

MARKET-LEADING POSITION, EXPERTISE AND CAPABILITIES

How we deliver

- Our businesses work in markets with high barriers to entry which demand a highly skilled, experienced workforce and a proven track record of safe delivery.
- We develop our range of specialist skills enabling us to provide a more efficient and valuable service to our clients.
- We target acquisitive opportunities that both broaden our range of capabilities and provide entry into markets that benefit from long-term regulatory spending programmes.
- We develop long-term relationships with our clients, delivering both planned and reactive services to maintain their infrastructure assets.

Link to strategy

1 2 3 4

Read more on pages 34 to 45

ENGINEERING FOR A BETTER TOMORROW

WHAT WE DO

We provide essential engineering services to maintain and renew critical infrastructure networks.

The opportunity

Government policies that will underpin expenditure across the infrastructure markets in which we operate include the 10-year infrastructure strategy, Great British Energy investment of £8.3bn by 2030, the National Wealth Fund investment of £7.3bn in ports, carbon capture and green hydrogen and the creation of Great British Rail which will underpin investment in the rail sector.

Future focus

Investment in our chosen markets looks likely to remain strong despite the recent change of government, providing us with organic growth opportunities through our focus on asset management programmes with non-discretionary funding and high barriers to entry.

OUR FOUR CORE MARKETS

Rail

As a major provider of infrastructure services to the rail network nationally, we support its day-to-day operations by providing a high volume of essential, non-discretionary asset maintenance activities.

Through our long-term frameworks we deliver a range of services, including civil asset management, fencing, devegetation, drainage and electrification services.

Link to strategy

1 2 3 4 5

Read more on pages 34 and 35

Infrastructure

We deliver specialist engineering services across the strategic highways network, predominantly for National Highways through a number of asset delivery framework agreements. Services include infrastructure civils, specialist drainage, lighting and electricals. We also undertake all aspects of wireless telecoms network infrastructure delivery and aviation support and asset care.

Link to strategy

1 2 3 4 5

Read more on pages 36 to 39

Energy

Our services are associated with high-hazard risk reduction operations at nuclear facilities that include waste treatment, reprocessing, decommissioning and decontamination operations. Our electricity distribution expertise supports the ongoing maintenance and upgrade of the UK's critical energy network. We also provide long-term maintenance and asset renewal support to UK renewable energy sites and thermal power generation plants as well as onshore wind turbine services.

Link to strategy

1 2 3 4 5

Read more on pages 40 to 43

Environmental

We support our water clients by directly delivering asset maintenance and renewals across water infrastructure networks, including flood alleviation and river and coastal defence schemes. We also specialise in undertaking complex remediation and specialist restoration schemes for our clients.

Link to strategy

1 2 3 4 5

Read more on pages 44 and 45

www.renewholdings.com
Read more about our
operations and collaborations

OUR COLLABORATIONS

DELIVERING FIRST-CLASS SOLUTIONS

Combining the capabilities, experience and relationships of Group companies to target selected opportunities in new and existing markets is providing increased opportunities for organic growth.

HOW WE COLLABORATE

Envolve / QTS

Successfully awarded a fencing framework with Dŵr Cymru Welsh Water.

AmcoGiffen / REL / QTS

Overhead line electrification combined with existing rail skills positions the business strongly for decarbonisation opportunities.

AmcoGiffen / Carnell

Collaboration between AmcoGiffen and Carnell resulted in the award of the Road Restraint System Framework for National Highways.

Enisca / Browne

Collaborative opportunities with South East Water and Essex & Suffolk (Northumbrian) Water.

AmcoGiffen / Excalon

An AmcoGiffen and Excalon joint venture collaboration delivered a bid for the National Grid Transmission Framework.

Clarke Telecom / QTS

Collaborating to deliver wireless telecommunications for communities in areas that are poorly served by existing services.

Our principal subsidiaries

Building partnerships

Future projects

There are also numerous opportunities to cross-sell specialist services across the Group to improve the quality, speed and cost efficiency of our offering to new and existing clients.

CHAIRMAN'S STATEMENT

David Brown
Chairman

"The Group's unique compounding business model, best-in-class returns profile and strong balance sheet mean we are well positioned to take further advantage of the Government's ongoing commitment to maintain and upgrade the UK's critical infrastructure."

Introduction

I am pleased to announce that the Group achieved another year of record financial performance, with excellent organic revenue growth, a robust operating profit margin, strong operating cash generation and the delivery of a number of successful acquisitions. These exceptional results underscore the Group's core capabilities and strong presence in long-term, sustainable growth sectors.

Differentiated business model

Our differentiated compounding business model and the services we provide continue to support key infrastructure assets in regulated markets. Our markets enjoy committed funding which provides visible, reliable and resilient revenues via long-term programmes.

We deliver non-discretionary maintenance and renewals tasks with an unwavering commitment to health and safety. Operating in complex, challenging and highly regulated environments, our markets have high barriers to entry. We directly employ a highly skilled workforce which enables us to be extremely responsive to our clients' needs and we are committed to adding value through innovation and collaboration.

Results

Group revenue¹ increased to £1,057.0m (2023: £887.6m) with adjusted¹ operating profit increasing to £70.9m (2023: £62.4m) and an adjusted¹ operating margin of 6.7% (2023: 7.0%). Statutory operating profit was £61.2m (2023: £57.7m). The adjusted¹ earnings per share has increased by 5.8% to 65.9p (2023: 62.3p) and basic earnings per share was 55.6p (2023: 58.4p). The Group had a pre-IFRS 16 net cash¹ position of £25.7m (2023: £35.7m), in line with our expectations.

During the period we were delighted to announce three strategically compelling acquisitions, each of which is progressing in line with our pre-acquisition integration and performance plan:

Excalon Holdings Limited is a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector. Excalon has a number of long-term frameworks with electricity Distribution Network Operators ("DNOs") across the UK, which broadens Renew's exposure to another critical UK infrastructure market. This acquisition presents tremendous long-term growth opportunities by providing the Group with access to both new and existing frameworks that we would not previously have been able to win.

Route One Holdings (Wakefield) Ltd was acquired by Renew's subsidiary business, Carnell Group Holdings Ltd. Route One is a multidisciplinary specialist engineering business providing bridge deck maintenance and protection in the UK Highways sector. Route One has a number of long-term frameworks on the National Highways Scheme Delivery Frameworks across England and will expand Carnell's offering by adding several new capabilities to the Group's highways business.

T.I.S. Cumbria Ltd (TIS) is a leading nuclear manufacturing and fabrication specialist. In line with the Group's strategy, the acquisition enhanced Renew's nuclear services offering by immediately doubling manufacturing capacity and strengthened Renew's position in the growing nuclear decommissioning and new build markets.

Post period end, we were very pleased to announce the acquisition of Full Circle Group Holding B.V., a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe. The acquisition of Full Circle represents an exciting opportunity for the Group to enter the high-growth and fragmented onshore wind services market and signifies the first move to accessing end markets outside of the UK through a low-risk and disciplined approach. We are delighted to welcome the management and staff of Full Circle to the Renew family.

Additionally, post period end, the Group disposed of Walter Lilly & Co. Limited on a cash free/debt free basis to Size Holdings Limited. The disposal sees the Group exit its only remaining Specialist Building business and is consistent with the Group's strategy of focusing activities on Specialist Engineering where it targets end markets delivering maintenance and renewals programmes that benefit from long-term, non-discretionary funding programmes.

Buoyed by the recent acquisitions, Renew's progress against the Group strategy has accelerated significantly over 2024 and the Group continues to strengthen its market-leading position in its chosen long-term growth markets.

Dividend

The Group's strong trading performance, cash position and positive outlook give the Board the confidence to propose a final dividend of 12.67p (2023: 12.00p) per share. If approved by shareholders, this will represent a full year dividend of 19.00p (2023: 18.00p) per share, an increase of 5.6%.

ESG

We remain committed to achieving net zero by no later than 2040 driven by our Climate and Nature Steering Group that comprises representatives from all the Group's subsidiary businesses and which focuses on developing the Group's climate opportunities and climate-related financial disclosure reporting. We were also pleased to retain our London Stock Exchange's Green Economy Mark, which recognises those companies that derive over 50 per cent of revenue from products and services that are contributing to environmental objectives.

We recognise the positive impact our business can have on the broader community, and we are committed to building stronger connections with local schools, educational institutions and our surrounding communities. The training and development of our colleagues remain essential to the Group's long-term success and we now have around 330 trainees, apprentices and graduates across the business.

As a Board, we are responsible for ensuring the effective application of high levels of governance within our business, balancing the interests of all our stakeholders. As a minimum, the Group complies with the QCA Corporate Governance Code, more details of which can be found in the corporate governance section of the Group's website. Risk management is led by the Board, which reviews the Group's risk profile on an ongoing basis alongside the Audit and Risk Committee.

During the year, the reporting structure of the Group was reviewed in order to address the growth in both size and complexity of the Group. The Board supported the creation of an Executive Board which comprises the Group's Chief Executive Officer, Chief Financial Officer, Group Commercial Director and the Sector Directors. The Executive Board will report to the Chief Executive Officer. The Executive Board will assist the Chief Executive Officer with the day to day management of the Group's subsidiary businesses.

Board changes

On 2 April 2024, having served on the Board as Executive Director (Rail) for more than 8 years, Andries Liebenberg informed the Board of his intention to retire effective 31 January 2025. The Board would like to take this opportunity to thank Andries for the significant contribution he has made to the Group since his appointment and to wish him well in his retirement.

People and safety

The Board deeply values the essential contributions of its employees to the Group's success, and it sincerely thanks all its colleagues for their unwavering commitment and dedication. We remain focused on ensuring the mental and physical wellbeing of all our colleagues and continue to provide support through a number of schemes, including our Employee Assistance Programme.

Our goal is to foster a secure working environment that safeguards all our colleagues and those who work with us from injury throughout our operations. The Group's health and safety performance is discussed as a priority at each Board meeting and during the year we continued to focus on the behavioural science aspects of safety to further improve our strong safety record.

Future focus

The delivery of our long-term strategy is built on effective relationships with our directly employed workforce, customers, suppliers, shareholders and wider stakeholders, and these are critical to the ongoing success of the business. We will continue to deliver our strategic priorities whilst focusing on our environmental, social and governance responsibilities and on our approach to diversity and inclusion as we move through 2025 and beyond.

The Group's unique compounding business model, best-in-class returns profile and strong balance sheet mean we are well positioned to take further advantage of the Government's ongoing commitment to maintain and upgrade the UK's critical infrastructure. We are confident as a Board in achieving continued growth both through organic expansion and strategic earnings enhancing M&A.



David Brown

Chairman

25 November 2024

- 1 Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.
- * Following the disposal of Walter Lilly post period end, the financial statements have been amended to exclude its trading result from profit for the year from continuing activities. Its result has been included in discontinued activities. All FY23 comparatives have been restated accordingly, in compliance with IFRS 5.

HIGH-QUALITY, VALUE-ACCRETIVE COMPOUNDER

How we deliver

- We have a proven history of shareholder value creation through consistent execution of our strategy to deliver reliable capital growth.
- We have a track record of organic growth and M&A in high-margin, high-growth end markets, twinned with strong cash generation and shareholder returns.

Link to strategy

2 3 5

CHIEF EXECUTIVE OFFICER'S REVIEW

Paul Scott
Chief Executive Officer

ANOTHER YEAR OF OUTSTANDING PERFORMANCE

"I am very proud of the strong operational performance this financial year and the brilliant work our teams have delivered; the foundations of the business have never been stronger than they are today."

The Group has delivered another year of outstanding performance with strong organic revenue, cash generation and operating profit all ahead of initial market expectations. Once again, these results are testament to the resilience and differentiated nature of our high-quality, low-risk, compounding business model, alongside the robust demand we continue to see in our end markets focused on the repair and maintenance of critical infrastructure. I am very proud of the strong operational performance this financial year and the brilliant work our teams have delivered; the foundations of the business have never been stronger than they are today. Importantly, during the period we have enjoyed increasing success in securing new, and extending existing frameworks, helping to cement our market leading position and allowing us to capitalise on the significant number of growth opportunities across all of our end markets. As well as a strong operational performance, our M&A activities in the period have broadened our capabilities and moved us into new and exciting growth markets. In line with the Group's strategy, post period end, we disposed of the Group's only remaining Specialist Building business, completing the transition to a pure play engineering services provider and further bolstered our end market exposure through the acquisition of Full Circle.

Our focus on the maintenance and renewal of existing critical infrastructure means we are not dependent on large, capital-intensive contract awards, which positions the Group with a significantly lower risk profile than others operating in our sectors. Supported by the commercial terms within our frameworks, alongside the typically short execution periods of the work we undertake, we have been able to minimise the impact of the macroeconomic challenges facing the UK. Once again, our business model has delivered revenue and net cash for the year ahead of market consensus, with operating profit also marginally ahead. Moreover, our work continues to be underpinned by highly visible, committed, long-term spending cycles and with public expenditure remaining at the top of the news agenda the government has reaffirmed its commitment to investing in the maintenance and renewal of critical UK infrastructure as part of its plans to begin a "decade of national renewal" as set out post-period end in the Autumn Budget².

This year we have delivered many notable operational successes, but, given that I can only highlight a few of the achievements, in Rail I am pleased to say we have started CP7 with a broader geographic reach and a wider range of frameworks than we had in CP6. In Water we have also gone from strength to strength, broadening the service offering for each of our clients. We have resecured most of our key AMP7 positions as well as increasing the number of frameworks and clients as we head into AMP8. It is a remarkable accomplishment that we now work for 10 of the 12 combined waste and water companies, compared to three at the beginning of AMP7. We look forward to the start of AMP8, which commences 1 April 2025, that has an anticipated addressable budget for Renew of £35bn committed to investment in new infrastructure.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

In line with our strategy of appraising selective, value-accretive M&A opportunities, during the period we successfully completed three acquisitions for consideration in aggregate of up to £37m. In October 2023, we completed the bolt-on acquisition of T.I.S., which is now fully integrated and is delivering its planned strategic benefits including doubling our nuclear fabrication manufacturing capacity, allowing us to take advantage of increasing demand across the decommissioning and new nuclear build programmes. In April 2024, we acquired Route One Infrastructure and its integration is progressing well and in line with the preacquisition plan. The acquisition has expanded Renew's service offering, adding new capabilities with its particular expertise in providing end-to-end solutions for road bridge deck maintenance and protection, which provides the Group with another route to market on the strategic highways programme. In June 2024, we acquired Excalon, a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector. This acquisition is significant as it has allowed us to expand into a new complementary sector with high barriers to entry and strong growth potential. I am pleased to confirm this acquisition is largely complete and has proved to be an excellent strategic fit, providing the Group with access to a number of new and existing frameworks that we would not have otherwise been able to win.

The positive strategic momentum of the Group has continued into the new financial year. On 4 October 2024 we announced the Group's exit from the Specialist Building market with the disposal of Walter Lilly, in line with our overarching strategy of focusing activities on Specialist Engineering. Following this, on 7 October 2024, we were pleased to announce the acquisition of Full Circle and our entry into the high-growth onshore wind services market. Full Circle is a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe. It represents a compelling strategic fit for the Group, with its leading market position enabling us to capitalise on the green energy transition as governments in the UK and across Europe have reaffirmed their commitment to achieving net zero carbon emissions by 2050. As a result of these commitments, the onshore wind services market is forecast to grow at 7.7% CAGR from 2024 to 2030.

Ensuring the health, safety and wellbeing of our colleagues and those in the communities in which we operate has always been our highest priority and I would like to take this opportunity to thank our dedicated teams for their unwavering commitment to health and safety throughout the last year. Our strong track record here stands as a testament to the collective efforts of every individual within our organisation and I take immense pride in the fact that we have not only met but exceeded our prior year health & safety targets, ensuring that our workplace remains a safe and secure working environment for all.

In summary, FY24 has been another excellent year for Renew as we have delivered terrific organic and acquisitive growth, significantly strengthened our order book, grown the list of capabilities within our business, all translated through to beating initial market expectations. The start of the CP7 and AMP8 control periods in Rail and Water in particular mark an exciting time for the Group and I am confident we are entering FY25 with significant momentum to further deliver on our ambitious growth strategy. The business is in excellent shape, and on behalf of the Board, I would like to thank all of our colleagues, without whom this year's performance would simply not have been possible. Our hardworking teams continue to go above and beyond to deliver outstanding work executing on our commitment to providing our clients with our mission-critical, highly responsive services 365 days a year.

Our track record of resilient compounding growth and long-term value creation

Renew has a strong track record of sustainable value creation through the economic cycle thanks to the Group's high-quality, value-accretive compounding earnings model. Over the past five years, we have delivered:

- Group organic revenue growth of 51 per cent and total revenue growth of 76 per cent;
- adjusted earnings per share growth of 63 per cent;
- an increase in dividends of 65 per cent from 11.5p to 19p per share;
- an increase in our adjusted operating margin from 6.4 per cent to 6.7 per cent; and
- seven strategic acquisitions supported largely by our strong free cash flow, deploying £124m.

Our track record of reliable revenue growth, cash generation and conservative approach to gearing has resulted in our ability to deliver highly predictable, consistent organic earnings growth as well as funding for the acquisition of complementary businesses that meet our strategic requirements.

Results overview

During the period, Group revenue increased to £1,057.0m (FY2023: £887.6m), with organic growth of 16.6% and the Group achieved an adjusted operating profit of £70.9m (FY2023: £62.4m). Statutory operating profit was £61.2m (FY2023: £57.7m). Adjusted operating profit margin was 6.7%. As at 30 September 2024, the Group had pre-IFRS16 net cash of £25.7m (30 September 2023: net cash £35.7m). The Group's order book at 30 September 2024 remained strong at £889m (FY2023: £777m) underpinned by long-term framework positions.

Dividend

The Group's robust trading performance, cash position and strong forward order book have given the Board the confidence to declare a final dividend of 12.67p (FY2023: 12.00p) per share. This represents a full year dividend of 19.00p which is a 5.6 per cent increase over the prior year. This will be paid on 14 March 2025 to shareholders on the register as at 7 February 2025, with an ex-dividend date of 6 February 2025.

Rail

We have entered the new control period in our strongest position yet across all regions, with a number of new and existing frameworks creating notable opportunities for the Group. Network Rail's Control Period 7 (CP7) runs from 2024 to 2029 and expenditure is expected to be focused on operations, maintenance and renewal of the national rail network, playing into our core strengths. The broader UK rail sector is underpinned by predictable cash flows due to committed regulatory spending and we welcome the commitment made by the Labour government to enact its plan to reform the performance of rail services laying the groundwork for the transition to Great British Railways. This single industry body will be tasked with improving services, and the operation, maintenance and improvement of all UK rail infrastructure. We fully support railway reform and are confident that at the heart of these plans is an imperative to improve the efficiency, reliability and safe operation of the entire network. Crucially, in order to execute this stated strategy, the Government, and its chosen delivery body, will need to accelerate its commitment to the renewal and maintenance of the rail infrastructure across the UK.

Renew's strengths

Renew has a number of core strengths which provide distinct competitive advantages in our chosen markets and leave us well placed to build on our strong track record of long-term value creation:

- The health, safety and wellbeing of our colleagues, and those impacted by our work, remains our number one priority and we have implemented industry leading safe working practices for the Group's employees and operations.
- We operate a differentiated, diversified, low-risk, low-capital operating model, providing critical asset maintenance and renewals services that are not dependent on large, high-risk, capital-intensive contract awards.
- Our directly employed workforce enables us to provide a more efficient and valuable service to our clients, reducing our exposure to sub-contractor pricing volatility and being able to deliver extremely responsive solutions.
- The commercial terms and short project durations within our frameworks mean we can proactively and effectively manage cost inflation enabling us to maintain strong margins.
- Our businesses are well established in complex, challenging and highly regulated markets with significant barriers to entry, which demand a highly skilled and experienced workforce and a proven track record of safe delivery.
- We have consistently demonstrated performance resilience despite significant global and macroeconomic events, including inflation, that have had a negative impact on the wider economy.
- We have a proven track record of sustainable value creation, reliable revenue growth and strong returns on capital thanks to our highly cash generative earnings model and clearly defined strategy.
- We are committed to growing the business both organically and through selective complementary acquisitions while maintaining a disciplined approach to capital allocation and risk underpinned by a strong balance sheet.
- We have strong relationships in place with all our stakeholders, from our workforce to our customers, suppliers, communities and shareholders.
- Our model of compounding earnings through the redeployment of internally generated cashflows enables us to execute on our strategy of delivering reliable and consistent growth for all our stakeholders.
- Our complementary services enable us to leverage the strengths of collaboration across our brands.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Rail continued

Renew has already established its leading market position in these areas as we continue to deliver long-term national frameworks and we remain deeply embedded in delivering renewal and maintenance programmes in all of the national rail regions.

Network Rail, already a significant strategic customer for the Group, has committed £45.4bn³ of investment over the period and within this allocation, the maintenance and renewal budget has increased 9% from CP6 to £31.9bn.

Renew remains the largest provider of maintenance and renewals services to Network Rail nationally and the third largest supplier overall. This strong relationship, alongside our framework success rate and geographic coverage across the UK, positions us well to benefit from ongoing government investment as we look to expand our current involvement by targeting new additional CP7 frameworks.

We have continued to selectively expand our Rail client base outside of Network Rail and overall, we commenced CP7 in a significantly stronger framework position than at the start of CP6. Whilst we note that the start of CP7 has been slower than expected, we remain confident that this will normalise through the control period as we have seen historically.

Looking ahead, other significant UK rail market growth opportunities that we are targeting include Project Reach⁴, which will deliver a comprehensive upgrade of Network Rail's trackside fibre cable and wireless infrastructure to create a safer, more modern and digitally-connected railway and the wider rail electrification programme which is required to achieve Network Rail's Net Zero targets. Alongside ageing assets, there is increasing pressure on the network in terms of improving climate resilience given the increasing rate of extreme weather events as well as the need to make rail travel more accessible, more reliable and more environmentally friendly, all of which will provide the Group with significant growth opportunities moving forward.

We remain committed to the training and development of our rail colleagues and are pleased to report that our Rail Skills Academy has continued to go from strength to strength. It is already widely recognised as a leader in the industry and we look forward to developing this further. During the period, we were also awarded a Training Excellence Award for the innovative Controller Of Site Safety ("COSS") Academy Programme which has revolutionised delivery and lineside safety both internally and throughout our supply chain.

Infrastructure

Highways

During the period, we have made further progress within Highways, continuing to execute on work banks that are a part of the current National Highways Scheme Delivery Framework (SDF), running to 2027, which includes five framework lots covering civil engineering, road restraint systems and drainage disciplines, worth more than £147m over the six-year period. We are expecting to unlock further growth in this sector as eight Design-Build-Finance-Operate (DBFO) highways schemes are due to be handed back to National Highways in 2026 increasing the overall strategic roads network maintained by National Highways by 10%, an additional 1,842 lane miles. These roads will also require significant investment before they can be handed back, providing additional opportunities for growth. The inclusion of the legacy concrete pavement programme in the SDF from April 2025 will enable us to take greater market share.

Elsewhere, the AGC collaboration (AmcoGiffen & Carnell) continues to be an incredibly successful partnership, driving increased revenue growth, as we remain the second largest provider of road restraint systems in the network.

As the UK Governments second Road Investment Strategy (RIS2) comes towards a close, preparatory consultations for RIS3, which is scheduled to commence in April 2025, have indicated it will focus on carbon reduction, with a notable shift away from new roads to maintenance work that will involve prioritising funding on road structures, pavements and road restraints. The announcement of RIS3 has now been delayed until January 2025 due to the UK General Election, however, the focus on renewals and capital maintenance is expected to mean that the budget for highway maintenance will be double that of RIS2 (£4.3bn) and clearly plays to our core strengths as a business, uniquely positioning us to deliver further growth.

The maintenance of the UK's strategic highways network has never been more important. By 2025, 70% of National Highways network of roads and bridges will be more than 45 years old⁵ and, as such, the prioritisation of renewing the network's structures & rigid pavements is essential.

Our acquisition of Route One, a multi-disciplinary specialist engineering business operating in the UK Highways, in April 2024, for an enterprise value of £5.0m, has significantly expanded our capabilities in this market with its particular expertise in bridge and structures maintenance and repairs. Route One has a number of long-term frameworks on the SDF and as such the acquisition represents an excellent strategic fit for the Group, allowing us to unlock more growth across the strategic highways network.

Aviation

Our strategy to increase market share in Aviation through both medium and long term frameworks has paid dividends with our recent success in bidding for the latest Manchester Airport Group (MAG) Airfields Framework, and we are pleased to confirm we were the only supplier to secure places at all three airports: Stansted, Manchester and East Midlands, building on our existing capital and airside maintenance framework positions with MAG and Leeds Bradford Airport (LBA). During the period our teams also mobilised the Manchester Capital Delivery Framework Pier 2, Phase 2, and Taxiways.

Further to this, the growth opportunities available to the Group in airport asset renewals and maintenance are increasing with six of the eight largest UK airports undertaking major investment programmes. As such, aviation continues to be an area of focus for the Group and we are proud to have organically moved into this sector, which has significant barriers to entry. We look forward to continuing to seize new opportunities as we develop our credentials in this area.

Communication Networks

As the market has evolved, we have broadened our capabilities in order to access wider opportunities and consequently we have renamed this segment Communication Networks.

During the period we have seen sustained momentum, achieving yet another record revenue performance in FY24. The country's connectivity remains a critical focus in the digital age and, as a result, we benefitted from strong demand across the sector as we continue to establish ourselves as a valued partner to the nation's largest network providers. We have observed considerable commitment to changes in the market, with significant capital allocated to addressing the UK's historic underinvestment in key assets within this sector. This creates substantial growth opportunities for us moving forward. We're also pleased with the progress of our strategy to expand our market access, and our plan to diversify the business has progressed well with frameworks in place with all four mobile networks: 3UK, Vodafone, Virgin Media O2 and EE.

Our sustained development of small cell work banks has progressed well during the year. We are also committed to growing our capabilities in servicing the private 5G market and through this, we have secured opportunities on three government-funded private 5G developments, positioning us well to grow this service with other private companies going forward as this network continues to develop. This represents a clear example of our business being well equipped to consistently evolve to meet the needs of our niche target end markets where we see considerable opportunities.

Through our ongoing work with the Shared Rural Network programme, we are also pleased to provide mobile phone and 4G connectivity for previously unserved rural communities in remote locations. We are in the process of completing phase one of the government-backed Shared Rural Network (SRN) rollout, Partial Not Spots, and are now developing the Total Not Spot Programme to enable connectivity in hard to reach locations including in the Scottish Highlands, Islands and a number of remote Welsh sites.

Energy Nuclear

The UK Government continues to commit c.£4bn annually to its decommissioning programme of which c.75% is allocated at Sellafield. Throughout FY24, we have continued to see strong demand for our civil nuclear business and its multidisciplinary service offering. At Sellafield we continue to operate on a number of decommissioning frameworks and we remain one of the largest M&E contractors on the site.

Aside from Sellafield, we continue to secure opportunities to increase our presence in the civil nuclear market including in Springfield and AWE, and we are pleased to report that we have secured our first contract at Capenhurst. We also remain excited about the new growth opportunities that will be generated as part of the long-term frameworks for Nuclear Restoration Services and at Hinkley Point C. The UK Government's continued focus on decarbonising the country's energy supply to achieve its net zero targets by 2050 will require a significant commitment to shifting further towards cleaner energy systems, of which new nuclear is a vital component.

This commitment underpinned the creation of Great British Nuclear and the Government's target to commence construction of up to three new nuclear plants in the next 10 years⁶. This commitment ensures long-term and sustainable demand for our specialist manufacturing capabilities in high-grade nuclear components.

In October 2023 we acquired T.I.S., a nuclear manufacturing specialist, for a total cash consideration of £4.7m. The addition of T.I.S. to the business will double our manufacturing capacity and allow us to support existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes and I am pleased to report that the integration has been a notable success.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Energy continued

Transmission and Distribution

In June 2024, we successfully completed the acquisition of Excalon Limited, a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector, for a total consideration of up to £26m. This acquisition is consistent with our strategic objective of expanding into new complementary sectors that have high barriers to entry coupled with resilient attributes and I am pleased to report that the integration process is largely complete and in line with our expectations.

Excalon represents a significant opportunity for the Group, providing access to a number of new and existing frameworks that we would not have otherwise been able to win. The UK electricity DNO market is regulated by Ofgem and operates in 5-year control period funding cycles. The RIIO ED2 cycle commenced in April 2023 with the latest determination of funding set at £22.2bn. Entering this market allows Renew to access both the opportunities in ED2 as well as the upgrade of the grid that is required to support the UK's zero carbon generation and renewables sector. This acquisition represents our commitment to growth and innovation within critical infrastructure markets and strengthens our position for continued growth in this area moving forward.

Electric Vehicle Charging

As the UK Government continues working towards its ambition of achieving net zero emissions by 2050, we remain well positioned to play a significant role in helping drive the creation of the UK's EV charging infrastructure landscape. Through our strong relationships with leading charge point operators, we will continue to develop this division further and scale alongside the wider market.

Renewable Energy

Post the period end, in October 2024, we were pleased to announce the acquisition of Full Circle, a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe for a total cash consideration of £50.5m.

This acquisition represents a compelling strategic fit for Renew, entering the high-growth renewable energy services market with a leading position, in line with our stated strategy of capitalising on the green energy transition. With governments in the UK and across Europe reaffirming their commitment to achieving net zero carbon emissions by 2050, the opportunity within this sector is significant and growing at pace. Through the addition of Full Circle's best-in-class, direct delivery service model, we will be able to fully capitalise on this transition, while benefitting from the long-term, non-discretionary maintenance programmes that will continue to underpin it.

Renewable energy is forecast to become the largest component of Europe's total energy mix by 2050. The onshore wind market is well-established and forecast to grow at 7.7% CAGR over the next six years. The market for maintenance and renewal of these turbines is highly fragmented and represents a significant opportunity for Full Circle to grow organically and through acquisitions. As part of the Group, Full Circle will benefit from our proven track record of successful M&A and from its best practice experience in the wider engineering services market.

Environmental

Water

The Group continues to go from strength to strength in Water, through increasing collaboration between our four water brands and broadening our overall service offering. AMP7 has been incredibly successful for us and, as this control period comes to an end, we are particularly proud to highlight that we now work for 10 out of the 12 combined waste and water companies, increasing from three at the beginning of the current cycle. Importantly the overall scope of services we provide each utility has also grown considerably in this same control period, further strengthening our leading position in the market.

As we look confidently ahead to the start of AMP8, which commences 1 April 2025 and runs through to 2030, we are pleased to note that Ofwat's Draft Determination anticipates a total spend of £88bn. This marks an increase of over £37bn from AMP7,

and of which, £35bn has been committed to investment in new infrastructure, representing a considerable increase on the £1bn investment in new infrastructure through AMPV. We look forward to receiving the Final Determinations that are due in January 2025, and are encouraged that proposed plans indicate significant room for future growth as we remain well placed to leverage the combined expertise across our water brands to service the following target areas that have been identified for AMPB:

- £10bn committed to Storm Overflows with significant early investment to be delivered in AMPB;
- Target to triple the replacement rate of mains pipework and reduce leakage by 13%;
- £6bn committed to reduce nutrient pollution;
- £4bn committed to boost the UK's water supply; and
- £2bn committed to increase biodiversity and reduce greenhouse gas emissions by 11%

The acquisition of Enisca in November 2022 brought considerable momentum to the Group and has been a key driver behind our focus on broadening our service offering, which has proved highly impactful as we have worked tirelessly to capitalise on the long-term opportunity in Water, achieving significant success in securing long-term frameworks for AMPB.

News of Thames Water's current financial position continues to be widely reported in the media and whilst this brings understandable concern for many in the sector, we are pleased to note that all Thames Water operations remain unaffected by internal issues and our maintenance and renewal frameworks will remain intact regardless of any refinancing or ownership changes. This serves to highlight the mission critical nature of our work, the funding underpin that it generally sees and the sustained necessity for the maintenance to critical UK infrastructure that we provide.

Flood and Coastal

The increasingly extreme weather conditions experienced each year persistently highlight the need for robust investment in the UK's flood defences and we continue to see an increased focus on climate and weather resilience across the UK's critical infrastructure providers. Our vital work for the Environment Agency is testament to the consistent demand for our services in this sector, through its Asset Operations, Maintenance and Response Framework we continue to deliver on projects designed to tackle coastal erosion and sea flooding. Importantly, post-period end in the Autumn Budget the UK Government also committed to investing £2.4 billion over two years in flood resilience to support the building of new flood defences alongside the maintenance of existing assets to protect communities, highlighting further scope for continued growth across the sector.

Specialist Restoration

In Specialist Restoration we have maintained our leading national position in specialist iron restoration and we are continuing to leverage the emerging long-term opportunities in the UK's gasholder markets.

Disposal of Walker Lily

As announced on 4 October 2024, post-period end, Walker Lily was acquired by Size Holdings Limited, a leading provider of premium quality construction, specialist crafts and maintenance services on a cash free/debt free basis. The transaction sees Renew exit its only remaining Specialist Building business and is consistent with our strategy of focusing activities on Specialist Engineering where we target end markets delivering maintenance and renewals programmes that benefit from long-term, non-discretionary funding programmes.

ESG

The UK Government's commitment to increasing investment in low carbon infrastructure will be essential to delivering on its net zero emissions targets by 2050 and Renew is ideally positioned to benefit from this transition. Our strong position in this area is highlighted by the fact that, during the period, we retained our LSE Green Economy Mark. This classification recognises London-listed companies that derive more than 50% of their revenues from products and services that contribute to environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction, and the circular economy. Our post period end acquisition of Full Circle will further bolster our position in this area and provides us with strong foundations to scale alongside the expanding renewable energy market and fully capitalise on the significant opportunities available to us.

As noted at our interim results, we have established quantitative sustainability targets to embed our ESG strategy across the business and it is the Board's ambition that the Group will achieve net zero by no later than 2040. Our purpose-led approach to ESG is centred on four key commitments; taking climate action, operating responsibly, building social value and empowering our people.

Outlook

Post-period end in the Autumn Budget², we were pleased to see the UK Government reaffirm its commitment to investing in the maintenance and renewal of critical UK infrastructure as part of its plans to begin a "decade of national renewal". Our continued focus on non-discretionary spending means that we are well positioned to take advantage of this investment, particularly the prioritisation of maintenance and renewal. Whilst we note that the start of the new rail control period has been slower than expected, we remain confident that this will normalise through the cycle as we have seen historically.

Our strategic growth levers including innovation, collaboration, talent retention and attraction, alongside our differentiated business qualities and resilient model enable us to take full advantage of the long-term structural growth drivers in our targeted end markets. Further to this, our cash generative activities and strong balance sheet provide a solid platform for future organic and inorganic expansion.

The Group's strong order book continues to be underpinned by highly visible, committed, long-term spending cycles and we enter FY25 buoyed by our two new principal brands, Escalon and Full Circle, which have established us in new and highly compelling market sectors. The combination of the aforementioned factors gives the Board continued confidence in the Group's growth prospects and long term outlook.



Paul Scott
Chief Executive Officer
25 November 2024

1. Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 3.

2. <https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-statement>

3. <https://www.renewwaterinfrastructure.co.uk/news/6bp-45bn-aii-improvement-plan-2025-2030-2050>

4. <https://www.renewwaterinfrastructure.co.uk/press-releases/2024/09/24/2024-09-24-aii-improvement-plan-2025-2030-2050>

5. National Highway State of The Nation plan: https://nationalhighways.co.uk/media/3028967/2022_2022-snn-initial-report-2025-2030_0n-updated.pdf

6. <https://www.gov.uk/government/forecasts/6bp-sets-out-plans-to-drive-multi-billion-pound-investment-in-energy-revolution>

WHY INVEST

How we deliver

- We operate in markets underpinned by resilient, long-term growth dynamics and committed regulatory spending periods, with maintenance and renewals expenditure continuing to increase.
- We deliver the day-to-day renewal and maintenance tasks required to keep critical networks operational.

Link to strategy

1 2 3 4

EXPOSURE TO ATTRACTIVE LONG-TERM, NON-DISCRETIONARY STRUCTURAL GROWTH DRIVERS

MARKET FOCUS

MARKET BACKDROP

There are a number of strong, long-term fundamentals which underpin the Group's strategy and support our continued growth.

Macro-economic backdrop

Investment in our chosen markets looks likely to remain strong despite the recent change of government, providing us with organic growth opportunities through our focus on asset management programmes with non-discretionary funding and high barriers to entry. There have been no significant changes to capital expenditure and clear signs that the Government's policies could have a positive impact on the infrastructure sector, particularly in Energy.

UK infrastructure

The 10-year £600bn National Infrastructure Strategy that previously underpinned the UK infrastructure market is undergoing an overhaul by the newly established National Infrastructure & Service Transformation Authority. Long-term frameworks in regulated infrastructure sectors such as rail, roads, energy and water continue to provide sustained activity levels. The energy sub-sector is expected to grow significantly with increased investment in wind as work to strengthen grid transmission and distribution infrastructure gets underway. We believe the long-term fundamentals underpinning our strategy remain strong and will support growth in the Group over the next 10 years.

Political and economic landscape

The Government's commitment to growing the UK economy was reconfirmed in the Autumn Budget 2024.

We are well positioned to support continued investment in UK critical infrastructure, including the creation of investment zones and levelling-up partnerships. The creation of new energy networks and clean energy will require significant and sustained investment over the long-term.

Population growth

Population growth continues to increase pressure on the UK's critical infrastructure networks, including on the transport network, demand for clean water and energy, and increasing requirements for faster digital connectivity.

Maintenance and renewal of existing assets across critical infrastructure networks, including investment to improve rail, highways and water infrastructure capacity, are evidenced in the recent funding announcements.

Climate change

The effect of climate change, and the UK's actions to mitigate its potential effects, can be seen across our markets, including a focus on decarbonisation through the Government's net zero strategy and investment to address energy shortages and increased flood risk.

We operate across the UK's essential infrastructure markets, through long-term framework agreements, to deliver planned and reactive asset maintenance and renewal services. In recent years the requirement to improve the resilience of the UK's critical networks has increased, as well as investment in new technologies such as renewable energy generation and its supporting infrastructure, development of innovative flood alleviation and dam safety programmes.

New technologies

Development of new technologies to increase the capacity and reliability of UK networks continues to drive investment. Moving towards smart cities, smart transport and digital infrastructure will become increasingly important as demand increases.

Opportunities arise from advances in digital railway, digital roads, connected infrastructure, battery storage, electric vehicle charging infrastructure and the associated increased investment in digital infrastructure solutions.

Government regulation

The drive to optimise assets, incentives linked to customer satisfaction and increased partnership along with smarter procurement practices will drive investment.

Our focus on upgrading and maintaining infrastructure assets and supporting these changes will continue to see us deliver across our key regulated markets.

MARKET FOCUS CONTINUED

The markets in which the Group operates are backed by long-term spending programmes to maintain and renew essential infrastructure assets. We engage in long-term programmes, often over many years, to ensure these critical assets are maintained.

RAIL

£45.4BN SPEND IN CP7

10%

Total level of Network Rail expenditure increase on CP6, accounting for inflation

- Network Rail has committed £45.4bn spend in CP7.
- The total level of Network Rail expenditure is a 10% increase on CP6, accounting for inflation.
- £31.9bn of the investment will be spent on asset maintenance and renewals with increasing pressure from industry bodies, Great British Railways and others to address the 200-year-old ageing assets.
- There is increasing investment focus on climate resilience and the need to make rail travel more accessible, more reliable and greener through increased electrification.

HIGHWAYS

£25BN RIS3 SPENDING EXPECTED

70%+

Percentage of roads and bridges 45+ years old by 2025

- The total level of RIS3 expenditure is expected to be similar to that seen in RIS2 at around £25bn.
- 70% of National Highways' network of roads and bridges will be over 45 years old by 2025; therefore, the priorities in RIS3 are likely to be on structures, rigid pavements and lighting and technology.
- There are 8 Design, Build, Finance, and Operate ("DBFO") schemes ending in 2026, increasing the strategic roads network by c.10% and requiring significant investment before they are handed back.

COMMUNICATION NETWORKS

£11BN INVESTMENT ON VODAFONE/3UK MERGER

£9bn

Investment in roll-out of 5G

- Vodafone 3UK merger is set to trigger £11bn investment in network and prompt further investment by other mobile network operators.
- The UK Network Operators plan a further £9bn investment in the roll out of 5G.
- Increased data volumes are driving small cells and edge data.
- The digital infrastructure market is evolving to enable infrastructure connectivity, providing opportunity to those who can connect assets and interpret data.

AVIATION

INVESTMENT CONTINUES TO RECOVER POST PANDEMIC

3rd

Largest civil aviation network in the world

- The UK has the largest civil aviation network in Europe and the third largest in the world.
- Renewal and maintenance opportunities are increasing and most airports are starting to set longer-term capital spending plans.
- We are tracking and positioning for infrastructure investment programmes at a number of UK airports.

NUCLEAR

LONG-TERM DECOMMISSIONING

£4bn

NDA spend per annum

- Nuclear decommissioning spend is committed on the NDA estate and underpinned by a 100-year plan.
- New nuclear and small modular reactors continue to be a government objective in delivering a sustainable and low-carbon energy future.

RENEWABLES

INCREASE IN WIND POWER BY 2030 ACROSS EUROPE

100%

Low-carbon commitment by 2030

- The UK government is committed to a 100% low-carbon grid by 2030.
- International net zero targets are driving investment, with Europe committing to a significant increase in wind power by 2030.
- Government-funded industrial clusters in Teesside and Merseyside are nearing a final investment decision in 2025. Hydrogen and carbon capture and storage are key parts of the investment.
- £20bn has been committed to deliver net zero.

TRANSMISSION AND DISTRIBUTION

£60BN INVESTMENT IN POWER NETWORK BY 2030

£43bn

Required to modify the grid for new energy systems and connection of renewables

- There is a £60bn investment in power networks expected by 2030.
- Investment in ageing network renewal and reinforcement of supply in distribution and transmission market are underpinned by regulated spending commitments.
- Further modification to the grid is proposed to deal with a new energy system and the connection of renewables. At least £43bn has been committed, with up to £240bn required to 2050.
- Connections to grid within this market are unregulated but add significantly to the required investment.

WATER

£88BN SPEND IN AMP8

(DRAFT DETERMINATION)

£35bn

Total investment in new infrastructure in AMP8

- £88bn in spending plans as part of AMP8 draft determinations.
- The total investment in new infrastructure in AMP8 is increasing from £11bn in AMP7 to £35bn.
- Key AMP8 targets include:
 - £10bn in storm overflows
 - £6bn to reduce nutrient pollution;
 - £4bn to boost the water supply; and
 - £2bn to increase biodiversity and reduce greenhouse gas emissions by 11%.

OUR DIFFERENTIATED AND RESILIENT LOW-RISK BUSINESS MODEL

Renew is a holding company which gives autonomy to its operating subsidiaries, enabling them to be competitive and effective in their individual markets whilst setting overall standards. Our subsidiaries' directly employed workforce and supply chain work together to deliver a safe and responsive service supporting the day-to-day demands of the UK's critical infrastructure networks.

MARKETS WITH COMMITTED REGULATORY FUNDING

Water

£88bn spend in AMP8 (draft determination) with a total investment in new infrastructure over AMP8 increasing to £35bn (£11bn in AMP7).

Rail

£45.4bn spend in CP7 with the total level of Network Rail expenditure increasing by 10% on CP6. £31.9bn of the spend will be spent on asset maintenance and renewals programmes.

Highways

The total level of expenditure in RIS3 is expected to be similar to that of RIS2 at £25bn. RIS3 will focus on renewals and maintenance with the budget for this expected to increase to £8.5bn from £4.3bn in RIS2.

Transmission and distribution

Modification to the grid to deal with new energy systems and connection of renewables is estimated to be at least £43bn by 2030 and up to £240bn to 2050.

Read more on pages 44 and 45

Read more on pages 34 and 35

Read more on pages 36 and 37

Read more on page 43

DELIVERING MISSION-CRITICAL INFRASTRUCTURE SERVICES ACROSS THE UK

Thames Water

As framework contractor for reservoir maintenance, we support the vast network of reservoirs that supply water to millions of Londoners and into the Thames Valley. We are a key partner to Thames Water, ensuring the reliability and safety of London's water supply.

Scotland Civils Framework

As the incumbent contractor on the Scotland Civils Framework, we work alongside Network Rail to deliver the geotechnical and minor civils works for the duration of CP7, keeping Scotland's railway safe and reliable for the next 5 years.

National Highways

As delivery partner for National Highways in the East, our technology and lighting teams are assisting National Highways with their LED Upgrade Programme, a nationally funded programme of work to swap traditional luminaires for LEDs across the strategic road network.

LOW-RISK, NON-DISCRETIONARY MAINTENANCE AND RENEWALS

Maintaining the nation's road network

Our StoneMaster filter drain recycling process provides sustainable in-situ filter drain refurbishment. During the year, our StoneMaster machines worked across the county.

Linear drainage meters cleared per shift per StoneMaster

250m

Number of StoneMaster units

6

OPERATING IN COMPLEX, CHALLENGING AND HIGHLY REGULATED ENVIRONMENTS

5

Renew's regulated markets

5 years

Average regulated investment cycle (Water, Highways and Rail)

£600bn

UK Government commitment to infrastructure

HIGHLY SKILLED, DIRECTLY EMPLOYED WORKFORCE

Our team

People

4,429

Number of employees in formal training programmes

326

A journey of learning

Niamh Carey

Trainee Engineer Graduate Apprentice

I'm currently in the third year of my apprenticeship and predominantly site-based, assisting with the engineering tasks on a variety of projects in Scotland.

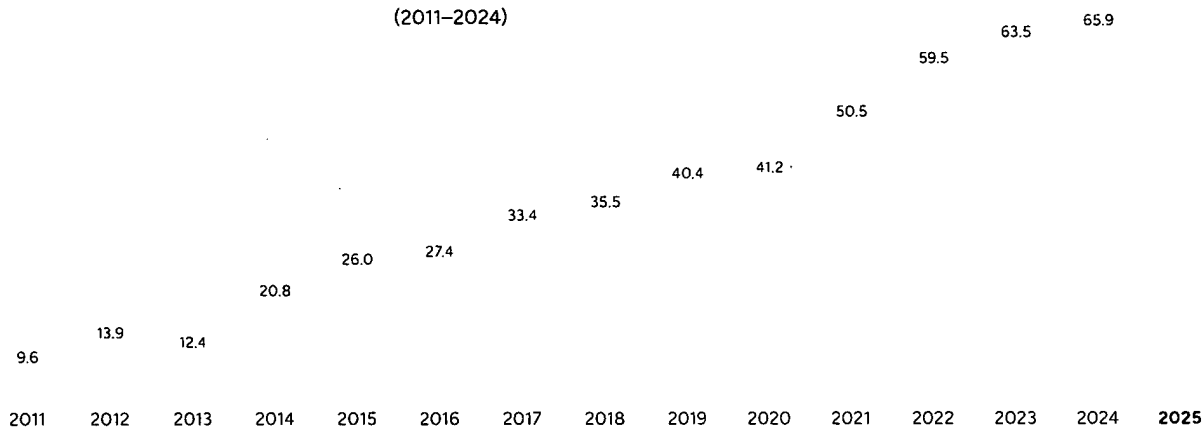
www.renewholdings.com

Read more about our people

PROVEN TRACK RECORD OF COMPOUNDED EARNINGS GROWTH AND STRONG CASH GENERATION

16% CAGR

(2011–2024)



COMMITTED TO ADDING VALUE THROUGH INNOVATION AND COLLABORATION

Investor meetings

157

Charities we support

50+

Frameworks

270+

Our core values

8

Principal subsidiaries

10

DIFFERENTIATED LOW-RISK BUSINESS MODEL

How we deliver

- Markets with committed regulatory funding
- Delivering mission-critical infrastructure services across the UK
- Low-risk, non-discretionary maintenance and renewals
- Operating in complex, challenging and highly regulated environments
- Highly skilled, directly employed workforce
- Proven track record of compounded earnings growth and strong cash generation
- Committed to adding value through innovation and collaboration

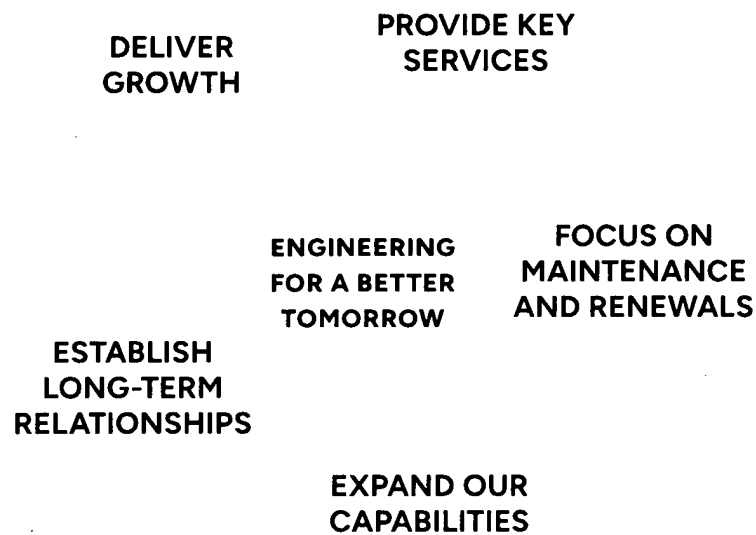
Link to strategy

1 2 3 4 5

Read more on pages 20 and 21

OUR STRATEGY

OUR STRATEGY TO CONSISTENTLY DELIVER SUSTAINABLE GROWTH



How we are delivering on our strategy

During the year the Group made good progress in the delivery of its strategy, developing both its range of capabilities and geographical reach with the acquisitions of TIS, Route One and Excalon.

We were delighted to have been awarded strategically important frameworks across our markets, further developing our long-term relationships and establishing new ones.

We continue to focus on acquisitive opportunities that are aligned with the Group's strategy as well as opportunities to grow the business organically.

How this links to our KPIs

We have developed our range of Key Performance Indicators ("KPIs") to serve as a measure of the success of the Group's strategy. Our KPIs provide the Group with specific and measurable targets against which we can measure progress.

The Group's KPIs allow better informed decision making and provide a level of accountability. One example during the year is the Group's commitment to increasing the number of women in leadership across the Group. This KPI, introduced in 2023, allows us to review the progress in this important area.

OUR STRATEGY CONTINUED

1 PROVIDE KEY SERVICES

To be a key provider of engineering services in our target markets

Progress in 2024

We made further progress in the year with the day-to-day requirements of keeping essential infrastructure networks operational.

We increased our capacity in nuclear and expanded our range of services in energy and highways. We also expanded our geographical presence in a number of our markets.

Future focus

Develop strategically important relationships by delivering market-leading innovation and cost efficiencies to our clients.

[Link to KPIs](#) A C E F H

Read more on pages 34 to 45

2 FOCUS ON MAINTENANCE AND RENEWALS

To focus on asset support, maintenance and renewals programmes with non-discretionary funding

Progress in 2024

We continued to focus on asset support, maintenance and renewals in our markets where spending in these areas is backed by committed programmes of investment. During the year we won and were re-awarded a number of key frameworks to continue to support their essential network assets.

Future focus

We position our business to access essential maintenance and renewals spending programmes with our new and existing clients.

[Link to KPIs](#) A C E F H

Read more on pages 34 to 45

3 EXPAND OUR CAPABILITIES

To expand our direct delivery model through strong local brands

Progress in 2024

During the year, through organic growth and the acquisitions of TIS, Excalon and Route One, we significantly increased the Group's headcount to strengthen our direct delivery model.

Future focus

We continue to focus on the organic expansion of our engineering services capabilities and geographical coverage as well as seeking complementary engineering services acquisitions.

[Link to KPIs](#) A C E F H

Read more on pages 34 and 45

4 ESTABLISH LONG-TERM RELATIONSHIPS

To establish long-term relationships through responsiveness to clients' needs

Progress in 2024

We continued to develop our range of capabilities to better meet the needs of our clients. Across our range of markets we are able to offer a multidisciplinary planned and reactive engineering service to support our clients' infrastructure networks.

Future focus

Develop our range of capabilities and utilise our market knowledge to align our business to our clients' long-term objectives.

Continue to deliver a quality, safe and cost-effective service in our markets.

[Link to KPIs](#) A C E F H

Read more on pages 30 to 33

5 DELIVER GROWTH

To continue to deliver organic growth combined with selective complementary acquisitions

Progress in 2024

During the year we acquired TIS, Route One and Excalon which broadened the Group's capacity, capabilities and geographical reach.

The team continues to focus on acquisition opportunities that are aligned with the Group's strategy as well as opportunities to grow the business organically.

Future focus

Continue to grow the Group's Engineering Services operations, both organically and through selective complementary acquisitions. Continue to develop growth opportunities in both existing and targeted emerging markets

[Link to KPIs](#) A C E F H

Read more on pages 20 and 21

OUR CULTURE

HOW OUR CULTURE AND VALUES SUPPORT OUR STRATEGY

Our culture is built on the Group’s 8 values: compliance, integrity, progressiveness, consideration, reliability, responsibility, responsiveness and sustainability. We employ a range of methods to support these values within our subsidiary businesses, including measuring the culture of our organisation, such as gathering feedback and surveys.

Our strong culture supports the success of our business and includes key elements such as ensuring inclusivity and collaboration, open communication, adaptability and representation.

A strong diverse culture

It is important to the success of our business that we foster an environment where a variety of backgrounds, perspectives and experiences are welcomed, valued and leveraged to drive innovation and decision making.

Our people strategy

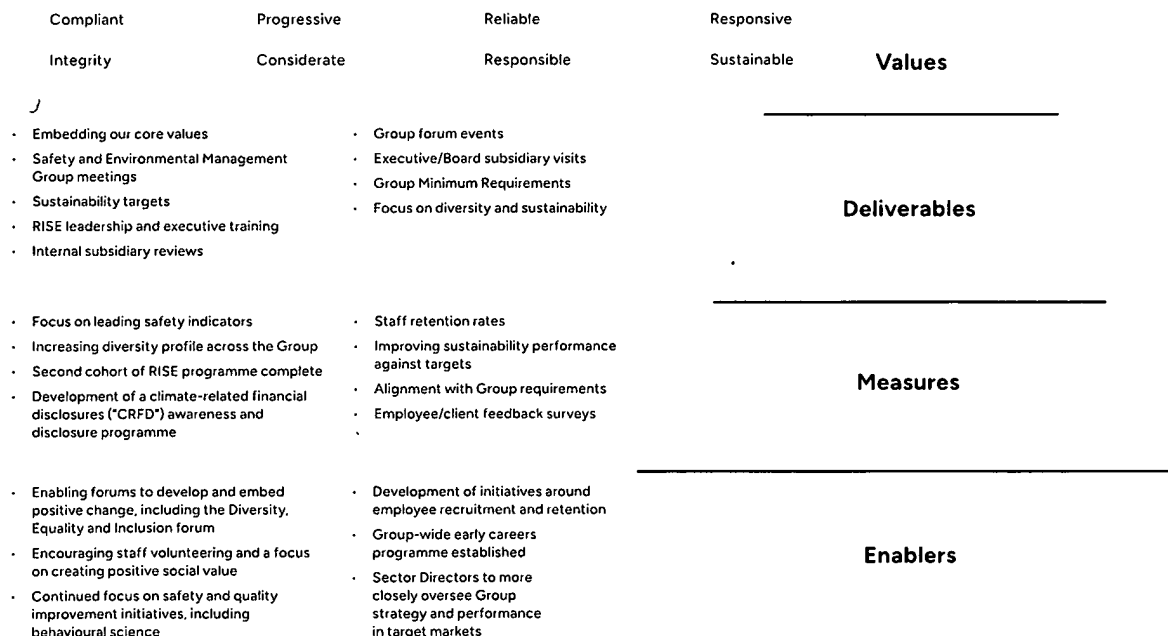
Our people strategy includes attracting and recruiting the right talent to meet the needs of the business both now and in the future. We provide training and development programmes to enhance employees skills and capabilities, as well as methods for evaluating and improving employee performance through feedback and assessments.

Our employee engagement initiatives help foster a positive working environment and encourage employee commitment supported by strategies to promote a diverse workforce and ensure inclusivity.

A culture of always learning

We are dedicated to continuous education, growth and development for all our employees and have developed a wide range of training and development opportunities across our business. We encourage colleagues at all levels to seek knowledge, adapt to changes and improve their skills throughout their careers with us.

OUR CULTURE



OUR CULTURE CONTINUED

How we shape our culture

Our culture is shaped by a combination of our values, leadership, practices and the behaviours we encourage. Our leadership plays a vital role in setting the tone for culture by displaying our core values and leading by example.

Our Board of Directors plays a crucial role in overseeing and reviewing Renew's culture to ensure it aligns with our values, strategy and long-term goals. The role of the Board includes supporting employee engagement, executive leadership development and fostering an environment that supports open communication.

Our culture is shaped and determined by our

Values	Deliverables	Measures	Enablers
What this looks like across our business			
Our core values are: compliance, integrity, progressiveness, consideration, reliability, responsibility, responsiveness and sustainability.	We embed our core values through a wide range of initiatives, including our executive training programme, Group forums and Group Minimum Requirements.	We measure culture within our business by using our employee and feedback surveys and employee retention rates, improving our diversity profile and our health and safety statistics.	We use the Group Forums to develop and embed positive change. We encourage employee volunteering and focus on social value. We continue to develop initiatives around employee recruitment and retention whilst developing our early careers programme.

Examples of our activities in 2024

Sustainability

River Chess Association conservation efforts

A 17-strong volunteer team from J Browne came together to work in the River Chess in the South East collaborating with the River Chess Association. The team, dressed in waders, tackled the physically tough task of constructing and repairing the deflectors, a task that demanded teamwork and resilience as the team navigated through the water. Its efforts contributed to a cleaner and more sustainable environment. By working with the River Chess Association, the team gained a greater understanding of some of the ecological challenges.

Group Forum events

The focus in the coming year will be on supporting the Group's various forums, which include topics such as safety, climate and nature, finance, communications and diversity, equality and inclusion. These forums support our understanding of current issues and provide a platform for open discussion.

RISE leadership and executive training

RISE, the executive development programme, is targeted at up-and-coming executives and senior leaders in the businesses.

Purposeful Leadership is an operational leadership programme targeted at managers in our businesses.

Development of a CRFD awareness programme

As part of our ongoing sustainability programme, during the year the Group undertook a range of activities designed to support the Group's alignment with the 8 CRFD reporting requirements.

Activities included surveys and workshops to ensure engagement on key topics was extended across the organisation ahead of drafting the annual disclosure.

Develop initiatives around employee recruitment and retention

At Barnsley College's Science, Technology, Engineering and Maths (STEM) centre, AmcoGiffen's academy provides an opportunity for 16 and 17-year-old learners to progress to an apprenticeship.

Providing construction, mechanical and electrical engineering qualifications, the programme takes around 16 apprentices on a year-by-year basis.

KEY PERFORMANCE INDICATORS

EVALUATING OUR PROGRESS

The Group has certain key performance indicators (“KPIs”) which are used to measure and monitor its performance in a number of areas. The KPIs are measured on a non-GAAP basis which reflects the most appropriate view of the underlying performance of the business.

Read more about our strategy on pages 23 and 24

A. Adjusted¹ EPS

65.9p

2023: 62.3p

59.5	62.3*	65.9*
2022	2023	2024

Description

The Group's adjusted¹ Earnings Per Share (“EPS”).

Why it's a KPI

An increase in the adjusted¹ EPS demonstrates the Group's focus on the quality of earnings and returns for our shareholders.

2024 performance

An increase in earnings demonstrates the business' financial performance and execution of strategy in the year.

Link to strategy

1 2 3 4 5

B. Adjusted¹ Group operating profit margin

6.7%

2023: 7.0%

6.9	7.0*	6.7*
2022	2023	2024

Description

Adjusted¹ Group operating profit as a percentage of revenue.

Why it's a KPI

The adjusted¹ Group operating profit margin illustrates the Group's focus on quality of earnings.

2024 performance

The Group's margin demonstrates continued operating profit performance and contract selectivity.

C. Engineering Services order book

£889m

2023: £777m

717	777*	889*
2022	2023	2024

Description

The value of the Group's Engineering Services order book.

Why it's a KPI

This KPI demonstrates the development of our position as a leading provider of essential engineering services and supports workload visibility.

2024 performance

The Engineering Services order book has increased following a number of strategic framework appointments and renewals.

Link to strategy

1 2 3 4 5

D. Dividend

19.0p

2023: 18.0p

17.0	18.0	19.0
2022	2023	2024

Description

The Group's full year dividend to its shareholders.

Why it's a KPI

The Group's dividend shows the Board's confidence in the strength of its capabilities and position within its key markets.

2024 performance

The Board approved the payment of a dividend in line with its established dividend policy.

* Following the disposal of Walter Lilly post period end, the financial statements have been amended to exclude its trading result from profit for the year from continuing activities. Its result has been included in discontinued activities. All FY23 comparatives have been restated accordingly, in compliance with IFRS 5.

1 Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

KEY PERFORMANCE INDICATORS CONTINUED

“The Group is committed to improving diversity across its businesses. The women in leadership KPI reflects the Group’s progress in this important area.”

Read more about our strategy on pages 23 and 24

E. Health and safety (LTIFR)

0.17

2023: 0.20

0.23	0.20	0.17
2022	2023	2024

Description

The Lost Time Injury Frequency Rate (“LTIFR”) measures the number of lost time injuries occurring in a workplace per 1 million hours worked.

Why it’s a KPI

The safety of our employees and those who work with us remains a priority for the Group. The LTIFR measure reflects the Group’s commitment to improving its safety record.

2024 performance

We continue to work hard to improve our health and safety performance and are pleased to have lowered our LTIFR in 2024 compared with 2023.

Our LTIFR target remains zero and we will continue to focus on the use of behavioural science across the business during 2025 to continue to drive further improvement.

Link to strategy

1 2 3 4 5

F. Investment in training

23,919

2023: 22,665

17,448	22,665	23,919
2022	2023	2024

Description

The number of training days undertaken across the Group in our various education programmes.

Why it’s a KPI

Measuring training days undertaken demonstrates our continued investment in our direct delivery workforce.

2024 performance

We continue to invest heavily in training across our business. The number of training days reflects both safety and non-safety related training.

Link to strategy

1 2 3 4 5

G. Carbon emissions intensity ratio (tCO₂e/£000)

0.030

2023: 0.032

0.036	0.032	0.030
2022	2023	2024

Description

The carbon intensity ratio compares the Group’s carbon emissions per £000 of revenue.

Why it’s a KPI

This KPI reflects the Group’s ambition to reach net zero carbon emissions by 2040.

2024 performance

The Group reduced its carbon intensity ratio from 0.032 to 0.030.

H. Women in leadership

14%

2023: 12%

Not a KPI	12	14
2022	2023	2024

Description

This KPI is a measure of the percentage of women in leadership roles across the business.

Why it’s a KPI

The Group is committed to improving diversity across its businesses. The women in leadership KPI reflects the Group’s progress in this important area. The KPI is the number of women leaders as a percentage of the total number of leaders in the Group.

2024 performance

Through the Group’s Diversity, Equality and Inclusion Forum and various initiatives we are pleased to report an increased percentage of women in leadership positions across the Group.

Link to strategy

1 2 3 4 5

SECTION 172(1) STATEMENT

Renew Holdings plc (the “Company” or “Group”) Section 172(1) statement

As required by Section 172 of the Companies Act 2006, the Directors confirm that, during the year, they continued to act in such a way as to promote the success of the Company for the benefit of all its stakeholders and confirm their commitment to ensuring due consideration of, amongst other matters:

- the likely consequences of any decision in the long term;
- the interests of the Group’s employees;
- the need to foster the Group’s business relationships with suppliers, customers and others;
- the impact of the Group’s operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Group.

Stakeholder engagement

Details on our stakeholder engagement activities can be found on pages 30 to 33 of this report.

Information on the Group’s sustainability commitments can be found on pages 51 to 61 of this report. The Group considers its broader sustainability commitments as part of its decision-making process, which includes an assessment of the impact of the decisions it takes on the environment.

While there are circumstances where the Board engages directly with certain stakeholder groups on certain issues, the structure of the Group means that it is usually best for stakeholder engagement to take place at a subsidiary level. More information on the stakeholder engagement that takes place, which informs the Company’s decision-making process, can be found in the Stakeholder engagement section on pages 30 to 33 of this report.

During the year the Board has engaged across our stakeholder groups including attendance at employee and management conferences, a capital markets day, and participation in our Safety and Environmental Management Group events as well as supplier and community events. The Board visited two of the Group’s subsidiary businesses during the year to better understand the businesses, their employees and culture where the Board met employees from across the businesses.

Impact on decision making

The day-to-day management of our subsidiary businesses is undertaken by the senior teams within the businesses. Renew oversees its subsidiary businesses in the areas of finance, health and safety, human resources, IT, commercial and risk management. More details of how the Group manages risk can be found on pages 72 to 77. Members of Renew’s executive management team attend each subsidiary’s monthly management meetings and review the Group’s overall financial and operational performance at monthly Board meetings.

The Renew Board is responsible for shareholder relations, business strategy, governance and reviewing progress against strategic objectives for both the Group and its subsidiary businesses, as well as considering the impact of the Company’s activities on the environment. More information on the Group’s sustainability commitments can be found on pages 51 to 61 of this report. The Board receives information on these areas prior to its monthly Board meetings and as required throughout the year.

In making its decisions, Renew considers all its stakeholders. Whilst not all the decisions made are able to benefit all the Group’s stakeholders at any one time, the Board is confident it reaches its decisions in a fair and consistent manner.

Read more about our business model on pages 20 and 21 and how the Group identifies and engages with its key stakeholders on pages 30 to 33

Find out more about our culture on pages 25 and 26

More details of the Group’s sustainability commitments and our progress against these during the year can be found on pages 51 to 61

Details of how the Group manages risk can be found on pages 72 to 77

STRENGTHENING STAKEHOLDER RELATIONSHIPS

Building strong relationships with our stakeholders plays a crucial role in our business, driving smarter decision making, reducing risks and deepening trust. This commitment helps us maintain positive, productive connections with all our stakeholder groups.

The role of engagement

Engagement is important for many elements of our business, impacting customer satisfaction, workforce performance, reputation and our capacity for innovation. Our stakeholder engagement strategies help us cultivate these important relationships, accelerate growth and remain agile in the competitive business environment.

Building stakeholder value

Building stakeholder value is about creating lasting benefits for everyone connected to the business, including customers, employees, investors, suppliers, communities and the environment.

We build stakeholder value by delivering innovative solutions to our clients, investing in our employees, engaging with suppliers and partners, contributing to the community, innovating for long-term sustainability and managing risk.

By balancing the interests of the Group's various stakeholders and creating value across these groups, we build on our reputation and competitive advantage as well as building a foundation for long-term, sustainable success.

EMPLOYEES

How we engage

- Our businesses undertook a range of employee surveys, including surveys on diversity, equality and inclusion.
- Communication channels include social media, workshops, newsletters, intranets and social events.
- During the year the Board undertook 2 site visits where it met with the senior leadership teams as well as employees from across the businesses.
- The Board is kept up to date on the outcomes of employee survey data.
- The Executive Directors engage with our employees informally on a day-to-day basis as well as at more formal events such as the annual employee roadshow, management meetings and Group forums, including those on safety, climate and nature, finance, communications and diversity, equality and inclusion.

Why we engage

As a direct delivery organisation, engaging with our employees is key to informing every aspect of our business.

Priorities for 2024/25

- The focus in the coming year will be on continuing to support and develop the Group's various forums. The forums support our understanding of current issues and provide a platform for open discussion.
- The Board will be looking to increase engagement with employees across the Group through its site visit programme.
- The results of the various employee surveys will inform the Group's planning in key areas.

“By balancing the interests of the Group’s various stakeholders and creating value across these groups, we build on our reputation and competitive advantage as well as building a foundation for long-term, sustainable success.”

SHAREHOLDERS

How we engage

- We delivered a series of results meetings with our shareholders during the year and held the Group’s Annual General Meeting in January.
- In June, the Group held a Capital Markets Day for analysts and investors. The event provided access to all of Renew’s engineering brands and included some live operational demonstrations with a focus on the opportunities in Rail and Water as well as insights into the Group’s collaboration strategy.
- The executive management team responds directly to shareholder enquiries.
- We have been particularly active in investor relations activities, reaching out to international institutions during the year.

Why we engage

The views of the Group’s shareholders influence the decisions taken by the Board and the executive management team. We seek to maintain strong relationships with our shareholders through effective communication, ensuring shareholders’ views are considered and concerns are addressed in a timely and transparent manner.

Priorities for 2024/25

- Review engagement feedback to build on the Group’s shareholder engagement activities during 2025.
- Development of the Group’s shareholder engagement calendar.

OPERATING COMPANIES

How we engage

- During the year the Board attended site visits and presentations by the subsidiary senior management teams of a number of our subsidiary businesses.
- Each monthly subsidiary management meeting is attended by a member of the Renew executive leadership team.
- The Group holds quarterly Executive Management Committee meetings, which are a forum for managing directors from around the Group to share information and best practice.
- The Group’s forums provide an opportunity for management to engage across the operating companies on a range of topics such as diversity, fleet, commercial and procurement.

Why we engage

Strong engagement with our subsidiary companies ensures a thorough understanding of the performance of the businesses and ensures their alignment and progress against the Group’s overall strategic objectives.

Good relationships assist with the implementation of the Group Minimum Requirements, a set of standards which oversees all aspects of our subsidiaries’ operations.

Priorities for 2024/25

- Ensure continued compliance with the Group Minimum Requirements.
- Bring together our Group subsidiary companies to leverage collaborative gains.
- Utilise the Group’s forums to continue to share best practice, knowledge and expertise.

STAKEHOLDER ENGAGEMENT CONTINUED

CUSTOMERS

How we engage

- Our teams participate in client meetings, workshops, site visits and supplier events.
- Through the work delivery process, communication is critical and site teams and subsidiary management actively engage with the customer, often over long-term programmes of work.
- Engaging in our customers' initiatives, understanding their priorities and working responsibly help us build relationships over many years with our key clients.

Why we engage

Strong and open communication helps foster long-term relationships and build trust with our customers. Through regular engagement we are able to develop our understanding and deliver a responsive service aligned to our customers' requirements.

Priorities for 2024/25

- Ensure our businesses continue to be aligned to the requirements of their key strategic clients.

The importance of supplier engagement

At AmcoGiffen emergency call outs range from patching up fence lines to stopping trespassing to full rebuilds of bridges if required. The importance of our supply chain and the relationships that we have is imperative to help us effectively coordinate and plan, materials and plant at a moment's notice, which can be any time of the day or night.

The strong relationship between our procurement team and our supply chain helps us to control the safety, speed and quality of the required repair response, making sure that important plant and materials are available and supplied quickly and safely. This is crucial for our clients and our success provides them with confidence.

We continue to see an increase in major emergency call outs where sites are mobilised and operational within 24 hours. Asset Management Teams are on site within a few hours along with plant and materials.

This collaborative team-work has been recognised with AmcoGiffen winning the National Rail Awards, Team of the Year category and CECA Yorkshire & Humber Linda Grant Health & Safety and Going the Extra Mile awards alongside our client Network Rail.

SUPPLIERS

How we engage

- Our supply chain engagement centres around integration, creating a solid foundation that brings together design, construction, delivery and processes through partner relationships that create a culture of trust and the incentive to innovate.
- The Group's Procurement Forum informs the supplier engagement process which, during the year, has helped develop an approach to data gathering ahead of the requirement to disclose scope 3 emissions data.
- We work openly and collaboratively with sub-contractors, specialist contractors and our Group partners to provide the best value, most efficient, highest-quality sustainable solutions for our clients. We hold regular engagement sessions with our supply chains in different regions and for different frameworks to involve suppliers in our planning and development of the right solutions for our clients. We also support our supply chain with regulatory obligations and standards as well as training.

Why we engage

We aim to share our collective challenges and goals, helping to ensure that we deliver open, collaborative relationships that drive true value for all our suppliers, stakeholders and the wider community.

Priorities for 2024/25

- Our businesses will continue to develop strong relationships with their supply chains.
- Support our supply chain with ethical working practices.
- Continue to engage with industry events and forums.

"Strong and open communication helps foster long-term relationships and build trust with our customers."

COMMUNITIES

How we engage

- The nature of the work our subsidiary businesses undertake means we are often working in and around the local communities. Our subsidiary businesses are aware of the impact of their operations and seek to keep local communities informed using a variety of methods including face-to-face meetings, newsletters and social media.
- Community schemes and charitable events give our businesses an opportunity to leave a lasting positive impact from the work they do.
- Engaging with local education providers supports them in developing the industry's skills of tomorrow.

Why we engage

Engaging with our local communities ensures we are aware of local concerns and challenges. It allows our teams to work with the communities in ways that benefit everyone.

Priorities for 2024/25

- Continue to strengthen our community engagement programmes to the benefit of all involved.
- Develop our businesses' social impact strategies to help improve the local communities we work in.

Transforming social value for on-the-go delivery teams

A large portion of our operational activity is carried out by maintenance teams travelling to locations throughout the UK. The work is transient, making it difficult for these teams to add social value while they're in the area. To overcome this, AmcoGiffen has entered into a partnership with one of its clients, the national waterways charity Canal & River Trust, to connect with and enhance communities, as part of its social value strategy. The partnership aims to create a library of community impact activities for its maintenance teams to pick up and complete wherever they are working. This relationship will provide those teams with ready-made opportunities to deliver social value easily.

Championing diversity, equality and inclusion

Browne continues its commitment to diversity, equality, and inclusion ("DEI"), making significant progress in fostering an inclusive culture. On 12 September, Browne held its first workshop session of its "Empowering Differences" Programme. This immersive session was attended by senior managers from Browne, Enisca Browne and Enisca, alongside representatives from the Company's Fairness, Respect, Equality, Diversity, Inclusion and Engagement ("FREDIE") Forum. The Empowering Differences Workshop provided a valuable opportunity for senior leaders to explore how DEI impacts both individuals and the business. Participants engaged in thought-provoking discussions, reflecting on their personal and professional experiences with inclusion and the challenges of creating an inclusive environment. With representatives from the FREDIE Forum, a group that meets monthly to advance DEI initiatives within the Company, the workshop reinforced Browne's ongoing efforts to cultivate diversity.

RAIL

As one of the largest providers of multidisciplinary maintenance and renewals engineering services to Network Rail, we support the day-to-day operation of the rail network nationally, directly delivering essential asset maintenance through our long-term framework agreements.

Upgrading the UK's rail network

QTS has recently completed works on the newly opened Levenmouth Rail Link, working as part of Scotland's Railway.

The £116m Rail Link, which is being funded by the Scottish government and delivered by Network Rail and ScotRail, has reconnected Leven and Cameron Bridge to Scotland's railway network for the first time in more than half a century.

The multidisciplinary project required close working and collaboration from several railway contractors. Over the 9.5km route, works began with environmental reviews and vegetation clearance, managing invasive species and removing any trees that could pose a threat to the line. QTS then began fencing operations along the route boundary and public access areas totalling up to more than 20km of fencing installed.

Earthwork remediations were also carried out by QTS with significant slope regrading, stone reinforcement and the installation of more than 2,000 soil nails. Approximately 1,500m² of embankment extensions were done to improve alignment, provide infrastructure support and to protect from river scour. The team from QTS also removed and infilled two redundant under-bridges, along with the installation of over 200 anchors to improve existing retaining walls at Leven Station and Tullybreck.

Read more about our markets on pages 17 to 19

Our capabilities

- Asset renewals and refurbishment
- Critical planned and reactive maintenance
- Operational support and asset care
- Civil, mechanical and electrical and minor signalling engineering services
- Geotechnical and earthworks
- Plant, power and signalling
- 24/7 emergency provision
- Tunnel and shaft refurbishment
- Fencing and devegetation
- Multidisciplinary in-house design capability
- Electrification
- Stations and telecoms
- Specialist rail plant

Progress

Renew is one of the largest providers of maintenance and renewals services to Network Rail nationally and has framework and geographic coverage across the UK and in all 5 of the devolved regions.

We have entered into Network Rail's Control Period 7 ("CP7") with frameworks across the UK, including in Scotland on the Geotech and Buildings and Civils frameworks; in Northwest and Central on the Capital Civils and Buildings frameworks and the Civils Asset Management and Building Asset Management frameworks; in Wales and Western on the Electrification and Plant and Civils frameworks; and in Eastern on the Buildings and Civils frameworks.

We have won 3 new key frameworks in Northwest & Central and strategically won the Electrification and Plant Framework in Wales and Western, which wouldn't have been possible without an integrated skills offer from all our rail brands.

We are continuing to expand our rail client base outside of Network Rail, recently securing places on the C2C Trenitalia TOC Building and Civil Engineering Works Framework.

During the year the Group's Rail Skills Academy was recognised as the leader in the industry, with a number of delivery routes now confirmed.

The Group's innovative COSS Academy Programme, which has revolutionised COSS delivery and lineside safety internally and throughout our supply chain, won the @SpotlightRail Training Excellence Award and will be delivered by Network Rail within their organisation from the end of 2025.

Our markets

Network Rail has committed £45.4bn of investment over CP7 which commenced in April 2024 and runs to March 2029. Within this allocation the maintenance and renewal budget has increased by 9% from CP6 to £31.9bn in CP7.

There is growing demand from industry bodies, Great British Railways and others to increase this maintenance and renewals spending on assets. On top of ageing assets there are increasing pressures on the network to provide resilience against climate and extreme weather events, the need to make rail travel more accessible, more reliable and greener through increased electrification.

Delivering "Access for All"

Earlier this year, AmcoGiffen carried out the "Access for All" scheme at Garforth Station on behalf of Network Rail. Steel lift shafts and staircases were installed for the "Beacon" style footbridge in preparation for the main deck to be lifted into place using a 350-tonne crane. AmcoGiffen undertook the design and engineering, steel fabrication and construction in close collaboration with its supply partners and Network Rail to meet the concept design.

The original structure was fragile, and time restrictions meant that traditional methods would not be viable. The design team proposed a temporary support frame to cradle the structure during the lift and the historically significant structure was transported to Bredgar & Wormshill Light Railway for restoration.

The AmcoGiffen steel fabrication team had been building the main elements of lift shafts, staircases and main deck for the new structure at its base in Barnsley since October 2023. Due to its size, the main deck was transported to the site under police escort.

Future focus

There will be increasing investment focus on climate resilience, the need to make rail travel more accessible, more reliable and greener through more electrification. Renew's three rail companies: AmcoGiffen, REL and QTS have been developing people and capabilities to successfully respond to these needs over many years but more recently have created the 'ARQ' partnership in response to a growing demand for electrification and plant renewals and for the future electrification demand. Network Rail estimates that to decarbonise the UK rail network completely, 13,000 kilometres of track will need to be electrified by 2050 to achieve net zero. The utilisation of the 'ARQ' partnership brings together the Group's skills in self-delivery of the broad scope of electrification and plant rail systems, including low and high-voltage power and Overhead Line Electrification ("OLE"). The ARQ partnership has successfully secured the Wales and Western Electrification and Plant Framework and is already delivering innovation and operational efficiencies on behalf of Network Rail.

We remain confident in resecuring positions on the remaining CP7 civils and building asset maintenance frameworks in Scotland, Eastern and the Wales and Western regions whilst targeting new CP7 framework OLE and telecoms opportunities.

INFRASTRUCTURE

We deliver specialist engineering services across the strategic highways network, predominantly to National Highways, through a number of asset delivery framework agreements. We also undertake all aspects of wireless telecoms network infrastructure delivery and airside operational support and asset care.

Developing our Highways capabilities

In April, the Group, through its Carnell subsidiary, acquired Route One, a leading bridge and structures specialist in the civil engineering sector.

The acquisition increases the capabilities of the Carnell Group to include bridge maintenance and repair, including bridge expansion joints, waterproofing systems, bridge bearings, concrete repairs and cathodic protection. These complementary capabilities allow Carnell to expand its offering for new and existing clients, supporting the RIS3 investment in the strategic roads network and the wider focus across the UK on maintaining infrastructure assets.

Read more about our markets on pages 17 to 19

HIGHWAYS

Our capabilities

- General civils including structures, groundworks, drainage, fencing and geotechnical schemes
- Installation and maintenance of roadside communication assets
- Repair, refurbish and install highway drainage networks
- Unique StoneMaster filter drain refurbishment process
- Drainage surveys including pipe-jetting and record digitisation
- Full turnkey road lighting service
- SafetyCam fleet of mobile road worker protection vehicles
- Road restraint systems

Progress

We have made further progress within Highways, continuing to execute on work banks that are a part of the current National Highways Scheme Delivery Framework (SDF), running to 2027, which includes five framework lots covering civil engineering, road restraint systems and drainage disciplines, worth more than £147m over the six-year period. We also anticipate significant work on the legacy concrete pavements ("LCP") programme through the SDF.

During the year Carnell acquired Route One, a multidisciplinary specialist engineering business operating in the UK Highways sector providing end-to-end solutions for bridge deck maintenance and protection. Route One has a number of long-term frameworks on the National Highways Scheme Delivery Frameworks across England.

The AmcoGiffen and Carnell collaboration ("AGC") continued to be a leading barrier supplier to National Highways.

Our markets

Despite the RIS3 funding announcement being delayed until January 2025 the total level of expenditure is expected to be similar to that seen in Road Investment Strategy 2 ("RIS2") at around £25bn.

The focus in RIS3 is likely to be on renewals and capital maintenance with the budget likely to double from £4.3bn in RIS2. This is a move away from larger enhancement schemes.

Over 70% of the National Highways network of roads and bridges will be over 45 years old by 2025 and as a result the priorities in RIS3 are likely to be on structures, rigid pavements, lighting and technology.

Committed to carbon reduction

During the year Carnell released the second edition of its Carbon Management and Reduction Plan. The purpose of the plan is to highlight its documented strategy and actions that are being taken to help reduce its carbon footprint and minimise its impact on the environment. The short-term Carbon Reduction Plan sets targets for the next three years, while the roadmap shows its long-term plan to meet its net zero commitment by 2040. The document also details its past performance according to the Green house Gas Protocol and emissions relating to the three scopes.

Earlier this year, Carnell demonstrated its continued commitment to reducing carbon in infrastructure by gaining PAS 2080 certification with the British Standards Institute. With more than 30% of UK greenhouse gas emissions being attributed to the construction, operation and maintenance of infrastructure assets, PAS 2080 certification recognises businesses that have come together to deliver low-carbon infrastructure projects to manage and reduce their environmental impacts.

Future focus

The Government's prioritisation of critical maintenance and renewals programmes clearly plays to our strengths and uniquely positions us to deliver continued growth. Within RIS3 we expect the expansion of our AGC road restraint collaboration, the inclusion of the legacy concrete pavements programme in the Scheme Delivery Framework, and the acquisition of structures specialist Route One, to enable us to take further market share.

Carnell supports Highways Industry Careers Day

During the year, Carnell supported the Midlands Collaborative Community as it hosted an informative careers day at the Newcastle Stafford Colleges Group ("NSCG"). The event featured a presentation highlighting the careers available in highways and educational opportunities at NSCG, which was well received by students from local schools and colleges.

The event included an exhibition that included a variety of interactive activities, virtual reality experiences and products used in the highways industry. In the outdoor area, students engaged in practical learning with plant, robot obstacle course demonstrations and road marking simulations.

This initiative, part of a series coordinated by National Highways and the MCC supply chain community, is all about opening doors to the highways industry.

Infrastructure continued

COMMUNICATION NETWORKS

Our capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Acquisition, planning and design services
- Provision of 4G, 5G and Wi-Fi technologies
- Small cell mobile network infrastructure
- Maintenance and decommissioning services

Progress

During the year we maintained our position with Virgin Media O2 (“VMO2”) on the framework for 4/5G and unwind works which involves demergers and building 4/5G masts.

We secured a 3-year framework for VMO2 for design and construction services worth up to £50m securing our position as a key delivery partner for VMO2 across the UK.

We secured a 3-year Vodafone acquisition design and construct contract as 1 of only 2 national partners.

We now have frameworks with all 4 UK mobile networks: 3UK, Vodafone, VMO2 and EE.

We are continuing to develop our small cell offering and are now the leading provider to BT and Cellnex for this service and recently became a rollout partner for Freshwave.

We have secured three government-funded private 5G developments which provides the opportunities to develop our position with other private 5G customers.

We have completed phase 1 of the government-backed Shared Rural Network roll out (“Partial Not Spots”) and are now developing the Total Not Spot Programme in very hard to reach locations. Through our Shared Rural Network with the Department for Digital, Culture, Media & Sport (“DCMS”) and Cornerstone we are currently building 31 sites and have activated the first SRN live site in the UK in March.

We are further expanding our route to market through tower providers, Cornerstone and Cellnex, where we deliver similar works to those provided for the mobile networks markets.

Our markets

The nation’s connectivity is becoming ever more critical in the digital age, and as a result the Wireless Telecoms sector contains many attractive growth drivers. Around £2Bn per annum is spent by mobile network operators to maintain and upgrade their networks. With new customers entering the small cell market and the need to connect critical national infrastructure.

Future focus

Continuing our growth as a trusted partner to the nation’s network providers and our leadership in small cell networks will leave the Group well placed to seize further growth opportunities in the future.

Every voice matters

Group subsidiary Clarke Connect is committed to a culture where every voice matters. The business embraces diversity and empowers all employees to thrive.

As part of delivering this commitment, Clarke Connect has achieved Disability Confident Employer status. This recognition highlights its commitment to creating an inclusive and accessible workplace for people with disabilities.

Beyond the recognition, the award means the business:

- is better positioned to attract diverse talent from a wider range of backgrounds;
- can ensure that all candidates, regardless of disability, feel welcome and supported throughout the hiring process; and
- strengthens its ability to foster an environment where everyone has the opportunity to thrive, contribute and grow.

AVIATION

Our capabilities

- Airside operational support and asset care
- Critical planned and reactive maintenance and renewals
- Stand reconfiguration
- Airfield ground lighting installation
- Drainage and flood prevention

Progress

Our teams are well placed to understand the complex and unique challenges faced by each individual airport. We provide our clients with expert advice and solutions for efficient delivery. We design, construct and maintain a wide variety of infrastructure both in and around airport facilities.

Our strategy to increase our market share through medium and long-term frameworks has paid dividends with the recent successful awards on the Manchester Airport Group Airfields Framework as the only supplier to secure places at all three airports: Stansted, Manchester and East Midlands. This builds on our existing capital and airside maintenance framework positions with MAG and Leeds Bradford Airport.

We have successfully secured and mobilised on the Manchester Capital Delivery Framework pier 2 phase 2 and Taxiways during the period.

Our markets

Airport asset renewals and maintenance opportunities are increasing, with 6 of the 8 largest UK airports also now having significant capacity enhancement programmes.

Manchester Airport hotspot repairs

Using our in-house capability to undertake a range of specialist concrete repairs, we completed vital repair work to taxiways at one of the UK's busiest airports. This included 372 "hotspot" pavement repairs.

Our main challenge was the sheer number of hotspots: no fewer than 372 repairs had to be carried out, while allowing for the weather-dependent nature of this type of work and minimising any disruption to the airfield's ongoing operation. In this respect, early planning was key: some repairs had to be carried out at night, given their proximity to the runway, which was in frequent use during the day.

All 372 hotspot repairs and 6 bay replacements were completed defect free within the required timeframe. In fact, we finished ahead of schedule, enabling the client to undertake additional repairs during its planned taxiway closures.

This project demonstrated our ability to work as part of a wider team with the airport's stakeholders and deliver against the brief with minimal disruption to operations.

Future focus

We have seen demand for travel dramatically increase since 2022 after several years of decreased demand due to Covid-19 resulting in underinvestment in critical assets in the sector. Aviation is becoming an area of increased focus within the Group and we look forward to continuing to seize opportunities as we grow our credentials in the sector.

ENERGY

Our services are associated with high-hazard risk reduction operations at nuclear facilities. We also provide long-term maintenance and renewal support to UK renewable energy sites and thermal power generation plants as well as transmission and distribution services and electric vehicle charging infrastructure and independent connection provider services.

Expanding our nuclear manufacturing capabilities

During the year, West Cumberland Engineering Limited ("WCEL"), a wholly owned subsidiary of Shepley Engineers, acquired T.I.S. Cumbria Ltd ("TIS"). The acquisition continues the growth of the Group and expands its manufacturing capacity.

We continue to support our existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes. The added manufacturing capacity will allow the Group to better support its existing clients, as well as strengthening its broader market position. TIS represents an excellent strategic fit with our existing multidisciplinary nuclear capability, which offers attractive long-term structural growth opportunities underpinned by highly visible committed regulatory spend in a sector that we know extremely well.

Read more about our markets on pages 17 to 19

NUCLEAR

Our capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Nuclear decommissioning and decontamination
- In-house specialist fabrication and manufacturing

Progress

Through the previously announced PPP frameworks secured in summer 2023 and direct award contracts, our 3 businesses have been awarded 20 contracts valued at £52.7m.

We successfully secured contracts to support Sellafield in its complex post operational cleanout of facilities to support its decommissioning programme.

The integration of TIS doubles the Group's manufacturing capacity to support nuclear opportunities throughout the UK.

We continue to target opportunities for 2 lots on the Sellafield Decommissioning Nuclear Waste Partnership ("DNWP") framework in joint venture. The DNWP is the successor framework to the DDP a £1.5bn framework over 15 years.

There remain significant opportunities at Sellafield, including additional new long-term frameworks for decommissioning, site wide infrastructure and site wide asset support.

We have secured further opportunities outside of Sellafield, growing our presence in the civil nuclear market at Springfields, Capenhurst and AWE.

Future opportunities include Nuclear Restoration Services and at Hinkley Point.

Our markets

Having worked for over 75 years in civil nuclear, we provide a multidisciplinary service through our large complement of highly skilled employees who operate to demanding nuclear standards, including decontamination and decommissioning services, operational support and asset care, as well as waste retrieval in high-hazard areas such as legacy storage ponds and silos.

The Government's total nuclear decommissioning provision is estimated at £124bn over the next 120 years, with around 75% of the total spend allocated to Sellafield which is the largest of the Nuclear Decommissioning Authority's sites and where we remain a principal mechanical, electrical and instrumentation services contractor.

Future focus

The UK government has committed to achieving net zero emissions by 2050, and decarbonisation of our energy supply is a key step to achieving carbon neutrality.

This is delivering a radical shift in the UK energy system towards cleaner, more affordable energy sources, of which new nuclear is an essential component. This is underpinned by the creation of Great British Nuclear and the Government's target to commence construction of up to 3 new nuclear plants in the next 10 years. This provides long-term and sustainable demand for our specialist manufacturing capabilities in high-grade nuclear components which we are investing in and seeing record demand for.

The "Gold" standard

During the year, Shepley was awarded Gold accredited membership via The 5% Club's 2023-24 Employer Audit Scheme. This award recognises Shepley's significant contribution to the continued development of all its employees through "earn and learn" schemes such as apprenticeships, graduate schemes and sponsored student course placements.

The 5% Club is a dynamic movement of employers all of which are inspired to take positive action for increased, inclusive and accessible workplace training for all. The Employer Audit is a unique scheme which validates the employers' activities and explores their future plans and commitments, as well as examining their approaches to equality, social mobility and diversity and inclusion.

Alongside its apprenticeship scheme, Shepley has recently launched its improvership scheme that pairs employees who are not qualified in a trade with a supervisor to learn key relevant skills before placing them on a specific training programme in order for them to become suitably qualified in a specific trade.

Energy continued

RENEWABLES – WIND

Acquisition of Full Circle

Business capabilities

- Wind turbine maintenance
- 24/7/365 remote wind turbine monitoring
- Wind turbine blade inspection and repair
- Statutory turbine inspections
- Major component repair and replacement

About Full Circle

Post period end, in October Renew acquired Full Circle Group Holding B.V. ("Full Circle"). The acquisition of Full Circle represents an exciting opportunity for the Group to enter a high-growth and fragmented onshore wind services market.

Full Circle is headquartered in Amersfoort, Netherlands, and is a leading provider of onshore wind turbine repair, maintenance and monitoring services to the European renewable energy market. The Company operates on a scalable platform, with a directly employed workforce of c.160 highly-skilled technicians located near operational sites in the UK, the Netherlands, France, Italy and Greece.

This trans-European network is connected via a centralised control centre in Amersfoort, offering 24/7 remote monitoring of all turbine types with the ability to rapidly deploy local resources. This turbine management system continuously analyses equipment to facilitate predictive maintenance services, significantly reducing turbine downtime. Teams further ensure turbine safety, efficiency and compliance through regular checks and maintenance utilising AI-enabled drone technology.

Full Circle's established track record means it is well positioned to scale alongside the market, with a large proportion of installation activity taking place in geographies where the Company has existing operations. All core markets are set to grow installed capacity in the medium term, with governments, including in the UK, reviewing planning permission requirements to accelerate the creation of further wind projects.

Full Circle generates c.75% of its revenue from UK-based operations with a number of long-term frameworks with leading wind park owners and is selectively seeding and growing its presence in targeted European territories.

Future focus

There is a significant long-term international growth market with existing operations in the UK and Europe. We are able to offer the full spectrum of services to turbine technologies across multiple OEM brands including 24/7 remote monitoring.

Why wind?

The acquisition represents a compelling strategic fit for the Renew Group, providing entry into the high-growth renewable energy services market with a leading position, in line with the Group's stated strategy of capitalising on the green energy transition.

With governments in the UK and across Europe reaffirming their commitment to achieving net zero carbon emissions by 2050, the opportunity within this sector is significant and growing at pace. Through the addition of Full Circle's best-in-class, direct delivery service model, Renew will be able to fully capitalise on this transition, while benefitting from the long-term, non-discretionary maintenance programmes that will continue to underpin it.

Renewable energy is forecast to become the largest component of Europe's total energy mix by 2050. The onshore wind market is well-established and forecast to grow at 7.7% CAGR over the next 6 years. The market for maintenance and renewal of these turbines is highly fragmented and represents a significant opportunity for the Group to grow organically and through acquisition.

Countries

9

Control room

24/7

Turbines

>650

Customers

>270

TRANSMISSION AND DISTRIBUTION

Acquisition of Excalon

Business capabilities

- Engineering, procurement and construction
- Network connections
- EHV infrastructure
- Directional drilling services
- Surfacing and reinstatement
- Traffic management
- Design and feasibility studies

About Excalon

Excalon is a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector.

Excalon has a number of long-term frameworks with electricity Distribution Network Operators ("DNOs") across the UK. Excalon works as an independent connection provider ("ICP"), EPC and network infrastructure partner specialising in the provision of services to the utilities industry and throughout the UK, employing highly skilled personnel.

Excalon's delivery model is to engage the services of our in-house specialist resources for project management, safety, health, environmental and quality ("SHEQ"), design, engineering, civil operations, cable laying and jointing/connection services to provide innovative, workable and sustainable solutions and practices in challenging environments and minimising disruption.

Excalon holds frameworks with National Grid Electricity Distribution ("NGED"), Northern Powergrid ("NPG") and SP Energy Networks ("SPEN") to complete design and installation of extra high voltage cable 33kV and above and with NPG to complete renewal and maintenance of its high voltage and extra high voltage assets 33kV and above.

The UK transmission and distribution market

The UK's electricity network is based on a centralised supply model with large power stations geographically located to support a large high voltage transmission grid. This provides variable levels of power to balance the demand and supply. The system is supported by three transmission businesses: National Grid in England and Scottish Power and Scottish & Southern Electricity in Scotland.

The distribution network runs at lower voltage which delivers the power to the customer property business and is designed to run at fixed levels of supply, providing always-on power without variability in output. Distribution is split into regions, which have been consolidated over the last 20 years to 6 business.

Supporting distribution expansion

Excalon are working for Northern Powergrid at Yorkshire Green in Tadcaster. There are four 33kV overhead lines to underground schemes associated with the works to facilitate NGET's 275kV (National Grid) proposed upgrade and reinforcement works as part of the Yorkshire Green Project between Overton and Monk Fryston. The works are proposed to commence in July 2025 for 6 months.

Why transmission and distribution?

The UK electricity Distribution Network Operators ("DNO") market is regulated by Ofgem and operates in 5-year control period funding cycles. The RIIO ED2 cycle commenced in April 2023 with the latest determination of funding set at £22.2bn.

Entering this market allows Renew to access both the opportunities in ED2 as well as the upgrade of the grid that is required to support the UK's zero carbon generation and renewables sector. This acquisition broadens Renew's exposure to another critical UK infrastructure market, presenting tremendous long-term growth opportunities, and is consistent with our stated strategic objective to expand into new complementary sectors that have high barriers to entry coupled with resilient attributes.

ENVIRONMENTAL

We support our water clients by directly delivering asset maintenance and renewals across water infrastructure networks including flood alleviation and river and coastal defence schemes. We also specialise in undertaking complex remediation and specialist restoration schemes for our clients.

Awarded strategic framework appointment for up to 11 years on Wessex Water Capital Delivery Framework

In September, Envolve Infrastructure secured first place as a Civil Works Framework delivery partner for Wessex Water providing an unparalleled opportunity for continued organic growth as we extend our relationship into AMP8 and 9.

Wessex Water has been a core client for Envolve Infrastructure for the last 17 years. Envolve have operated as their strategic partner spanning their treatment and network workstreams and have established dedicated in-region management and delivery teams that have ensured collaborative success focused on our shared priorities of safety, quality, time and cost.

Read more about our markets on pages 17 to 19

WATER INCLUDING FLOOD AND COASTAL

Business capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- 24/7 emergency reactive works including flood risk management programmes
- Process and MEICA design and installation
- Maintenance of strategic water mains and mains drainage
- Clean and wastewater rehabilitation infrastructure
- Dam safety and pressurised pipeline specialisms
- Port, harbour and sea defences

Progress

In addition to the major new AMP8 frameworks previously awarded with Welsh Water, Thames Water and South West Water, we were awarded AMP8 frameworks with Southern Water, Northumbrian Water, Irish Water and Wessex Water in the period.

Existing frameworks have been extended into AMP8 in South East Water, Thames Water and Welsh Water.

We now work for 10 of the 12 combined waste water companies as well as working for major water only companies Affinity Water, Bristol Water and South East Water.

We continue to make good progress in securing key AMP8 bids with long-term clients Affinity Water and Yorkshire Water.

We secured places on all 5 lots of the Environment Agency's Asset Operations Maintenance and Repairs ("AOMR") frameworks and secured 4 out of 5 lots of the Asset Operation, Maintenance and Response Mechanical, Electrical, Instrumentation, Control and Automation ("MEICA") framework.

We successfully secured a place on 2 out of 5 lots of the MEICA framework dealing with the operation, repair and maintenance of flood defence assets.

In addition, we were awarded places on 3 out of 6 lots of the new Canal & River Trust Non-Complex Civil Works Framework and were awarded a 2-year extension to our existing MEICA frameworks.

Our market

Ofwat's draft determination anticipates a total spend of £88bn over AMP8. This is an increase of £37bn from AMP7. Final determinations are expected to be announced in January 2025. AMP8 will commence in April 2025.

Helping hands at Snaresbrook Primary School

The Browne team is committed to not only delivering essential infrastructure projects but also supporting the communities in which it works. Whilst undertaking a significant project on behalf of Thames Water to deliver main replacements outside Snaresbrook Primary School the team wanted to find a way to give back to the community that has supported it. Browne's Helping Hands Volunteer Team stepped in to offer a day of service at Snaresbrook Primary School, repainting the school's shed and planters, refreshing several areas and bringing a splash of colour to the school grounds. It was a rewarding experience for our team, knowing that our efforts would contribute to creating a more vibrant and welcoming environment for the students and staff.

Future focus

The Group continues to expand its capabilities in water and to grow its network in the sector. With a strengthened position in the market, we are well positioned to benefit from the increased investment in water through AMP8.

SPECIALIST RESTORATION AND REMEDIATION

Our capabilities

- Soil and groundwater remediation
- Design of bespoke remediation and ground engineering solutions
- Specialist restoration and conservation

Progress

In Land Remediation, we continued to see demand for our specialist environmental services as part of the government's green infrastructure agenda. In specialist restoration we continue to further leverage the synergies of Renew's businesses, including the unlocking of long-term opportunities at the Palace of Westminster.

Our markets

Following the General Election the new Government announced a number of changes to the National Planning Policy Framework ("NPPF") to promote a brownfield first approach alongside the release of "grey belt" land for affordable housing. The Government's also committed to providing 300 new planning officers and the reintroduction of mandatory housing targets, which we expect to assist in the unblocking of brownfield land projects.

WHY INVEST

How we deliver

- The Group is committed to growing the business in its chosen markets both organically and through selective complementary acquisitions whilst maintaining a disciplined approach to capital allocation and risk.

Link to strategy

1 2 3 4 5

STRONG LONG-TERM GROWTH PROSPECTS

FINANCIAL REVIEW

Sean Wyndham-Quin CA
Chief Financial Officer

CONTINUED STRONG GROWTH

Results

Group revenue¹ from continuing activities was £1,057.0m (2023: £887.6m), with an adjusted¹ operating profit from continuing activities prior to amortisation and exceptional items of £70.9m (2023: £62.4m). Statutory operating profit was £61.2m (2023: £57.7m). A tax charge of £17.8m (2023: £12.3m), prior to exceptional items¹ and amortisation of intangible assets tax credit, resulted in a profit after tax prior to amortisation and exceptional items for the year of £52.2m (2023: £49.2m), an increase of 6 per cent. After deducting £8.2m (2023: £3.1m) of amortisation and exceptional costs net of tax, the profit for the year from continuing activities was £44.0m (2023: £46.1m).

Amortisation and exceptional items

The £8.2m of exceptional items and amortisation is made up of £6.2m of amortisation charges in the year relating to contractual rights and customer relationships which are primarily associated with the acquisitions of Excalon Holdings Ltd, Enisca Limited, QTS Group Limited, Carnell Group Holdings Limited, Rail Electrification Limited ("REL") and J Browne Group Holdings Limited ("J Browne"). Following this amortisation there remains £33.9m of other intangible assets on the balance sheet.

Net cash

The Group's balance sheet shows a cash balance of £80.2m (2023: £35.7m) and bank borrowings (via the Group's RCF) of £52m (2023: £nil) at the year end. This figure excludes the overdraft in discontinued liabilities of £2.5m (2023: Nil) related to Walter Lilly Limited which was sold post year end on 4 October 2024 and is consequently treated as discontinued in the accounts. Consequently, the Group's pre-IFRS 16 Net Cash¹ position as at 30 September 2024 was £25.7m (2023: £35.7m) and was £1.1m (2023: £18.0m) on a post-IFRS 16 basis.

Acquisitions

During the year the Group made three acquisitions, TIS, Route One and Excalon as a continuation of our strategy of growing the business through a combination of organic growth and M&A. These acquisitions have increased our nuclear manufacturing capacity, given us access to different areas of highways spending and allowed us to enter the electricity transmission and distribution market respectively.

Post the year end, the Group acquired Full Circle, our first non-UK acquisition, which has allowed us to enter the onshore wind turbine maintenance market in the UK and Europe.

FINANCIAL REVIEW CONTINUED

Banking facilities

The Group continues to operate within the facilities provided by HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc. The facility comprises an £120m secured revolving credit facility committed until November 2026. This facility was increased post year end on 6 October 2024 from £80m to £120m following the acquisition of Full Circle Group Holdings B.V.

The Group has complied with the covenants associated with all of its debt facilities throughout the year.

Going concern

The Directors continue to adopt the going concern basis in preparing the Group's 2024 financial statements. Further detail can be found in Note 1 to the accounts.

Leasing

At 30 September 2024, the Group had £24.6m (2023: £17.7m) of lease liabilities. The right of use assets as at 30 September 2024 were £26.3m (2023: £19.2m).

Taxation

The tax charge on profit for the year is £16.2m (2023: £10.7m), a rate of 26.9 per cent which is ahead of the headline rate of 25 per cent mainly due to disallowable acquisition costs, resulting in a profit for the year from continuing activities of £44.0m (2023: £46.1m). A tax charge of £17.8m (2023: £12.3m), prior to exceptional items¹ and amortisation of intangible assets tax credit, resulted in a profit after tax prior to amortisation and exceptional items for the year of £52.2m (2023: £49.2m), an increase of 6 per cent. Corporation tax paid in the year amounted to £16.2m (2023: £11.8m).

Pension schemes

Both the Lovell and the Amco Schemes are now fully bought in. Work is ongoing on the finalisation of the "true-up" calculations for both of these buy-ins and is now expected to complete in early FY26. The process has taken significantly longer than anticipated due to the volume of similar transactions happening with other pension schemes in the UK which has resulted in delays at the pension administrator for the schemes.

Discontinued operations

The Group made a loss for the year from discontinued operations of £2.4m (2023: £2.7m).

Post the year end, on 4 October 2024 the Group sold its last remaining Specialist Building business, Walter Lilly & Co Limited on a cash free/debt free basis. Following this disposal, the Group now comprises one operating segment, Engineering Services. As a consequence of this disposal, Walter Lilly's trading result is now included in the discontinued operations line in the Group Income Statement. Walter Lilly made a PAT of £1.1m (2023: £1.0m).

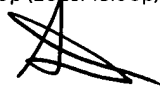
The Group also made a loss of £3.5m (2023: £3.7m) relating to an additional provision to cover latent defect liabilities in Allenbuild Limited, a business that was sold to Places for People Group Ltd in October 2014, but where the Group retains a liability for a number of historic contracts.

Earnings per share

Earnings per share¹ before exceptional items and amortisation was 65.9p (2023: 62.3p) and on a statutory basis, after the impact of exceptional items, amortisation and loss for the year from discontinued operations was 52.5p (2023: 54.9p). The weighted average number of shares in issue for the period was 79.1 million.

Distributable profits

The distributable profits of Renew Holdings plc are £108.6m (2023: £93.4m). The Board is recommending a final dividend of 12.67 per share (2023: 12.00p) bringing the total for the year to 19.00p (2023: 18.00p).



Sean Wyndham-Quin CA
Chief Financial Officer
25 November 2024

¹ Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

Capital Allocation Policy

Capital allocation in priority order for the year ending 30 September 2025:

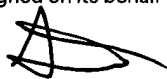
-
- A** To maintain sufficient financial headroom to comfortably manage temporary variations in working capital and to provide headroom against known risks and contingencies.
-
- B** To maintain a conservative approach to leverage by seeking to pay down debt quickly post acquisitions and by ensuring that our net debt: EBITDA multiple remains at an appropriate level.
-
- C** To appropriately invest in the business to deliver organic growth.
-
- D** To continue to pursue a progressive dividend policy whilst maintaining an appropriate level of dividend cover.
-
- E** To build sufficient headroom to enable us to quickly respond to acquisition opportunities that are consistent with our stated strategy and which are earnings enhancing.
-

To the extent that all of these priorities have been achieved, we would consider returning additional excess cash to shareholders.

The Directors present the Group Strategic report for the year ended 30 September 2024. The Strategic report on pages 1 to 78 has been approved by the Board and signed on its behalf by



Paul Scott
Chief Executive Officer
25 November 2024



Sean Wyndham-Quin
Chief Financial Officer
25 November 2024

IDEALLY POISED TO BENEFIT FROM GREEN INFRASTRUCTURE INVESTMENT

How we deliver

- Our purpose-led ESG approach enables us to add value to our customers through investment in innovation and technology, assisting in the delivery of the UK's net-zero carbon target by 2050.

Link to strategy

1 2 3 4 5

SUSTAINABILITY

DEVELOPING OUR SUSTAINABILITY STRATEGY

Our strategy

Throughout the year, we have further advanced our sustainability strategy to align with the changing dynamics of our business and the growing environmental challenges. As an organisation, we are dedicated to reaching net zero by 2040—well ahead of the UK Government’s 2050 target.

Renew’s sustainability strategy is reported in the four key areas of:

- take climate action;
- operate responsibly;
- build social value; and
- empower our people.

During the year we have continued to embed sustainability into our corporate culture aligning our sustainability goals with everyday practices.

Over the last 12 months, our subsidiary businesses have been working towards the sustainability targets we set which help ensure we monitor and report our progress in these areas. Progress against the Group’s targets is reviewed monthly to inform our ongoing approach to sustainability.

Our businesses are supported through the Group’s Climate and Nature Steering Group. The group is facilitated by external consultants and during FY24 activity included two face-to-face workshops, business unit interviews and webinars as well as two executive workshops. The Group’s Climate and Nature Steering Group also featured at two Safety Environmental Management Group (SEMG) events. The steering group serves as a driving force for change, working collaboratively to accelerate progress towards a more sustainable future. Group members from around the business have been involved in making strategic decisions on climate and nature-related matters.

Our businesses are accredited to ISO 14001 and comply with the requirement to have an environmental management system and the relevant statutory requirements.

THE RENEW RESILIENCE PLAN

Our approach to ESG is structured around four essential commitments, ensuring we uphold our stakeholders’ environmental, social, and governance values.

Create long-standing customer value

To achieve our purpose to

Take climate action

Operate responsibly

Build social value

Empower our people

Made possible through

Unique collaboration

Our commitment to the UN Sustainable Development Goals

The 17 Sustainable Development Goals, introduced in 2015 as part of the 2030 Agenda for Sustainable Development, offer a unified framework for addressing the world’s most urgent challenges, aimed at creating a more sustainable and livable future for everyone. As a Group we identified those SDGs which are most relevant to our business’ core activities, values, and stakeholders, incorporating them into our business strategy.

8 Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 Industry, Innovation and Infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

12 Responsible Consumption and Production
Ensure sustainable consumption and production patterns.

13 Climate Action
Take urgent action to combat climate change and its impacts.

RENEW'S SUSTAINABILITY IN FOCUS

We use a number of targets to measure the Group's performance against its sustainability goals. These targets are reviewed annually to ensure our subsidiary businesses remain focused on those areas where we can make the largest positive impact.

Our sustainability targets

<p>Take climate action</p> <p>To take a proactive approach against the climate crisis.</p> <p>80%</p> <p>low-carbon commercial fleet by 2030</p> <p>↓</p> <p>reduction in carbon intensity ratio 1 (tCO₂e/£000)</p>	<p>Operate responsibly</p> <p>To minimise our impact on the environment and people.</p> <p>95%</p> <p>eligible waste diverted from landfill</p>	<p>Build social value</p> <p>To leave a positive lasting legacy in the areas that we operate.</p> <p>1</p> <p>working day per employee assisting community projects</p>	<p>Empower our people</p> <p>To provide our people with the skills and knowledge to excel and grow.</p> <p>70%</p> <p>employee survey response rate</p>
<p>100%</p> <p>of energy from "green" tariffs</p>	<p>0</p> <p>Lost Time Incident Frequency Rate ("LTIFR")</p>	<p>50</p> <p>STEM events supported in the year</p>	<p>4.5</p> <p>training days per employee</p> <hr/> <p>1:20</p> <p>Mental Health First Aiders</p>

TAKE CLIMATE ACTION

Across the Group, we continue to concentrate on reducing carbon output in two primary areas – commercial vehicles and gas oil usage. Our subsidiary businesses are especially focused on these areas to achieve the greatest environmental benefits.

80% of our commercial fleet will be low carbon by 2030		100% of energy we use will be derived from "green" energy tariffs		Reduction in carbon intensity ratio 1 (tCO ₂ e/£000)	
3%		84%		0.030	
2023: 4%		2023: 84%		2023: 0.032	
2024	3%	2024	84%	2024	0.030
2023	4%	2023	84%	2023	0.032

How we took climate action in 2024

At the start of 2024 the Group engaged a new sustainability partner with the appropriate breadth, depth and approach to help develop our sustainability programme for 2024 and beyond. Our 2023 programme focused on establishing climate related issues through a combination of workshops and climate and nature risk mapping and qualitative scenario analysis. The focus for 2024 was defined in five key areas:

1. Quantified transition scenario analysis

An exercise was undertaken to stress test the Group's business model under a range of climate scenarios allowing the quantification of transition risks and opportunities. This exercise has informed the Group's 2024 Climate Related Financial Disclosure.

2. Climate Related Financial Disclosure (CRFD)

The Group's 2024 Climate Related Financial Disclosure is aligned to the 8 CRFD pillars. During the year we have worked to improve our disclosure through increased engagement with our businesses to identify the likely financial impacts.

3. Decarbonisation strategy

The Group held a number of workshops to build a view of the Group's emissions profile and develop an emissions reduction pathway. The Group's overarching approach to decarbonisation supported our subsidiary businesses in developing their own decarbonisation plan specific to their individual businesses. The Group has worked to share best practice in implementing decarbonisation approaches.

4. Supply chain resilience

Workshops have been undertaken to develop a view of Renew's current supply chain visibility. At Group level, the management approach and supplier data requirements of Scope 3 emissions data collection were agreed. The Group has a defined plan for scope 3 emissions calculation and actively shares best practice in this area.

5. Nature and biodiversity

The Group has been focused on building a view of nature and biodiversity activities in place across its range of businesses. Work to identify gaps and build an outline nature strategy is underway.

Net Zero Highways

Net zero highways is the ambition of the entire highways industry, and Carnell demonstrated its commitment to decarbonising its operations by achieving PAS 2080 verification.

Carnell achieved successful implementation of a carbon management system aligned to PAS 2080. 'Carbon management in infrastructure' is a global specification for managing whole-life carbon. The standard recognises organisations that have strategies in place to reduce carbon and make an important contribution to tackling climate change.

During a rigorous four-day audit by the British Standards Institute, the business was able to evidence how it actively works to create carbon savings at every stage of the project lifecycle. The business developed a Carbon Management & Reduction Plan which will be revised annually. The plan measures greenhouse gas emissions from all activities across the organisation. Benchmarked against data from 2019, this established targets for improvements and saw the creation of a roadmap, setting out how operations will be net zero by 2040.

Take climate action continued

A focus on reducing emissions

As a business we understand the role we must play in taking action to address the emissions we produce. We remain committed to achieving net zero no later than 2040 which is ahead of the UK Government's target date of 2050.

Our subsidiary businesses measure the carbon emissions monthly in line with the Streamlined Energy and Carbon Reporting framework. The data shows that as a Group our largest sources of carbon emissions are gas oil usage and commercial vehicles. Our businesses therefore focus their carbon reduction efforts in these areas in particular. During the year our businesses have continued to look at ways to reduce carbon emissions, including innovative working practices and engagement with industry experts.

During the year, the Group's Climate and Nature Steering Group has assisted our businesses in bringing together best practice and knowledge in the areas of carbon emission reduction, different fuel types and more efficient processes. The Committee is made up of representatives from all 10 Renew subsidiary businesses, from a range of disciplines. The Committee is facilitated by external sustainability consultants and covers topics including innovative working practices, data collection and efficiencies of scale. In addition to the Group Climate and Nature Steering Committee, our businesses have established their own working groups, including on biodiversity and circular economy.

Streamlined Energy and Carbon Reporting ("SECR")

We measure and report our energy and carbon data across the entire Group, providing comprehensive data to substantiate our overall environmental impact. Our SECR statement includes all emission sources required under the 2019 regulations for the financial year ended 30 September 2024. Renew emitted 30,000.6 (2023: 31,035.9) carbon dioxide equivalent tonnes ("tCO₂e") of energy during the year.

The two carbon intensity ratios that we have chosen to measure reflect our business performance. Our carbon intensity ratio was 6.774 tCO₂e per average employee headcount, and 0.030 tCO₂e per £000 of revenue.

Transport Scope 1 is the highest contributor to our carbon emissions with site fuel coming second. The amount of site-based fuel used depends on the type of work undertaken and our businesses continue to review and trial the use of electric plant and equipment as well as continuing to monitor the price differential of low-carbon alternative fuels such as HVO. In order to further reduce our diesel consumption we are targeting the use of plant on our larger sites which are able to use HVO. In the period, we have used over 800,000 litres of HVO fuel to reduce our carbon footprint as well as the installation of HVO stations at a number of our sites.

In a number of our businesses telematics have been employed as well as driving behaviour software into Company vehicles. Hybrid and electric vehicles are now routinely used across our businesses, with electric charging points being rolled out across main office and site locations. Our businesses continue to engage with their supply chains and some contractors with a view to influencing the procurement process and promoting the use of carbon friendly site equipment.

In order to support low-carbon ambitions our businesses have engaged with providers to define standardised eco-friendly site establishments and introduced a number of initiatives including programmes for the use of energy-efficient site lighting and office facilities and environmentally sustainable hoarding.

The two carbon intensity ratios provide the most accurate reflection of our performance in the year. As Renew is a holding company, the acquisition or disposal of businesses from the Group means that a direct comparison to the absolute carbon emission data from previous years would not be a true reflection of the Group's performance.

In order to calculate the carbon emissions, we have used the emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024. The scope 1 and 2 emissions reported are for all facilities across the Group under our operational control. This includes all the Group's subsidiaries as listed at the back of this report. We have also voluntarily chosen to report Scope 3 emissions from grey fleet, i.e. employee vehicles driven on Company business, and emissions from leased vehicles. This will provide a full picture of our vehicle emissions.

Greenhouse gas emissions

Carbon emissions (tCO ₂ e)*	2024	2023	2022	Increase/ decrease from 2023
Transport (scope 1)	17,063.3	16,679.1	16,946.9	+384.2
Transport (scope 3)	2,705.5	2,584.7	2,015.3	+120.8
Electricity (scope 2)	882.0	731.2	654.0	+150.8
Purchased gas (scope 1)	341.1	249.5	314.0	+91.6
Gas oil (scope 1)	8,827.7	10,609.0	10,165.8	-1,781.4
Other fuels (scope 1)	180.9	182.3	88.0	-1.4
Total emissions	30,000.6	31,035.9	30,184.1	-1,035.3
Carbon intensity ratio 1 (tCO ₂ e/£000)	0.030	0.032	0.036	-0.002
Carbon intensity ratio 2 (tCO ₂ e/avg. headcount)	6.774	7.117	7.624	-0.343
Total UK energy usage (kWh)	132,164,338.4	132,084,482.5	126,383,826.5	+79,885.9

* tCO₂e/year defined as tonnes of CO₂ equivalent per year.

During the year, many of our businesses have developed their carbon reduction plans as well as new processes, procedures and methods for site implementation and principal supply chain member training. As a demonstration of our commitment, a number of our businesses have signed up to the Science Based Targets initiative (“SBTi”) and are committed to restricting global temperature increases in line with the Paris Agreement. Our businesses have committed to ensuring 100% of energy is supplied from green tariffs where we are able to influence supply.

Biodiversity

As part of the Group Climate and Nature Steering Committee, biodiversity is carefully considered by all of our businesses in the conduct of their operations. Our businesses work with their clients to better understand their biodiversity net gain aspirations and how we might support them in achieving these.

During the year our businesses were involved with many biodiversity and rewilding projects. Our businesses’ biodiversity commitments have seen us contribute a significant number of volunteering hours in this area.

London Stock Exchange’s Green Economy Mark

Since 2019 we have been proud to hold the London Stock Exchange’s Green Economy Mark. This recognises that we derive more than 50% of our revenue from products and services that contribute to the environmental objectives such as climate change mitigation and adaptation, waste pollution reduction and the circular economy.

Nature Strategy Workshop

The Nature Strategy Workshop was held in May with representatives from Renew subsidiaries to understand current nature and biodiversity performance, identify gaps with TNFD requirements and activities required to achieve alignment.

Before the workshop we asked attendees to gather and review information on nature and biodiversity activities currently in place within their businesses as well as developing options for biodiversity and nature monitoring, management and reporting to support our no net loss/net gain ambitions.

The objective of the workshop was to discuss various approaches to nature impact assessment, monitoring and management. The workshop was attended by colleagues from around the Group including those from our subsidiary businesses sustainability teams and individual business representatives.

EcoSite earns Carnell a second Green Apple Award

Carnell has been awarded a second Green Apple Award at the International Green Apple Environment Awards 2024 for its EcoSite initiative. This achievement demonstrates Carnell’s continuing commitment to reducing greenhouse gas emissions and minimising the impact that its operations have on global warming. The award comes four years after winning the same award for “StoneMaster”, its innovative filter drain recycling technique.

Carnell has adopted several low-Carbon alternatives to traditional site plant and compound setups including the use of both solar power generators and battery storage units, energy management systems, low-voltage lighting and HVO fuel.

Implemented in collaboration with manufacturers of the innovative equipment, each site is adapted depending on factors including the compound location, workload and scheme duration. Since it was introduced to Carnell’s operations teams three years ago, the EcoSite concept has evolved, as more efficient and effective solutions are developed and sourced.

Solartainers contain a solar panel, battery storage unit and generator alongside a management and control system. This means the generator only needs to be in operation when the demand is high, and the battery is low, with any excess power being used to charge the battery. During the first six months of 2024, these units were deployed at eight sites where Carnell was principal contractor, saving in excess of 169 tonnes of carbon dioxide.

HVO fuel is a renewable alternative to diesel that has been approved for use by several plant and equipment manufacturers. Using DEFRA conversion factors it produces 98% less CO₂e emissions. HVO comprised 38% of the fuel used in Carnell compounds for cabins, lighting and plant in 2024, providing a significant reduction in greenhouse gas production.

OPERATE RESPONSIBLY

We operate with responsibility, addressing ethical and social obligations that go beyond our financial goals. We recognise that our businesses have a significant impact on various stakeholders and we work to ensure that impact is ethical, sustainable and beneficial to all.

95% of eligible* waste diverted from landfill

99%

2023: 95%

2024

99%

2023

95%

0 Lost Time Incident Frequency Rate ("LTIFR")

0.17

2023: 0.20

2024

0.17

2023

0.20

A focus on health and safety

Each subsidiary business in the Renew Group operates under certified safety, health, environment and quality ("SHEQ") management systems which ensure compliance with all relevant legal, client and Group requirements. SHEQ is led by the subsidiary businesses' managing directors with oversight from the Group SHEQ Director for the Board and the executive leadership team. The businesses are supported by professional SHEQ advisors based in each of the Group companies and who hold formally recognised qualifications and professional body memberships.

Our subsidiary businesses maintain memberships with industry organisations such as the Royal Society for the Prevention of Accidents ("RoSPA") along with relevant trade organisations and locally based safety groups. Each SHEQ advisor is an expert in their own business operations and markets. Advisors in each business liaise directly with the Group SHEQ Director on common issues. As a group, Renew has a set of Group Minimum Requirements; in SHEQ these require each business to report and record all injuries, diseases, dangerous occurrences and near miss events.

The Group monitors its safety performance across the business and performance is discussed monthly by the Renew Board. Safety is the first item on any management meeting agenda and our businesses implement a range of working practices including senior manager site visits, SHEQ advisor site support and assurance visits, safety academy programmes and innovative working practices.

All Group companies commit to a rolling SHEQ training matrix for all employees as appropriate. Formal training is delivered alongside regular briefings, risk assessments, toolbox talks and SHEQ alerts. Health and safety covers every aspect of our business. The Group works in challenging and complex environments and our direct delivery model means we are able to ensure a consistent approach to training and safe working practices. We continue to invest heavily in this area to ensure the highest standards of safety are maintained.

Innovating for safety

Our innovative SafetyCam solution is an intelligent site safety tool which protects road workers by using two complimentary vehicle detection systems to capture instances of dangerous driving, whilst providing a conspicuous visual deterrent and actively changing driver behaviour. Road workers are continually exposed to hazards associated with traffic and movement of vehicles on site.

SafetyCam is a mobile road worker protection system that fuses image, video and Automatic Number Plate Recognition technology with state of the art processing and reporting techniques. It aims to improve the safety of road workers by improving driver behaviour in and around work sites.

SafetyCam utilises two camera systems – one to monitor and report on the speeds of passing site traffic and one to record beginning to end submissible footage of unauthorised vehicle incursions into road works. As well as hosting both specialist camera systems and on-board Wi-Fi capability, SafetyCam is a fully resourced and functional site welfare vehicle that is available for use by all.

Behavioural science

A continued area of focus during the year has been the ongoing development of our behavioural science initiatives. Behavioural science is designed to understand human behaviours and the factors behind them. Our businesses have delivered behavioural science training to a large portion of their at risk workforce through a series of 3 face-to-face workshops covering leaders, managers or supervisors and trainers.

The businesses have developed their safety strategies around the principles of behavioural science. Ongoing initiatives include digital induction training, conversation cards and accident analysis. In reviewing the outputs from our work in this area we are able to create environments that promote safe behaviours.

Innovative working practices

Our businesses are continually employing innovative working practices to improve safety performance and create a better working environment. During the year this included working with Safety Shield, which provides a plant collision avoidance system based on artificial intelligence, the development of Eco site setups including solar pod units and deployment of vehicle telematics.

“The Group monitors its safety performance across the business and performance is discussed monthly by the Renew Board.”

Waste management

Waste management is a critical part of the work we undertake and, as such, the Group sets a target of 95% of eligible waste to be diverted from landfill during the year.

The management of waste starts with the efficient use of resources at the design stage. Whilst on site, waste segregation and recycling, hazardous waste management and compliance with environmental regulations ensures as a Group we can protect the environment, improve efficiency and support the circular economy. During 2024, the Group improved on its target to increase the amount of eligible waste going to landfill to 99% (2023: 95%). Our subsidiary businesses continued their partnerships with specialist waste management brokers which provide environmentally friendly waste management solutions. During the year our businesses developed their waste reduction improvement initiatives which include environmental dashboards that actively track and monitor key environmental targets and site specific environmental trackers which allow for a more proactive approach to our environmental management.

Accreditations and awards

Our businesses are accredited with various health and safety schemes, including Constructionline, SafeContractor, the Contractors Health & Safety Assessment Scheme, Achilles Verify and the Railway Industry Supplier Qualification Scheme. Our businesses also conform to the ISO 14001 and ISO 45001 standards. We achieved many Royal Society for the Prevention of Accidents (“RoSPA”) awards during the year.

Many of our businesses received safety awards during the year including AmcoGiffen at the 2024 SPOTLIGHT Rail Awards where it won the Training Excellence Award for its COSS Academy Programme. The interactive training programme is designed to improve consistency and quality and elevate standards leading to continued improvements in the safety of people working on or near the line. In addition, modules from the academy course will soon be integrated into the COSS syllabus nationwide by our client solidifying its impact on the industry.

Supply chain/materials

Renew recognises that embracing the circular economy where materials, resources and waste are managed with the goal of extending their lifespan starts at the design phase and encompasses resource efficiency, renewable energy and sustainable materials. Embracing the circular economy will be critical as we look to reduce greenhouse gas emissions, conserve natural resources and promote economic resilience and sustainability.

Renew’s Safety Environmental Management Group (SEMG)

The SEMG is a two day event that runs every April & October both in person and as a hybrid event to encourage maximum participation around the Group. Around 50 colleagues, including our Managing Directors, Safety Health, Environmental and Quality Leads and executive team, attend in person with a zoom option for remote participants.

The SEMG is a forum for sharing knowledge and best practice on a wide range of safety, health, environmental and quality topics. Previous events have focused on behavioural science, Plant People Interface and the Group’s sustainability programme including carbon reduction workshops.

BUILD SOCIAL VALUE

Our focus is on creating lasting social value alongside financial growth. We strive to build a more just, sustainable, and harmonious society, alongside the work we undertake.

1 working day per employee assisting community projects (measured in hours)

0.25

2023: 0.27

2024

0.25

2023

0.27

50 STEM events supported

161

2023: 166

2024

161

2023

166

Building social value

The social value activities our businesses choose to undertake align with their mission, values and the social and environmental issues most relevant to their industry and stakeholders.

Social value across our businesses takes many forms including volunteering programmes, education and training, diversity and inclusion programmes, community engagement, sustainable business practices, and health and wellbeing.

Seymour supported the County Durham Pound Initiative which is an initiative to drive lasting change in its communities.

Browne continues to support Canal & River Trust in and around Enfield with painting, planting gardens and tending to beehives. Browne's Helping Hands volunteers also recently undertook community service, clearing Himalayan balsam from a local river for the River Beane Restoration Association and at Kenmont Primary School covering a derelict pond and developing a green space where students can relax and play.

Engolve Infrastructure, in partnership with Glenboi Primary, facilitated school visits to a site and also helped improve the outdoor learning facilities at the school.

AmcoGiffen entered a partnership with Canal & River Trust as part of its social value strategy. Much of AmcoGiffen's work is reactive, making social value difficult to plan. The partnership creates a library of community impact activities for maintenance teams to pick up and complete wherever they are working. This relationship will provide those teams with ready-made opportunities to deliver social value easily.

At Clarke employees use community impact days to undertake activities that support their neighbours and the communities where they work. Volunteering helps to inspire tomorrow's generation, to protect and enhance the natural environment.

Future skills

Our subsidiary businesses partnered with a number of local schools and education providers.

Big Bang STEM Fair

Browne proudly supported the Enfield Town School's Partnership Big Bang STEM Fair held at Chace Community School. This two-day event was a fantastic opportunity for Browne to engage with the local community and inspire over 300 young minds.

On the first day, volunteers from Browne participated on a judging panel for a science fair featuring the innovative projects of Year 5 students from across Enfield. The theme for the projects was 'time', and the students demonstrated remarkable creativity and scientific understanding.

On day 2, Browne's Learning & Development Advisor and Head of Customer delivered the Thames Water Network Challenge, a captivating interactive learning experience that the students enjoyed. Browne's team was delighted to see the students' keen interest and curiosity about civil engineering and the critical infrastructure that supports their daily lives.

Browne is committed to fostering a passion for STEM among young people and was thrilled to participate in the Big Bang STEM Fair.

“The social value activities our businesses choose to undertake align with their mission, values and the social and environmental issues most relevant to their industry and stakeholders.”

AmcoGiffen, as project partners of the East Kilbride Enhancement Scheme, supported an event at St Ninian’s School in Giffnock which showcased the opportunities available in the rail industry to around 800 people.

A team from AmcoGiffen hosted a group of civil engineering students from Warwick University to get practical insight into construction. The visitors underwent a site induction, an introduction to the site layout and equipment.

Shepley Engineers sponsored the 2024 Lakes College Further Education and Apprentice Awards, celebrating the outstanding achievements of inspirational students and apprentices. Shepley is committed to helping develop a highly-skilled workforce in West Cumbria, as a Gold accredited member of the 5% Club the business actively seeks to support events to recognise the performance of tomorrow’s workforce.

Seymour delivered a ‘Molly in Construction’ STEM day in Hartlepool, engaging primary schools to inspire the next generation of engineers and quantity surveyors. Seymour also welcomed three schools to Coronation Park, a regeneration project where students enjoyed a site tour, learned about the scheme and participated in a Q&A session with staff.

Browne offers work experience placements which provide an opportunity to rotate through various departments within the business.

Charitable giving

Our businesses supported a wide range of charities during the year, including Cancer Research, the Samaritans, Macmillan Cancer Support and Save the Children.

AmcoGiffen helped out at Cash For Kids Mission Christmas headquarters in Edinburgh.

In September, a team from Clarke Connect participated in the inaugural Virgin Média O2 Liriano Trophy football competition, raising funds and awareness for mental health in the workplace.

Shepley Engineers was proud to support North Lakes Foodbank to help support individuals and families in crisis within the local area through the provision of emergency food supplies. Shepley also continued to support the Howgill Family Centre in West Cumbria with its Baby Basics programme providing baby essentials to families that are struggling financially.

Carnell continues to support the work that The Lighthouse Charity does for the emotional, physical and financial wellbeing of construction workers, 365 days a year. Carnell was also recognised with a South Staffordshire College Fellowship in recognition of its volunteering at Rodbaston Animal Zone where it helped paint the visitor centre, cleared enclosures and built a new path at the facility.

‘The Future of Rail’

In May, QTS, alongside partners Scotland’s Railway, AmcoGiffen and Clarke Telecom, hosted its ‘The Future of Rail’ event in South Lanarkshire. Now in its third year, the event inspires children to learn more about the job roles and potential career paths within the rail industry. The event included activities and workshops, machinery demonstrations, careers and supplier stands with around 250 students from across the region attending.

QTS provides numerous initiatives to encourage young people to join the industry, including offering apprenticeships and traineeships, launching a graduate development programme, and its award winning Rail Skills Academy.

EMPOWER OUR PEOPLE

Our employees are our greatest asset. We work to empower our people through positive engagement, training and providing a supportive environment in which to work.

70% employee survey response rate		1:20 Mental Health First Aiders		4.5 training days per employee	
78%		1:11		5.4	
2023: 58%		2023: 1:12		2023: 5.2	
2024	78%	2024	1:11	2024	5.4
2023	58%	2023	1:12	2023	5.2

Training and development

We have continued to develop our comprehensive talent development programme consisting of training opportunities at every stage of an employee’s career. In support of our talent pipeline our Emerging Talent training programme allows employees to gain degree qualifications through the graduate apprentice route. All employees may also benefit from the professional skills training and job role training provided across the Group. The Purposeful Leadership and the Renew Inspiring Senior Executives (RISE) leadership programmes solidify skills and behaviours for those moving towards being the leaders and executives of tomorrow.

In addition to the Group’s development programmes, our businesses undertake their own training programmes. AmcoGiffen’s graduate programme is designed to develop new talent in the civil engineering sector. The programme is a two-year course including a six-month business placement, rotational assignments and opportunities for networking and development. Graduates are

supported through structured career pathways, mentoring and connections with professional bodies. The programme aims to provide a thorough understanding of the industry, covering areas including civils, building, engineering, maintenance, design and experience across various sectors including rail, environment, highways, energy and infrastructure. On successful completion of the programme, graduates can progress to a range of roles within AmcoGiffen.

The Seymour Skills Academy has been operational since 2020 and focuses on providing training programmes to aspiring engineers in the North East, and is aimed at building a skilled workforce in line with Seymour’s commitment to fostering growth and development in the construction industry.

Carnell places a strong emphasis on nurturing future engineers through its apprenticeship programmes. It is committed to ensuring that at least 5% of its workforce comprises apprentices, participants in company-sponsored student programmes, or those engaged in company graduate programmes.

Diversity, equality and inclusion

Our businesses strive to create a diverse workforce made up of employees from a wide range of different backgrounds and experiences. This includes, but is not limited to, diversity in race, gender, ethnicity, sexual orientation, age, physical abilities, religion and socioeconomic status.

Our businesses employ fair hiring practices that encourage the selection of diverse candidates and the creation of an inclusive environment where all employees feel valued, respected and able to contribute to their fullest potential. As a Group we have developed bespoke training for all employees, especially leaders, in the form of our Empowering Differences workshop as well as ensuring our policies promote diversity, equality and inclusion, such as through flexible working hours, parental leave and anti-discrimination policies. Our businesses engage with a diverse range of suppliers and contractors and set measurable goals for diversity, equality and inclusion whilst regularly assessing progress.

Investors in Diversity accreditation

All the Group's subsidiary businesses are signed up with Investors in Diversity and continued to work towards this important accreditation throughout 2024.

DEI initiatives

The Group's Diversity, Equality & Inclusion ("DEI") Forum met four times during the year. The forum provides support to each of the Renew subsidiary companies in developing their approach to DEI initiatives and working practices to help us with reaching our diversity, equality and inclusion goals.

During the year, Renew was delighted to partner with Leeds Rhinos Netball and its Pathways Programme to help the Group engage with a more diverse audience when delivering career and education events. In addition, the Group's previously mentioned Empowering Differences one-day workshop was rolled out across all the Group's subsidiary businesses during the year.

The Group also undertook its annual diversity, equality and inclusion survey to better understand the diverse nature of the Group's workforce and the challenges and opportunities this brings. The survey outputs support the Group's DEI roadmap which enables the businesses to work towards a more diverse and inclusive workplace.

The Group is developing its Women in Leadership Programme which will be an ongoing programme built with a blend of self-serve and workshop led training designed to support women at all stages of their career journey. Initiatives across our subsidiaries include the Women at AmcoGiffen Forum, Disability Confident Level 2 accreditations, D&I Champions, accredited "Living Wage" employers and family friendly policies.

During the year, our businesses marked International Women's Day with a number of events including sessions to explore how to inspire inclusion and attract more females into the industry as well as new STEM ambassadors to help inspire the next generation, and raising awareness of domestic violence.

At Yorkshire Water's Women In Engineering Event, Seymour was recognised as 'Most Significant Team Improvement' for its equality, diversity and inclusion efforts both as a company and within the wider industry.

Involve Infrastructure's diversity and inclusion board now has over a dozen members from all areas of the business, reinforcing its commitment to nurturing a fair, equal and diverse place to work.

Mental health support

Across the Group, our subsidiaries undertake a range of initiatives designed to support our colleagues with their mental health. As a Group we offer an Employee Assistance

Programme, which can assist colleagues with a range of concerns anonymously including bereavement, debt, sickness, and family issues.

The Group now has 399 trained Mental Health First Aiders (MHFA) who can provide support to colleagues. During the year the MHFA programme was strengthened with the implementation of a Mental Health First Aider Hub to provide resources and support to the MHFAs around the Group.

Reclaiming narratives in engineering

In recognition of Black History Month, Browne held a special webinar aimed at providing career advice and opportunities to the next generation of Black engineering talent. The webinar featured guidance on apprenticeships, graduate programmes and CV support for Black engineering students, graduates and soon-to-be graduates. The engineering sector has long been a field in need of diverse perspectives, and Browne is committed to creating opportunities and supporting access to the industry for underrepresented groups. By empowering aspiring Black engineers with the knowledge and tools to succeed, Browne hopes to help shape a more inclusive future for the profession. Browne is deeply committed to championing diversity, equality and inclusion, not only within its workforce but also across the wider industry. This webinar is a critical step towards breaking down barriers.

"All the Group's subsidiary businesses are signed up with Investors in Diversity and continued to work towards this important accreditation throughout 2024."

MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

We continue to develop our understanding of the climate-related risks and opportunities relevant to our business and enhance our ability to effectively manage these issues.

Climate-related financial disclosure regulations

We are pleased to present our second annual climate-related financial disclosure, which showcases Renew's unwavering dedication to climate action and our commitment to addressing the ongoing challenges of climate change.

The past year has served as a further reminder of the urgency with which we must address climate-related risks, as we witnessed the impact of several global weather events. As a key player in the infrastructure sector, we recognise the critical role we play in building resilience for both our business and the wider economy.

Our commitment to "climate action" is deeply ingrained in our daily operations and serves as a core pillar guiding our decision making. Our sustainability strategy, overseen by our Climate and Nature Steering Committee, is driving significant change across our Group operations. We remain steadfast in our pursuit of the ambitious goal of achieving net-zero carbon emissions by 2040 and continue to further define our roadmap to achieve this target.

We are proud to report a 1,035.3 tCO₂e reduction in our carbon footprint since the implementation of our carbon emissions monitoring and measurement efforts in 2021. For a comprehensive understanding of the strategic measures, key performance indicators ("KPIs") and other environmental and climate-related metrics guiding our journey, please refer to pages 51 to 57 of this report.

This year, we have made further enhancements to our risk management and governance of climate issues. We have also begun a significant transition risk modelling exercise to gain more detailed insights into the potential risks and opportunities presented by the path towards a low-carbon economy. Recognising that climate change represents a substantial threat to both our society and our earth's ecosystems, we firmly believe that Renew is well positioned to help manage some of the risks posed by the climate and thus capture commercial opportunity. This includes our work to meet the growing demands for renewable energy, electrification and sustainable and resilient national infrastructure.

Our approach

For annual periods commencing on or after 6 April 2022, new regulations in relation to climate-related financial disclosures (“CRFD”) have been brought into legislation, and as a large AIM listed Group, Renew plc is in scope of those regulations. The new requirements are based on the Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations (a framework for reporting climate-related financial disclosures which the Group began to work towards in FY22) and are organised under the same four pillars: governance, strategy, risk management and metrics and targets. There are eight required disclosures under the regulations,

and we have set out our reporting under those eight disclosure requirements in the coming pages. This year the Group has made enhancements to its governance and risk management over climate-related issues to ensure these are appropriately robust. We are also in the process of undertaking our first quantitative scenario analysis of transition risks, which we have judged to be most critical to the short and medium-term resilience of our business. We have used the CRFD framework as set out below to structure our disclosure and further augment the information provided in our previous Annual Report.

CRFD area	Reference	Summary of progress and next steps
Governance and risk management a) A description of the governance arrangements of Renew in relation to assessing and managing climate-related risks and opportunities. b) A description of how Renew identifies, assesses and manages climate-related risks and opportunities. c) A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process of Renew.	See pages 64 and 65.	<ul style="list-style-type: none"> Formal addition of “climate and sustainability” to the schedule of Matters Arising for the Board, reflecting the importance that we place on these issues. Further refinement of the scope and membership of the Climate and Nature Steering Committee (“CNSC”) to allow for more effective management of climate issues on a day-to-day basis. Continued regular convening of the CNSC, which has met twice in person for half-day strategy meetings during 2024. Integration of climate-related risks into our broader annual risk review process, meaning the outcomes of our climate risk assessment have been escalated to the Audit and Risk Committee and Board for their ultimate review and sign-off.
Strategy d) A description of <ul style="list-style-type: none"> (i) The principal climate-related risks and opportunities arising in connection with the operations of Renew; and (ii) a description of the time periods by reference to which those risks and opportunities are assessed. e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of Renew. f) An analysis of the resilience of the business model and strategy of Renew taking into consideration different climate-related scenarios.	See pages 66 to 68 for an overview of the risks and opportunities identified. See pages 69 and 70 for our scenario analysis.	<ul style="list-style-type: none"> Independent review of our Climate Risk and Opportunity Register carried out by external advisor. Inclusion of new reputation risk and market opportunity risk to Group Climate Risk and Opportunity Register, reflecting increasingly challenging stakeholder expectations around climate and the imperative that we successfully capture the emerging commercial opportunities presented by climate change. Review and update of our scenario analysis heatmap using the same criteria as FY23. We anticipate further developments to our scenario analysis outcomes pending completion and integration of our first quantitative scenario analysis exercise in FY25. Decarbonisation workshop carried out with senior leadership with presentation of detailed analysis on potential decarbonisation strategies and decision making on key decarbonisation initiatives. New decarbonisation initiatives cascaded to individual business units and embedded in annual budget planning procedures.
Metrics and targets g) A description of the targets used by Renew to manage climate-related risks and to realise climate-related opportunities and performance against those targets. h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities.	See page 71 for our key targets and progress against these. See page 54 for our emissions reporting.	<ul style="list-style-type: none"> Progress underway to expand the breadth of our scope 3 emissions measurement to include additional emissions categories, including emissions related to purchased goods and services. Ongoing quantitative transition risk scenario analysis exercise which may identify additional risk metrics to be tracked by the Group going forward. Analysis ongoing around potential interim decarbonisation targets, to be validated and disclosed in FY25.

“This year, the Group has made a significant step towards realising its net zero target by mandating significant increases in the use of renewable energy and sustainable fuels, specifically hydrotreated vegetable oil (“HVO”), across the entire organisation.”

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Governance

Since our initial CRFD disclosure in 2023, Renew has made significant progress in enhancing the governance of climate-related risks and opportunities across the Group. Our commitment to addressing our impact on climate change remains unwavering and we have now reflected the importance we place on this issue throughout our corporate governance structure. This included the addition of climate and sustainability issues to the schedule of Matters Arising for the Board and a bi-annual Board briefing on climate change. These sessions will incorporate a climate-related sustainability presentation and a climate-related health and safety presentation per year.

In addition, we have further refined the scope and membership of our Climate and Nature Steering Committee ("CNSC") to facilitate its effective operation and ability to make decisions. The CNSC's membership now comprises a smaller core group of sustainability specialists who can draw on additional experts from across the Renew Holdings Group as required. The CNSC's membership continues to include representatives from all the businesses within the Group. The Group has held two in-person meetings during 2024.

The CNSC continues to ensure alignment in the management of climate issues across Renew's businesses. It also provides support and guidance to Renew's senior management on climate-related issues, for example sharing best practices to enable informed decision making. To promote the required awareness and understanding of climate and sustainability issues by senior management across our Group, we have also added sustainability as a standing item on the Safety and Environment Management Group's ("SEMG") bi-annual meeting agenda. The SEMG is attended by senior management both from Group level and from each of our businesses, allowing us to drive alignment in our approach to climate issues.

In addition to these changes to our governance structure, we have also continued to deliver climate and sustainability training and workshops for senior management over the last 12 months. In FY24, the primary focus of these sessions has been on developing Renew's decarbonisation strategy. We have collaborated with Marsh Advisory, our climate advisors, to facilitate a workshop with the Group senior leadership team. The workshop aimed to improve understanding and enhance our long-term decarbonisation strategy. This included analysis on more detailed pathways and interim targets for scope 1 and 2 emissions reduction and identification of specific initiatives to achieve these targets. The workshop also included a briefing on scope 3 calculation requirements and mechanisms to facilitate calculation of a larger number of scope 3 categories going forward.

We have also conducted workshops with the CNSC to further define our approach to specific climate-related issues. This includes work on how best for our individual businesses to collaborate with central Group functions such as procurement to support the expansion of our scope 3 calculation to include new categories such as purchased goods and services.

Throughout the financial year ending on 30 September 2024, the Board has considered sustainability matters at 2 meetings. During these meetings, the Board received updates on the Group's progress in implementing its sustainability strategy and the maturity of the Climate and Nature Steering Committee. The Board's review and approval of Renew's refined sustainability strategy, climate-related financial disclosures, and risk register demonstrates its commitment to robust climate governance.

In FY25, we will further strengthen our governance efforts by providing more focused training on transition risk to senior management teams across the businesses. These sessions will be based around the outcomes of the transition risk scenario modelling exercise currently underway and will aim to improve understanding of the potential financial impacts of the transition on Renew's subsidiaries and the Group as a whole.

OUR STREAMLINED CLIMATE RISK GOVERNANCE STRUCTURE

Renew Board

Oversees business strategy, risk management and ESG-related matters

Audit and Risk Committee

Executive Management Committee

Remuneration Committee

Climate and Nature Steering Committee

Safety and Environment Management Group

Subsidiary Board monthly meetings

Fleet Risk Management Forum

Risk management

Climate risk identification and assessment

Over the past 12 months we have continued to proactively monitor and assess our exposure to climate-related risks, making updates as necessary to our Climate Risk and Opportunity Register. We also formally integrated our Climate Risk and Opportunity Register into our wider annual risk assessment process for the first time, helping to ensure that climate-related risks are considered within the context of the wider risk landscape by our management and governance committees.

This year, we were aided by our external advisors, Marsh Advisory, in our annual assessment of climate-related risks. The process saw us identify 13 potential climate risks and opportunities, which were then submitted for review as part of our annual risk assessment process.

This year, we have expanded the single consolidated climate risk on our Group risk register, to separate physical and transition risks. This helps us better reflect the fundamental differences between physical and transition risks, not least in terms of the projected risk horizons for each and the ways in which they are expected to manifest under different climate scenarios.

For the purposes of reporting, we continue to consolidate our identified climate risks into four material risks in line with those reported last year. The prioritisation of these material risks has not moved within the past year, with energy costs and availability and policy and regulation still considered to pose the greatest risk to the Group.

We consider climate-related risks whether they occur within our own operations, upstream or downstream, and whether they will impact us in the short, medium, or long term. As part of this, we take into consideration the lifespans of Renew's assets and the fact that several climate-related issues are predicted to manifest over the medium and long term. Our risk horizons are defined as:

- short term: 2024–2026;
- medium term: 2027–2035; and
- long term: 2036–2050.

In addition to a review of our Climate Risk and Opportunity Register, we have also begun our first quantitative climate scenario analysis exercise. The scenario analysis exercise is enabling Renew to better understand its transition risk exposure and the nuances between Group and business level transition risks and opportunities. Our quantitative modelling is currently focused on transition risks as our previous qualitative work has identified these risks as greater in number and more likely to have material financial impact over the short and medium term.

Our quantitative analysis exercise is still ongoing and Renew will provide additional detail on outcomes of the analysis in FY25 once these have been reviewed and approved by the Board and cascaded to our businesses.

Risk assessment criteria

Renew considers the impact of climate-related risks as part of the Group's wider risk management review process. The Group's risk register is reviewed annually and updated accordingly. At present, we do not consider climate change to be one of the Group's principal risks, due in part to its longer-term risk horizons and subsequent uncertainty about its potential impact and likelihood. However, we continue to monitor climate risk closely and we have made progress in improving the integration of our Climate Risk and Opportunity Register into our wider risk management system.

Renew's Board continues to have oversight of climate-related issues and ultimately retains accountability for strategy, risk and sustainability issues with reporting on climate provided to the Board directly by the Safety, Health, Environment and Quality ("SHEQ") Director. This structure ensures climate risks are considered as part of the broader annual risk review and supports senior management's ability to consider how climate issues could impact Renew's wider risk environment. One key objective of our risk review process is to identify critical interdependencies between Group risks to better understand required risk mitigations.

For the first time this year, our updated Climate Risk and Opportunity Register was submitted for review by the Chief Financial Officer ("CFO"), responsible for risk management across the Group, with recommendations on risk rating and materiality. This took place as part of the CFO's review of the wider Group risk register, helping to ensure climate-related risks were considered as part of the Group's wider risk environment. Material climate risks were then integrated into the Group risk register, with recommendations on the Group's principal risks, and submitted to the Audit and Risk Committee for review, challenge and approval. The Audit and Risk Committee then recommended changes to the principal risk register and submitted these to the Board for approval. No climate-related risks were defined as principal risks this year; however, we will continue to monitor the materiality of climate risks and treat them accordingly.

When evaluating potential climate risks and opportunities, we consider the likelihood and magnitude of the identified risk and opportunity. Magnitude is defined as low (may result in loss of some tangible assets, resources or reputation up to 1% of turnover), moderate (may result in loss of major tangible assets, resources and reputation up to 3% of turnover) or high (significant loss of major tangible assets, resources or reputation up to 5% of turnover). Likelihood is defined as unlikely (the risk is not foreseen as likely to occur or may occur in exceptional circumstances), possible (a relatively infrequent occurrence for the Group) or likely (a relatively frequent occurrence for the Group).

The Group risk register also includes additional details on climate-related risks to ensure each business is aware of key data around physical risks, how likely and in what locations they are at most risk and have H&S plan in place, knows when to trigger them and has appropriate equipment. Climate-related H&S planning is integrated into the surveys done on all of our project sites.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Strategy

Since FY22, we have identified and assessed the Group's key climate-related risks and opportunities, documenting the findings in our Climate Risk and Opportunity Register. During FY24 we continued to monitor and update the list of material risks and have focused our disclosure on four risks which we believe are most material to Renew. These risks are summarised below:

Summary of risks table

Given the uncertain and complex nature of climate risks and the challenges in predicting the timing and magnitude of their impacts, during FY23 we conducted a scenario analysis exercise to better understand how our business could be impacted under different hypothetical futures to build our strategic resilience and flexibility.

This year, the existing qualitative scenario analysis undertaken was reviewed to develop understanding and engagement across our different businesses.

The scenarios we employed for the exercise used a combination of International Energy Agency ("IEA") and Intergovernmental Panel on Climate Change ("IPCC") data with some input from the Network for Greening the Financial System ("NGFS"). The nature of our business and our climate risk profile creates natural alignment to the energy transition and resources focus of the IEA. Supplementing physical scenarios using IPCC data allows for more robust assessment of physical risks. NGFS provides additional data on financial and macroeconomic factors for different scenarios.

During FY24, we have begun a quantitative scenario analysis exercise to further enhance our understanding of risks associated with the transition to net-zero. We will disclose the outcomes of this analysis next year.

EXTREME WEATHER CONDITIONS

Risk rating	Type	Area of impact	Description	Time horizon	Primary potential financial statement impact	Mitigation
Medium	Physical (acute)	Own operations/ upstream/ downstream	<p>Extreme weather events such as extreme heat, wind and flooding can have a significant impact on construction firms. These events pose various risks and challenges that can disrupt construction operations and potentially lead to financial losses including:</p> <p>Delays and Disruptions: Extreme weather events can cause project delays and disruptions. Construction sites may need to be shut down temporarily for safety reasons, harming productivity and driving additional costs due to extended timelines for project delivery.</p> <p>Damage to Infrastructure: Severe weather events can cause damage to Renew assets or construction sites, incurring costs for repair work.</p> <p>Safety Risks: Extreme weather events can pose significant safety risks to construction workers. Strong winds, lightning or heavy rain can create hazardous working conditions, increasing the likelihood of accidents or injuries.</p> <p>Supply Chain Disruptions: Extreme weather events can disrupt supply chains for construction materials and equipment. Transportation networks may be disrupted, leading to delays in material deliveries. This can impact project timelines and increase costs for construction firms.</p>	Short, medium and long-term	<p>Increased direct costs due to asset damage and need for more stringent safety measures to protect people on site from extreme weather.</p> <p>Incurred loss of revenue due to extreme weather events disrupting Renew's operations onsite.</p> <p>Legal cost due to potential contractual disputes with clients as a result of project delays.</p>	<p>We conduct a review of key assets and equipment to ensure they are fit for purpose during times of extreme heat.</p> <p>If identified, additional safety measures to be put in place to protect people and sustain productivity during heatwaves.</p> <p>Disaster and resilience planning to ensure we are able to continue to deliver our service. Additional safety measures to be put in place to protect people and sustain productivity during times of floods and storms if required.</p> <p>We have recognised there is a threat to life dimension associated with extreme weather and included this in the H&S review.</p>

ENERGY COSTS AND AVAILABILITY

Risk rating	Type	Area of impact	Description	Time horizon	Primary potential financial statement impact	Mitigation
Medium	Transition (technology)	Own operations/ upstream	<p>For various interconnected reasons, there are enhanced risks to the energy market and price volatility is inherent in the energy transition. This is particularly pertinent with HVO which is widely used within the infrastructure sector as a low-carbon fuel alternative. Renew has committed to increasing use of HVO across all sites and is therefore exposed to various risks linked to supply constraints and price volatility for sustainably sourced HVO, including:</p> <p>Price volatility: The transition to cleaner energy sources, including the use of HVO fuel, can lead to greater exposure to price volatility. While HVO offers environmental benefits and reduced carbon emissions, its availability and cost can vary depending on factors such as feedstock availability, production capacity and market demand. Construction firms relying on HVO may face uncertainties in pricing and supply, which can impact project budgets and profitability.</p> <p>Additionally price fluctuation in fossil fuel prices can impact day-to-day operational costs for Renew.</p> <p>Availability: Sourcing sustainable HVO could pose a risk in the short to medium term due to increased demand and limited supply of sustainable feedstock.</p> <p>Additionally, sourcing of HVO is required to be included in carbon accounting considerations.</p>	Short to medium-term	Increased direct costs due to higher energy prices.	<p>We have started to reduce our reliance on fossil fuels by looking at HVO as a fuel source.</p> <p>In 2024 Renew senior leadership committed to use of HVO as a back-up fuel for renewable energy generation and to replace gas oil for off-grid sites. To reduce risk of HVO price volatility, price for supply has been secured for 2024 for the Group.</p>

NEW ENERGY TECHNOLOGY

Risk rating	Type	Area of impact	Description	Time horizon	Primary potential financial statement impact	Mitigation
Medium	Transition (technology)	Own operations/ upstream	<p>Renew is exposed to risks associated with the transition to new technologies.</p> <p>EV infrastructure: There is increasing concern about the availability of nationwide electric vehicle ("EV") infrastructure to meet business needs. As Renew delivers infrastructure projects for clients across the UK, the lack of infrastructure prevents Renew from rolling out use of EVs more widely.</p> <p>Cost Considerations: The integration of new energy technologies can introduce additional costs to construction projects. While these technologies may offer long-term benefits, such as energy efficiency and reduced operational costs, the upfront investment and implementation costs can be significant.</p> <p>Stakeholder Expectations: Construction firms operating in the nuclear, rail, water, electric charging and road infrastructure sectors are under increasing pressure to align with sustainability goals and meet stakeholder expectations. Clients, investors and the general public are increasingly demanding environmentally friendly and energy-efficient infrastructure solutions. Construction firms that fail to embrace new energy technologies and sustainable practices may face reputational risks and miss out on business opportunities.</p>	Short to medium-term	Increased capital cost associated with replacing and upgrading plant and fleet.	<p>We have begun investing in converting our fleet to electric and have this as a key performance indicator which we monitor annually.</p> <p>To direct our investment effort effectively, we have carried out detailed trials to prioritise the proportions of the fleet for conversion to EV.</p> <p>Renew has trialled hydrogen generation for site power and is researching the potential for hydrogen powered plant vehicles.</p>

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Strategy continued

Summary of risks table continued

POLICY AND REGULATION

Risk rating	Type	Area of impact	Description	Time horizon	Primary potential financial statement impact	Mitigation
High	Transition (regulatory)	Own operations/ upstream	<p>The evolving climate policy and reporting landscape driven by government legislation and regulation presents several risks:</p> <p>Increased Costs and Project Viability: Legislation aimed at reducing emissions, such as emissions trading schemes or carbon tax requirements, can change project specifications and increase costs. This may impact the viability of projects, especially if these costs cannot be passed onto clients.</p> <p>Material Availability and Price: As other countries transition to net-zero emissions, there may be impacts on the availability and price of certain materials used in infrastructure projects. This can be particularly relevant for materials associated with carbon-intensive industries, such as aluminium and cement. Changes in global carbon pricing and the introduction of mechanisms like the "carbon border adjustment mechanism" ("CBAM") could further influence the price of these materials, potentially affecting project costs.</p> <p>Transition to Electric Vehicles ("EVs"): Government plans to ban the sale of new diesel and petrol cars by a certain date, such as the proposed ban by 2030, can impact the required pace of transition towards EVs. This transition involves additional costs for Renew, as EVs currently tend to be more expensive than internal combustion engine ("ICE") vehicles. There is also continued uncertainty over the pace at which such policies will be enacted.</p>	Short to medium-term	<p>Increase direct costs as a result of new policy such as carbon-related taxes.</p> <p>Additional direct costs of increase in human resourcing to manage greater regulatory requirements.</p>	<p>Renew has committed to net-zero for scope 1 and 2 across its operations by 2040.</p> <p>Workshops have been carried out with Marsh to develop interim decarbonisation targets for all businesses in the Group.</p> <p>New budget requirements have been built into management incentives to hold businesses accountable to decarbonisation targets.</p> <p>In relation to managing our supply chain, we continue to monitor our supply chain costs closely and engage proactively with key suppliers to manage the risk of price volatility.</p>

Climate-related opportunities

Financially material climate-related opportunities have been an area of focus this year and have been incorporated into the wider Climate Risk and Opportunity Register for the current year. We believe Renew Holdings is well positioned to take advantage of increasing investor and client focus on the transition to a low-carbon economy. Building resilient infrastructure is core to our business strategy and is reiterated through our sustainability strategy.

Resilient infrastructure supports the deployment of sustainable technologies and practices, facilitating the transition to a low-carbon economy by providing a stable foundation for clean energy generation and efficient transportation and water systems. Climate-related opportunities are being considered in the quantitative scenario modelling exercise currently under way, and results will be communicated to our businesses and incorporated into our FY25 disclosure.

Opportunity	Extreme weather conditions	Energy costs and availability	New energy technology	Policy and regulation
Description	As an infrastructure construction firm, extreme weather does present commercial opportunities for our business. In particular, this is due to the increasing frequency and intensity of extreme weather events driving greater demand for maintenance and renewal services. There may also be an increasing need for existing infrastructure to be retrofitted and upgraded to be resilient to changing climate conditions.	There are opportunities associated with energy price volatility and availability as this may drive demand for energy-efficient infrastructure and greater grid connectivity.	Opportunities exist for Renew related to new energy technologies and infrastructure as these will require maintenance services. These new technology types include renewable power generation infrastructure, storage facilities and EV charging infrastructure.	Policy and regulation may be a positive catalyst for Renew as it drives funding for adaptation and resilience of existing national infrastructure as well as the development of new low-carbon infrastructure requiring ongoing maintenance and renewal.

The qualitative scenario analysis disclosed here maintains a broad focus and we have taken the assumption that the impact and financial quantification are unmitigated. Once we take action to mitigate or realise the related outcomes, the level of potential risk or opportunity will change, and this will be reflected in our future disclosures.

Our ongoing work on scenario analysis continues to enhance our understanding of identified climate risks and opportunities. We are committed to continuing to develop our approach to scenario analysis to ensure we capture the value these exercises present.

A summary of our scenario analysis assumptions and findings is detailed below:

Net-Zero 2050

Rationale for selection: The most ambitious outcome and closely aligned with the goals of the Paris Agreement to which our business is aligned – emphasis on transition risks.

Key characteristics:

- **Temperature:** Limited to 1.5°C
- **Category:** Orderly transition
- **Policy:** Ambitious climate policies and higher carbon prices from the outset
- **Technology:** High levels of innovation and rapid pace of change in low-carbon technologies
- **Energy:** Rapid phasing out of fossil fuels and switch to alternative sources of energy and fuels
- **Industry:** Growth in the green economy outstrips all other areas, emissions intensive sectors at risk
- **Macroeconomic:** Moderately negative impact on GDP, long-term interest rates tend to increase
- **Environment:** Physical climate impacts are limited, environmental protection is prioritised

Strategic considerations

We consider our business resilient against this scenario. Under this scenario, our ability to accelerate our investment programme to upgrade physical assets, transition to new energy technologies and reduce GHG emissions will be key to reducing our exposure to medium and longer-term cost impacts and meeting the increased demands from customers to reduce the impact of our services.

Whilst we would expect client demands in relation to our products and services to change significantly over time to align to a rapid transition, this represents a key opportunity for our business. This includes the rise in demand for EV charging infrastructure, climate resilient infrastructure and low-carbon plant and on-site energy generation, which we are already investing in. Understanding these opportunities in more detail is one key objective of our ongoing transition scenario analysis exercise.

Stated Policies

Rationale for selection: Assumes warming in line with current and pledged policy measures, giving a sense of what “business as usual” would mean for our business – focus on transition and physical risks.

Key characteristics:

- **Temperature:** Limited to 2.6°C
- **Category:** Transition – current and pledged policies
- **Policy:** No significant change to the current policy context which is insufficient to achieve global targets
- **Technology:** Slow-medium technology change and lower use of low-carbon technologies
- **Energy:** Fossil fuels remain a large part of the energy mix despite the scaling up of renewable energy
- **Industry:** Faces challenges both in terms of mitigation and adaptation
- **Macroeconomic:** Negative impacts on GDP in the longer-term
- **Environment:** Marked increase in exposure to natural hazards globally, leading to some irreversible impacts like sea level rise

Strategic considerations

While our own operational resilience and that of our suppliers would be tested, requiring increased, ongoing investment in adaptation measures, this is likely to be offset by commercial gains as UK industry and infrastructure are forced to invest more in adaptation measures. This is a trend we are already seeing in our core rail and water sectors as they respond to increasing incidences of extreme heat, drought and flooding affecting critical services to customers. Our ability to respond to changing customer needs and expectations depends on our continued ability to evolve our products, services and competencies to support UK infrastructure to adapt to changing weather patterns.

Take the highway

Rationale for selection: The most pessimistic outcome that gives a feel for how the business would need to adapt to potentially severe physical impacts – emphasis on physical risks.

Key characteristics:

- **Temperature:** Reaches up to 4.4°C
- **Category:** Physical – current and pledged policies
- **Policy:** No focus on progressive climate policies
- **Technology:** Low investment in low-carbon innovation and technologies
- **Energy:** Fossil fuels dominate, low electrification rate
- **Industry:** Fossil fuel and emissions-intensive sectors experience strong growth; industry increasingly challenged to adapt to physical climate impacts
- **Macroeconomic:** Strong economic growth initially which slows and gives way to major economic and social disruption
- **Environment:** Rapid increase in exposure to natural hazards, irreversible impacts like sea-level rise and high levels of environmental degradation in many regions

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Strategy continued

Scenario heatmaps

Climate-related risks	Net Zero 2050 – 1.5°C			Stated Policies – 2.5°C			Taking the Highway – 4°C		
	Short	Medium	Long	Short	Medium	Long	Short	Medium	Long
Physical	Extreme weather events								
Transition	Energy costs and availability								
	New energy technologies								
	Policy and regulation								

Potential likelihood of most of our significant risks to have a substantial financial impact (unmitigated)

Likely Possible Unlikely

Strategic considerations

Whilst we understand that this scenario is perhaps less likely given the current trajectory, it is nevertheless important that we consider the resilience of our business model and strategy under this more extreme set of circumstances. We would expect the physical impacts of more frequent and extreme weather events to disrupt our business and value chain through this scenario, in particular from the availability and price of materials from affected geographies and access to capital and costs of insurance. However, the increased need and demands for adaptation solutions from the market and the immediate needs for our clients to heavily invest in the protection of physical assets could position our business securely as a climate resilience solutions provider.

Resilience

Following the annual risk assessment process and review of FY23 scenario analysis outcomes, Renew's management continues to have confidence that the business is resilient to climate-related risks and well positioned to capture potential climate-related opportunities. We have designed mitigation strategies for each of the climate-related risks identified above (see pages 66 to 68) in order to reduce our exposure to these risks. We also monitor the climate risks on an ongoing basis. As part of this, Renew is currently undertaking a quantitative transition climate risk modelling exercise to gain a richer understanding of the impacts of climate risks at Group and business level across various potential climate scenarios and horizons. This is designed to guide our treatment of climate risks and inform further enhancements to Renew's business model to ensure ongoing resilience.

Although Policy and regulation is shown to have the potential for a substantial financial impact (unmitigated) over the short and medium term (2024–2035) this has not been categorised as one of the Group's "Principal risks", as defined on pages 73 to 77, due to the Group's mitigating actions (shown on pages 74 to 77) which are expected to reduce the Policy and regulation risk to the business in the short and medium term. The Group expects these mitigating actions to lessen the perceived severity of Policy and regulation

risk and therefore the risk is classified as lower on the risk register than it otherwise would be. Despite this, climate risk is increasingly understood as a material and urgent issue, so while Policy and regulation risk is not identified as a principal risk in FY24, growing awareness, evolving standards, and direct impacts mean this may be identified as a Principal risk in the future.

Strengthening business strategy

A key development this year has been continual engagement with the subsidiary businesses on the emerging risks and opportunities identified in the scenario analysis in 2023. The forum for this has been the Climate and Nature Steering Committee which has commissioned external experts to review and validate climate risks and opportunities. A series of workshops with senior management was undertaken to further explore how climate should influence business strategy. Notably a decarbonisation workshop carried out with senior management provided detail and analysis on potential future decarbonisation strategies, helping support effective decision making and management of identified transition risks. A supplementary workshop was also carried out with supply chain and procurement colleagues focused on scope 3 measurement and management, including how to optimise procurement and supplier engagement to support these issues.

Several significant strategic decisions came out of the decarbonisation strategy workshop, including changes to the annual budget planning approach which includes stringent planning around the use of sustainable fuel and achieving net-zero targets to ensure changes are "priced in" for FY25. We also continue to work towards establishing an interim net-zero target. Proposals for this target will be verified and disclosed by the business in FY25.

In addition to strategy workshops held, the quantitative scenario analysis exercise being carried out throughout FY24 supports the development of individual and Group level strategies by better informing on the financial related risks of the transition to net-zero. The results from this will be communicated to businesses and incorporated into FY25 risk register and scenario analysis.

Metrics and targets

We have made significant strides this year in our monitoring and assessment of climate-related risks, particularly in terms of the robustness of our risk governance processes for climate risk. Our work on identifying and accessing climate data is ongoing, and our ambition is to continue to expand the suite of metrics and targets that we use to monitor performance.

We have identified targets on page 52 and continue to report our progress against these targets. We also include our emissions reporting on page 54. Our Climate and Nature Steering Committee continues to drive progress on metrics and targets, and we anticipate several advancements in this area in FY25. This includes the identification of additional risk metrics through our ongoing transition risk modelling exercise and further progress in expanding the boundaries of our scope 3 emissions reporting. We are also currently in the process of defining an interim decarbonisation target that will guide our broader journey towards our target of net-zero scope 1 and 2 emissions by 2040. These interim targets are currently being agreed by senior management. We plan to disclose our interim target in our FY25 disclosure.

Emissions reporting

Renew Holdings has been reporting scope 1 and 2 and limited scope 3 emissions since the introduction of the Streamlined Energy and Carbon Reporting ("SECR") regulations in 2020. This has focused the Group's awareness of carbon and its approach to data collection has matured over the last 3 years. AmcoGiffen, the Group's largest subsidiary, has completed a review of the scope 3 emissions and its submission for science-based targets to the Science Based Targets initiative ("SBTi") was verified in 2024. Clarke Telecom and QTS have submitted their SBTi applications as of 2024.

Tangible steps are being made towards progressing scope 3 emissions measurements related to the upstream value chain and suppliers. We plan to leverage existing industry data and resources to support with further scope 3 quantification. The current KPI disclosure of scope 3 remains limited to grey fleet. Details of our scope 1, 2 and 3 emissions can be found in the Sustainability section on page 54.

MANAGING RISK TO HELP DELIVER OUR STRATEGY

The Group's approach to risk tolerance reflects a measured strategy designed to foster sustainable growth while effectively managing uncertainties across its decentralised business structure.

Our approach to risk

The Group's approach to risk tolerance reflects a balanced stance aimed at supporting sustainable growth while managing uncertainties across its decentralised business structure. The company's risk tolerance can be categorised as moderate, accepting certain risks inherent to growth and expansion whilst implementing extensive mitigation strategies for higher-risk scenarios, particularly regarding M&A. Examples of how we approach risk management are outlined below.

Renew leverages its decentralised model to mitigate operational and market disruptions. This structure allows individual businesses within the Group to respond locally to market shifts, regulatory changes and supply chain challenges. By dispersing physical assets and operations across geographies, Renew reduces its dependence on single suppliers or markets, thereby lowering risk concentration and exposure to localised disruptions.

We evaluate climate-related risks by assessing both physical and transitional risks on a range of possible climate futures. Climate and environmental risk mitigation measures include insurance coverage, disaster recovery planning and a decentralised supply chain strategy to assist in withstanding climate-related disruptions. Renew invests in an ongoing decarbonisation programme to meet regulatory requirements and align with sustainability goals while viewing this as a competitive advantage.

Renew manages financial risks through a disciplined approach to cost management and capital allocation. Renew proactively adapts to diverse regulatory standards in order to effectively manage regulatory risks. Renew's risk tolerance is supported by prudent management with selective risk acceptance in areas that support growth or enhance resilience. Renew manages risk by combining localised risk management with centralised oversight allowing the Group to remain responsive and resilient in an evolving risk landscape.

The Board is ultimately responsible for reviewing and agreeing the risk profile of the Group, for identifying new risks and for agreeing the Group's principal risks.

To support the Board in risk management the Audit and Risk Committee reviews the results of the Group's internal audit and processes. The Committee reviews the external audits and the Group's risk register including assessing actions taken to mitigate risks.

Our priorities for 2024/25

- Reviewing the Group's principal risks to ensure they reflect the changing risk landscape.
- Ensuring actions arising from the Group's internal audit process are in place.

Risk framework

The Group's risk framework is a structured approach that helps identify, assess, manage and monitor risks. The Group's risk framework aligns risk management with the Group's objectives, ensuring risks are managed in a consistent, structured way to enable better decision making, reduced likelihood of unexpected events, organisational resilience and compliance.

The Group's risk framework comprises:

- Risk Assessment
- Risk Control and Mitigation
- Risk Monitoring and Reporting
- Governance
- Continuous Improvement

Improving governance with an Executive Board

During 2024, the reporting structure of the Group was reviewed in order to address the growth in both size and complexity of the Group. The Board supported the creation of an Executive Board from October 2024 to support the Chief Executive with the day-to-day management of the individual business units as well as the Group support functions. This will also provide a more formal link to the various Group forums.

The Executive Board comprises of the Group's Chief Executive Officer, Chief Financial Officer, Group Commercial Director and the Sector Directors. The Executive Board will report to the Chief Executive Officer.

The Executive Board will have input into strategic areas of the business including risk. The Sector Directors have detailed knowledge and experience of their markets providing essential insight. This additional reach into our businesses will enable a better approach to risk management given the dynamic nature of the risks within our markets.

The remit of the Executive Board

- The Board of Directors has delegated responsibility to oversee management of the business to the Chief Executive with responsibility for delivery of the Group's strategic direction and management of its day-to-day performance, supported by the Executive Board, members of which are responsible for particular business units and supporting functions.
- The Executive Board oversees the implementation of matters relating to health and safety, sustainability, people management, legal and commercial, investment and M&A, and risk management.
- Responsibility for the day-to-day management of each of the business units and supporting functions is delegated to individual members of the Executive Board.

Our principal risks

The Group's principal risks are identified as those risks which have the potential for the highest impact on the Group. The Board reviews the principal risks regularly along with the mitigation measures in place.

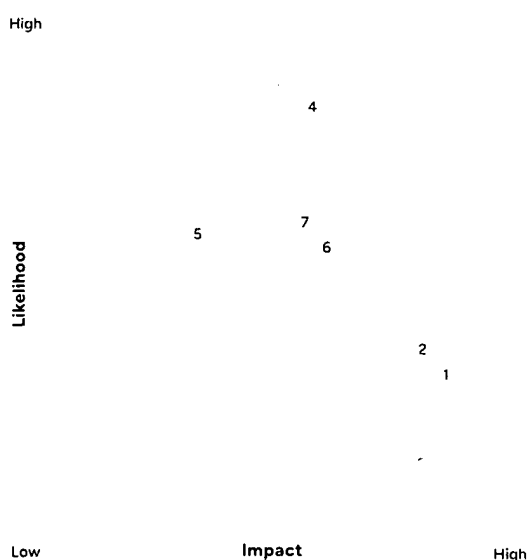
Climate-related risks

Although policy and regulation risk is shown to have the potential for a substantial financial impact (unmitigated) over the short and medium term (2024–2035) this has not been categorised as one of the Group's "principal risks" due to the Group's mitigating actions

(shown on pages 74 to 77) which are expected to reduce the policy and regulation risk to the business in the short and medium term.

The Group expects these mitigating actions to lessen the perceived severity of policy and regulation risk and therefore the risk is classified as lower on the risk register than it otherwise would be. Despite this, climate risk is increasingly understood as a material and urgent issue, so while policy and regulation risk is not identified as a principal risk in FY24, growing awareness, evolving standards and direct impacts mean this may be identified as a principal risk in the future.

Our risks heatmap



Principal risks

- 1 Major accident or hazard
- 2 Loss of a major customer
- 3 Major project loss
- 4 Availability of key skills – new
- 5 Business continuity
- 6 Cyber attack
- 7 Major economic downturn

BOARD STRUCTURE

Renew Board

Oversees business strategy, risk management and ESG-related matters

- Reviews and agrees risk profile
 - Identifies new risks
 - Agrees principal risks

Audit and Risk Committee

- Reviews results of the internal audit and process
- Reviews external audits
- Reviews Group risk register and actions taken to mitigate risks

Executive Board

- Risk management reviewed in monthly management reports
- Oversee Group Minimum Requirements for risk

Remuneration Committee

Climate and Nature Steering Committee

Safety and Environment Management Group

Subsidiary Board monthly meetings

- Identify and control local risk
- Delivery of risk management processes and procedures
- Risk mitigation

Fleet Risk Management Forum

RISK MANAGEMENT CONTINUED

Our principal risks in detail

1 Major accident or hazard

Governance oversight

- Executive Directors
- Renew senior management teams
- Group SHEQ Director

Risk and potential impact

A major accident or incident for which we are held primarily accountable could result in personal or environmental harm and lead to operational loss, regulatory, legal or financial penalties, and/or reputation loss.

Tolerance to residual risk

Reduce

Example mitigating actions

- Established proven processes and policies.
- Broad nature of the sectors in which we are engaged.
- Directly employed safety practitioners within our subsidiaries.

- Advisors' specialist knowledge of the complex environments in which they work.

Change in the year

Taking account of the increasingly diverse activities of the Group, the Board has reassessed the impact of a major accident or hazard during the year and investment in training. There has been no change to this risk during the year.

Opportunity

We undertake a high volume of safety training across our business. We directly employ our workforce which means we are able to better control the environment and the competencies of the workforce we deploy.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

1 2 4

2 Loss of a major customer

Governance oversight

- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact

As a consequence of the market in which we operate we inevitably have fewer, larger clients. The loss of one such client could result in both financial and reputational consequences for the business.

Tolerance to residual risk

Accept

Example mitigating actions

- Keeping close to our clients.
- Responsive, compliant, safe, innovative and proactive.

- Delivery of innovative solutions.
- Ambition to expand our client base to further lessen the reliance on larger clients.

Change in the year

A number of appointments with new clients were made in the year. Our engineering services are usually provided through long-term framework agreements, often over many years. There has been no change to this risk during the year.

Opportunity

Having a number of larger clients means we are able to build strong relationships over many years. We understand our clients' long-term ambitions and assist them in the delivery of these through our culture of engagement.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

1 2 4

Link to strategy

- | | |
|-------------------------------------|-------------------------------------|
| 1 Provide key services | 4 Establish long-term relationships |
| 2 Focus on maintenance and renewals | 5 Deliver growth |
| 3 Expand our capabilities | |

Change in year

- Decrease
Increase
No change

3 Major project loss

Governance oversight

- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact

A major project loss could result in a significant financial loss to the business. Discontinued activities could present legacy risks that could potentially incur financial costs.

Tolerance to residual risk

Avoid

Example mitigating actions

- Rigorous project selection process.
- Maintaining first-class records to enable effective management of any disputes.

- Projects within focus carrying risk are fully discussed in the business unit plans.

- Ensure that we remain focused on compliant delivery which meets our clients' expectations.

Change in the year

Progress has been made in the year to close out a number of remaining legacy issues. There remains the potential for legacy claims from the discontinued Allenbuild business. Given this, the likelihood has moved from low to medium for this risk. This risk has increased during the year.

Opportunity

In developing our rigorous selection processes, the Group focuses on those schemes that present the least risk to the business. We have improved our record keeping as a result of reviewing our risk in this area and this has assisted the business significantly in being able to accurately review historical contracts.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

4 5

4 Availability of key skills – new

Governance oversight

- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact

The risk that the resource pool could be impacted by other major UK infrastructure programmes resulting in lost revenue due to lack of resources.

Tolerance to residual risk

Reduce

Example mitigating actions

- Investment in training programmes and offering career progression to employees.
- Build on working relationships developed with educational institutions.
- Maintaining an attractive recruitment proposition.

Change in the year

Due to the ongoing challenges to resource our growth ambitions, this has been identified as a principal risk in the FY24 risk register review.

Opportunity

The investment in training programmes and building on the relationships developed with educational institutions mean we are more robust in our approach in this area.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

1 2 4 5

Link to strategy

- | | |
|-------------------------------------|-------------------------------------|
| 1 Provide key services | 4 Establish long-term relationships |
| 2 Focus on maintenance and renewals | 5 Deliver growth |
| 3 Expand our capabilities | |

Change in year

Decrease
Increase
No change

RISK MANAGEMENT CONTINUED

Our principal risks in detail continued

5 Business continuity

Governance oversight

- Executive Directors
- Group IT Director
- Subsidiary senior management teams

Risk and potential impact

Disaster resulting in significant impact on central functions, assets, people or systems that is not adequately prepared for, e.g. fire, flood, accident, terrorism, pandemic, health and safety breach, environment non-compliance.

Tolerance to residual risk

Reduce

Example mitigating actions

- A business continuity approach to disaster recovery.
- Robust policies and procedures in place, referenced in Group Minimum Requirements.
- Ensuring appropriate insurance cover.

Change in the year

There has been no change to the business continuity risk during the year.

Opportunity

We continue to reinforce our systems which, alongside user training and awareness programmes, means we are exposed to less risk in this area.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

1 4

6 Cyber attack

Governance oversight

- Executive Directors
- Group IT Director
- Subsidiary senior management teams

Risk and potential impact

We recognise the importance of maintaining the integrity of the businesses electronic communications and management systems from cyber attacks.

Tolerance to residual risk

Reduce

Example mitigating actions

- Industry best practice cyber attack defence tools.
- Automated off-site backup facilities and secondary communication systems.
- Ensuring a business continuity approach to disaster recovery is maintained.

- Minimum standards are in place with all businesses audited to ensure compliance.
- Continuous improvement to ensure all systems are fit for purpose.
- Underpinned by appropriate insurance cover.

Change in the year

We continue to develop our approach to cyber risk management through improvements to IT security and through the continuation of our user awareness training programme. Minimum standards are in place, with all businesses audited to ensure compliance. There has been no change to the cyber attack risk during the year.

Opportunity

We continue to reinforce our systems which, alongside user training and awareness programmes, means we are exposed to less risk in this area.

Impact

Low High

Likelihood (post mitigation):

Low High

Change in risk assessment in year:

Link to strategy

1 4

Link to strategy

1 Provide key services

4 Establish long-term relationships

2 Focus on maintenance and renewals

5 Deliver growth

3 Expand our capabilities

Change in year

Decrease

Increase

No change

7 Major economic downturn

Governance oversight

- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact

Risk of a major economic downturn which results in a significant reduction in public spending.

Tolerance to residual risk

Accept

Example mitigating actions

- Focus on non-discretionary markets and activities where expenditure is delivered through long-term frameworks with committed levels of funding.

Change in the year

This principal risk reflects our continued response to current and potential future economic challenges.

The likelihood of this risk has reduced in the year.

Opportunity

We continue to focus on non-discretionary spending programmes and, as such, reduce the impact of economic volatility on the Group.

Impact

Low High

Likelihood (post mitigation)

Low High

Change in risk assessment in year

Link to strategy

1 3 4

An agile management structure

During 2024, the reporting structure of the Group was reviewed in order to address the growth in both size and complexity of the Group. The Board supported the creation of an Executive Board which comprises of the Group's Chief Executive Officer, Chief Financial Officer, Group Commercial Director and the Sector Directors. The Executive Board will report to the Chief Executive Officer.

Link to strategy

- 1 Provide key services
- 2 Focus on maintenance and renewals
- 3 Expand our capabilities

- 4 Establish long-term relationships
- 5 Deliver growth

Change in year

Decrease
Increase
No change

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Year ended 30 September 2024

Reference in 2024
Annual Report

1. Business Model		
Renew Holdings plc is a holding company which gives autonomy to its operating subsidiaries, enabling them to be competitive and effective in their individual markets whilst setting overall standards. Our subsidiaries' directly employed workforce and supply chain work together to deliver a safe and responsive service supporting the day-to-day demands of the UK's critical infrastructure networks. The Company's strategic objective is to generate long-term sustainable growth by providing central management, financial support, and strategic oversight to its subsidiaries. Renew Holdings plc aims to foster innovation and operational excellence across the Group, promoting sustainable practices that benefit stakeholders and the communities it serves.		20–22
2. Environmental Impact		
Renew Holdings plc is committed to reducing the environmental impacts of its operations. Our key initiatives include:		
Energy Efficiency	Where we are able, we employ efficient lighting and power systems on our sites and office locations.	51–61
Renewable Energy	85% of energy used now comes from 'green' energy tariffs, with a target to reach 100% by 2030.	51–61
Carbon Emissions	We aim to achieve carbon neutrality by 2040. In 2024, we reduced our greenhouse gas emissions by 3% compared to the previous year by improving our site setups, adopting electric vehicles and plant and implementing the use of HVO in our site plant where we are able to.	51–61
Climate Risks and Opportunities	We have aligned our climate strategy with the CRFD recommendations. As a Group we assess physical risks from climate change (e.g. extreme weather affecting supply chains) and transition risks (e.g. regulatory changes in emissions, new energy technologies and energy costs and availability).	62–71
Adaptation Measures	Identifying alternative sourcing options and working to establish resilient supply chains.	62–71
3. Employee Matters		
Renew Holdings plc values a positive, inclusive workplace that promotes employee wellbeing and development:		
Diversity and Inclusion	We are committed to increasing diversity at all levels. In 2024, 14% of leadership roles across the Group were held by women, compared with 12% in 2023. The Group is committed to improving this through its leadership development and women in leadership training programmes.	61
Health and Safety	We maintained a low lost time accident frequency rate in the year of 0.17 compared with 0.20 in 2023. Our businesses undertake continuous safety training for employees. In 2022, we introduced a mental health support programme to improve employee wellbeing, and in 2024 we supported this with a Mental Health First Aider hub.	56–57
Training and Development	Employees have a wide range of training and development opportunities available including safety, occupational and leadership development programmes.	60
4. Social and Community Engagement		
Renew Holdings plc is committed to supporting the communities where it operates.		
Charitable Contributions	Our subsidiary businesses support in excess of 50 charities each year.	59
Community Programmes	Our subsidiary businesses undertake a range of initiatives to support their local communities.	58–59
Employee Volunteering	During 2024 our employees undertook an average of 0.21 days assisting community projects.	58–59
5. Human Rights		
Renew Holdings plc upholds the highest standards of human rights across all its operations.		
Supplier Code of Conduct	All the Group's subsidiary businesses require their suppliers to adhere to their standards on fair labour practices, non-discrimination and safe working conditions.	
Modern Slavery	We are committed to preventing modern slavery in our supply chain, with training for employees and assessments for high-risk suppliers.	See website for further detail
6. Anti-Corruption and Anti-Bribery		
Renew Holdings plc enforces a zero tolerance policy toward corruption and bribery.		
Policies and Training	All employees undergo annual anti-bribery and corruption training. Compliance checks are built into operations across the Group.	
Whistleblower Programme	Our whistleblower hotline allows employees and partners to report unethical behaviour anonymously. In 2024, we addressed all concerns promptly, with no significant incidents reported.	See website for further detail
7. Principal Risks and Uncertainties		
The Board regularly reviews and manages risks overseen by the Group's Audit & Risk Committee.		
Environmental	Climate change risks are managed through resilient supply chains and carbon reduction activities.	62–71
Market Risks	Changes in market risks and regulatory shifts are reviewed on an ongoing basis. The Group's risk register including its Principal Risks are reviewed annually. These actions are overseen by the Group's Audit and Risk Committee.	72–77
Operational	Risk from supply chain disruptions is mitigated by diversifying suppliers and operating across a range of markets with regulatory spending cycles.	72–77
8. Future Outlook		
Renew Holdings plc aims to continue integrating sustainable practices across all subsidiaries, with a focus on innovation, employee development and community impact. We will also continue to enhance our climate risk assessment and mitigation strategies, in line with CRFD recommendations		


Paul Scott
Chief Executive Officer

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

DRIVEN BY RESPONSIBLE GOVERNANCE

David Brown
Chairman

Dear shareholder,

The Board of Renew continues to uphold the highest standards of corporate governance and following the publication of the Quoted Companies Alliance ("QCA") Corporate Governance Code 2023 ("the Code") we have further developed our corporate governance disclosure to comply with the Code to the extent considered appropriate for a company of this size. In many areas we exceed and continue to improve on the requirements of the Code where we are able to. Details of how Renew complies with the Code or an explanation as to why it does not are included on the following pages.

Shareholder engagement

The rest of the Board and I continue to welcome the views of all our shareholders. During the year we have communicated with our shareholders through the delivery of our results information and at the Company's Annual General Meeting ("AGM").

Outside of our regular shareholder events, I can be contacted by email at chairman@renewholdings.com.

Future focus

The Board is committed to promoting sustainable growth to achieve the business' long-term success and believes that implementing strong governance practices supports this goal.

The Board recognises also that it has an integral role to play in setting the Group's values and culture and part of this involves positive interaction with the subsidiary companies of Renew through site visits, Group events and safety conferences. During the year the Board has actively looked to increase its engagement with the Group's subsidiary businesses and its employees and many events and presentations were attended across the businesses.

The Board continues to remain committed to the issue of diversity on the Board and across the wider Group and to ensuring that succession plans are in place. The Board will also continue to oversee the developing response to climate change and the overall importance of its sustainability activities, including its climate-related financial disclosure as we move through 2025.



David Brown
Chairman

25 November 2024

EXPERIENCED LEADERSHIP

A R N

David Brown
Chairman

Appointment date:
Non-executive Director from April 2017, Chairman since May 2022.

Experience:
40 years of experience in the transport sector with a proven track record in leading multi-site and multidiscipline commercial and public sector organisations with significant turnovers and large workforces. Former managing director of Surface Transport at Transport for London and over 10 years’ experience as the former CEO of The Go-Ahead Group PLC.

External appointments:
Non-executive director of Velociti Limited. Chairman of Tripshift Limited and Trustee of the London Transport Museum.

Skills brought to the Board:
Proven leadership of large organisations including a decade of running a FTSE 250 PLC. Strategic decision making including mergers and acquisitions combined with international expansion experience and operating at a high political level within publicly accountable bodies.

Number of Board meetings attended:
12 out of 12.

Sector experience:
Multidiscipline transport sector, highways, infrastructure and SaaS.

Paul Scott
Chief Executive Officer

Appointment date:
As Chief Executive from 1 October 2016, previously Group Engineering Services Director from 21 July 2014.

Experience:
A qualified engineer who has been with the Group for over 22 years. Having directly led subsidiaries through substantial growth in line with the Group strategy, Paul’s responsibilities gradually developed into a wider Group role before being appointed as the CEO.

External appointments:
None.

Skills brought to the Board:
Strong experienced leadership capability with a track record of compliant delivery. Proven capability in terms of developing a culture to support the execution of our agreed growth strategy.

Number of Board meetings attended:
12 out of 12.

Sector experience:
Highly experienced across the UK infrastructure sectors that remain our strategic focus.

Sean Wyndham-Quin
Chief Financial Officer

Appointment date:
Appointed to the Board on 8 November 2017. Appointed Chief Financial Officer on 29 November 2017.

Experience:
Previously served as a partner at SPARK Advisory Partners, a business he co-founded in early 2012. Prior to that Sean worked for Brewin Dolphin and Ernst & Young where he qualified as a Chartered Accountant.

External appointments:
None.

Skills brought to the Board:
Track record in advising boards on strategy, corporate governance and mergers and acquisitions. Experience in financial modelling, forecasting and business planning.

Number of Board meetings attended:
12 out of 12.

Sector experience:
A broad range of experience across a number of sectors including support services and construction.

Members	Length of tenure	Diversity
	1	
3	4	2
4	2	5
Non-executive	0–3 years	Male
Executive	4–6 years	Female
	7+ years	

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

A R N

A R N

A R N

Andries Liebenberg

Executive Director

Appointment date:
 Appointed as Executive Director on 31 March 2016.

Experience:
 Previously Managing Director of Renew subsidiary AmcoGiffen, Andries has been with the Group for over 12 years. Prior to this Andries worked internationally in Africa and the UK overseeing multi-million-pound multidisciplinary fast track construction projects and long-term framework agreements.

External appointments:
 None.

Skills brought to the Board:
 Experienced in strategic business management including mergers and acquisitions.

Number of Board meetings attended:
 12 out of 12.

Sector experience:
 Multidisciplinary infrastructure project delivery with a bias towards rail, energy and environmental sectors.

Shatish Dasani

Senior Independent Director

Appointment date:
 Non-executive Director from February 2019. Senior Independent Director since May 2022.

Experience:
 A Chartered Accountant with over 25 years' experience in senior public company finance roles across various sectors including building materials, advanced electronics, general industrial and business services. He was previously the chief financial officer of Forterra plc and TT Electronics plc and has also been alternate non-executive director of Camelot Group plc and public member at Network Rail plc.

External appointments:
 Chair of UNICEF UK. Non-executive director and audit committee chair at Genuit Group plc, SIG plc and Speedy Hire plc.

Skills brought to the Board:
 Strategy development and execution, performance improvement, financial management, corporate finance, mergers and acquisitions.

Number of Board meetings attended:
 12 out of 12.

Sector experience:
 Building materials, advanced electronics, general industrial, business services and infrastructure.

Stephanie Hazell

Non-executive Director

Appointment date:
 Non-executive Director from 1 March 2020.

Experience:
 Over 20 years' relevant experience working in high-profile businesses including PricewaterhouseCoopers LLP, Orange SA, Virgin Management Ltd and National Grid Plc where she held the position of director, strategy and corporate development.

External appointments:
 Non-executive director at NSMP Limited and Neos Networks. Senior advisor to Shell Renewables and Energy Services.

Skills brought to the Board:
 Infrastructure, strategy, business development and M&A experience.

Number of Board meetings attended:
 11 out of 12.

Sector experience:
 Utilities and telecoms.

Liz Barber

Non-executive Director

Appointment date:
 Non-executive Director from 1 November 2022.

Experience:
 A Chartered Accountant, Liz was the CFO, then CEO, of Kelda Group/ Yorkshire Water. Previously a partner at Ernst & Young LLP where she was head of audit for the north region and previously independent non-executive director and audit committee chair at KCOM PLC from 2015 until 2019. Liz held various senior non-executive positions including deputy chair of the University of Leeds.

External appointments:
 Non-executive director and senior independent director and remuneration committee chair (interim) for Cranswick plc. Non-executive director of HICL plc, non-executive director and audit committee chair of Encyclis Limited. Chair of the ICAEW Sustainability Committee and chair of the Yorkshire and Humber Climate Commission.

Skills brought to the Board:
 Infrastructure, strategy, business development, financial management and sustainability.

Number of Board meetings attended:
 12 out of 12.

Sector experience:
 Utilities, in particular water infrastructure.

THE EXPERIENCE TO DELIVER OUR LONG-TERM STRATEGY

Renew's Capital Markets Day

The Group held a Capital Markets Day for investors and analysts in June. The agenda for the day was developed to provide an overview of our growth drivers in our engineering sectors, demonstrating how we provide support to critical infrastructure assets in regulated markets.

We provided an update on our progress in Rail and the Group's growth prospects as we move into the next Control Period 7, as well as on our water businesses as they approach the new Asset Management Period 8.

We demonstrated how our diverse operating model provides organic growth opportunities through increasing collaborative working among our brands as well as sharing innovation and new capabilities that provide opportunities for our subsidiaries by adding scale to their offering.

All of our engineering subsidiaries took part in the day and our guests spent time getting to know how we deliver value. The 2024 Capital Markets Day provided key insights into how Renew is Engineering for a Better Tomorrow.

QCA Corporate Governance Code 2023

Ensuring governance compliance

The QCA Code is a flexible set of governance principles designed to help companies operate better for their staff, investors, partners and wider stakeholders.

Renew currently complies with the requirements of the QCA Code 2018 through disclosures on its website and Annual Report and Accounts.

There is a transition period to the QCA Code 2023 of 12 months from 1 April 2024. This allows companies the flexibility to adjust to the new Code and build the necessary capabilities to apply its principles. During this transition period, Renew will focus on developing its disclosure in certain areas where there have been changes to the Code.

Skills and experience

The Board regularly reviews the range of skills and experience of its members through its annual Board Performance Evaluation process. Identified skills or experience gaps form the basis of future recruitment and succession plans. More details of the Board's skills and experience can be found on pages 80 and 81.

The Board seeks to ensure that its range of skills and experience is aligned with both its current and future requirements.

Leadership

During the year, the composition of the Board was reviewed to ensure its members continue to provide the required skills and experience to support the Group's ongoing development.

Board recruitment

The Board undertakes a rigorous recruitment process supported by external specialist advisors to identify potential Board candidates that have the necessary skills and experience to complement the existing team.

Recruitment interviews are held by the Chairman and a Non-executive Director. Further meetings are held to introduce potential candidates to the rest of the Board.

How the Board adds value

The Board adds value by providing advice to the executive team and presenting challenge as appropriate. The Board works on behalf of the Group's shareholders and brings a wide range of experience and assistance across a broad range of topics.

Shareholder engagement activities

During the year the Board undertook a programme of shareholder engagement events including results roadshows and 1-to-1 meetings.

In June the Group hosted a Capital Markets Day for analysts and investors at the headquarters of its subsidiary, QTS, in Strathaven, Scotland.

The event provided access to all of Renew's engineering brands and included some live operational demonstrations. There was a focus on the opportunities in Rail and Water including insights into the Group's strategy of delivering additional growth through collaboration.

Diversity

In recent years the Board has worked hard to improve its diversity profile. The Group has increased its gender and diversity profile through the recruitment of 3 new Non-executive Directors since 2019. The Board understands and values the benefits that a well rounded Board offers.

How the Board works together

The Board, led by the Chair, usually meets at least 9 times per year usually in person unless this is not practicable. The Board reflects on the results of the period presented, reviews progress of agreed strategic implementation goals and discusses points raised by the executive team. The Board discusses, supports and challenges the executive team as necessary.

Outside of the formal Board meetings the Board provides additional support as required.

Succession planning

The Board undertakes an annual succession planning process and more frequently as situations dictate. Succession planning is undertaken by the Group's Nomination Committee, chaired by David Brown.

Board meetings held in the year

12

Board site visits

2

BOARD ACTIVITIES THROUGHOUT THE YEAR

February 2024

Board engagement visit to the Envolve site at Wessex Water's Holdenhurst water recycling centre.

July 2024

Board engagement visit to Browne mains rehabilitation site at Acton Lane.

July 2024

Formal review of succession planning across the Group.

June 2024

Acquisition of Excalon Holdings Limited, a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector.

June 2024

Capital Markets Day held for investors and analysts. The agenda for the day was developed to provide an overview of our growth drivers in our engineering sectors.

September 2024

Board reviews and approves the Group's Strategic Plan and budget for the next 3 years.

STATEMENT OF CORPORATE GOVERNANCE

Board induction process

The Board has a robust induction process led by the Chief Executive Officer. New Board members are provided with:

- a comprehensive set of documents to facilitate their understanding of the Group, including, amongst others, minutes of previous meetings, overview of Committees and their membership, the Group's 3-year Strategic Plan, details of the Group's subsidiary businesses, organisation charts and details of the executive team;
- detailed meetings with the Chief Executive Officer to outline how the business operates based around the Group's Strategic Plan and covering in detail areas such as health and safety, risk management, strategy and culture;

- an introduction to the senior team; and
- a site visit to a Group subsidiary business shortly following their appointment.

Whilst the core elements of the onboarding process are the same for all new Board members, the process is also flexible to take account of a new member's Board experience. This approach ensures the process fits the needs of each new member.

Quoted Companies Alliance Corporate Governance Code 2023

1. Establish a purpose, strategy and business model which promote long-term value for shareholders.

The Group has an established purpose, strategy and business model which promote long-term shareholder value, aligning our core mission with sustainable growth initiatives and stakeholder interests.

Read more about our strategy on pages 23 and 24

Read more about how we manage risk to ensure the successful delivery of our strategy on pages 72 to 77

Read more about our business model on pages 20 and 21

2. Promote a corporate culture that is based on ethical values and behaviours.

The Board monitors and promotes its corporate culture assisted by its senior management team which plays a vital role in disseminating the Company's shared values among our employees. Within our subsidiary businesses, monthly management meetings are attended by at least one member of the senior management team. Regular Executive Management Committee meetings are held with the involvement of all the Managing Directors and the wider senior management team. In conjunction with annual events, including the Senior Managers' Conference, the Board can assess the Group's culture on an ongoing basis.

To better understand our corporate culture, value and behaviours, during the year the Board visited 2 of the Group's subsidiary businesses. The visits involved business presentations and meeting employees from across the businesses.

Read more about how the Board and management support and monitor the Group's culture on pages 25 and 26

3. Seek to understand and meet shareholder needs and expectations.

The Board seeks to effectively understand and meet shareholder needs and expectations through focusing on consistent and transparent engagement, incorporating shareholder feedback into the strategic planning process and developing the Board's evaluation and disclosure processes.

During the year the Board participated in the Group's Capital Markets Day which was attended by a large number of the Group's institutional investors. The Board also engaged with its major shareholders on proposals to amend the Group's Remuneration Policy. The Remuneration Committee considered the responses to the proposals and disclosed the rationale for the outcome of the consultation process to those who had participated.

Institutional shareholders

The Chief Executive Officer and Chief Financial Officer communicate with institutional investors frequently through formal meetings immediately following the Group's interim and preliminary financial results as well as through capital markets presentations and informal briefings. It is the intention of the Directors to understand the objectives and concerns of the Group's institutional shareholders through both direct communications and analyst and broker briefings.

The Chief Financial Officer is responsible for informing the Board of the views and concerns of the Group's major shareholders. The Board makes itself available to meet with institutional investors as required to discuss matters as they arise.

Individual shareholders

Members of the Board have dialogue with individual shareholders during the year and the Chairman addresses shareholders at the Group's Annual General Meeting ("AGM") where questions are invited. Notice of the Group's AGM is provided to shareholders at least 21 days in advance of the meeting. Where resolutions at the AGM are dealt with by show of hands, the results of proxy votes are also announced by the Company Secretary.

Financial and other information about the Group is available via the Company's website: www.renewholdings.com.

Shareholders can find a link to the website of Link Group for details of their shareholding.

Shareholders wishing to contact the Company directly should address communication to the Group's Company Secretary, Sean Wyndham-Quin, by email to info@renewholdings.com or by post to Renew Holdings plc, 3125 Century Way, Thorpe Park, Leeds LS15 8ZB.

Read more about how we engage with our stakeholders on pages 30 to 33

4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.

Read more about how we engage with our stakeholders on pages 30 to 33

Identifying the key resources and relationships that we rely on is essential for developing strategic resilience, ensuring effective operations and maintaining competitive advantage. Details of the Group's stakeholder engagement can be found on pages 30 to 33. The Group categorises all parties involved with, or affected by, the Company's operations by assessing each stakeholder's influence and importance to identify high-impact relationships including those with suppliers, regulators and customers.

There is no one Board member responsible for stakeholder engagement; rather, the Board as a whole is kept up to date with stakeholder engagement activities as appropriate.

5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Group's approach to risk tolerance reflects a balanced stance aimed at supporting sustainable growth while managing uncertainties across its decentralised business structure. The Company's risk tolerance can be categorised as moderate, accepting certain risks inherent to growth and expansion whilst implementing extensive mitigation strategies for higher-risk scenarios, particularly regarding M&A. Examples of how we approach risk management are outlined below.

Operational and Market Risks: Renew leverages its decentralised model to mitigate operational and market disruptions. This structure allows individual businesses within the Group to respond locally to market shifts, regulatory changes and supply chain challenges. By dispersing physical assets and operations across geographies, Renew reduces its dependence on single suppliers or markets, thereby lowering risk concentration and exposure to localised disruptions.

Climate and Environmental Risks: We evaluate climate-related risks by assessing both physical and transition risks on a range of possible climate futures. Climate and environmental risk mitigation measures include insurance coverage, disaster recovery planning and a decentralised supply chain strategy to assist in withstanding climate-related disruptions. Renew invests in an ongoing decarbonisation programme to meet regulatory requirements and align with sustainability goals while viewing this as a competitive advantage.

Financial and Regulatory Risks: Renew manages financial risks through a disciplined approach to cost management and capital allocation. Renew proactively adapts to diverse regulatory standards in order to effectively manage regulatory risk.

Renew's risk tolerance is supported by prudent management with selective risk acceptance in areas that support growth or enhance resilience. Renew manages risk by combining localised risk management with centralised oversight, allowing the Group to remain responsive and resilient in an evolving risk landscape.

The Board is ultimately responsible for reviewing and agreeing the risk profile of the Group, for identifying new risks and for agreeing the Group's principal risks.

To support the Board in risk management the Audit and Risk Committee reviews the results of the Group's internal audit and processes. The Committee reviews the external audits and the Group's risk register including assessing actions taken to mitigate risks.

Ensuring effective internal controls

The Directors recognise that they have overall responsibility for the Group's system of internal control and for reviewing and monitoring its effectiveness. The system of internal control is designed to manage and mitigate, rather than eliminate, the risks to which the Group is exposed and therefore provides a reasonable, but not absolute, assurance against the Company failing to meet its business objectives or against material misstatement or loss. The Group operates a risk management process, which is embedded in normal management and governance processes. There is a system of self-examination of risk areas and controls by subsidiaries and departments within the Group. Where significant risks are identified, the probability of those risks occurring, their potential impact and the plans for managing and mitigating each of those risks are reported.

The Group operates a series of controls which include the annual strategic planning and budgeting process; short, medium and long-term cash monitoring achieved by means of daily, weekly and monthly forecasts which are compared against budget and previous forecasts; clearly defined capital investment guidelines and levels of authority; and a clear organisational structure within which individuals' responsibilities are identified and monitored. These results and processes are monitored, updated, reviewed and considered by the Board.

The Group has established a series of Group Minimum Requirements in a number of financial, commercial and operational areas with which each business within the Group must comply. The senior management team monitors and reviews compliance with these requirements on a regular basis. Due to the size and nature of the Group, the Board does not consider that a separate internal audit function is necessary. For the last 18 years and including 2024, the Group has carried out a programme of internal audit conducted by the Group Commercial Director and by members of the various subsidiaries' finance teams. This system of peer review promotes best practice and ensures that Group Minimum Requirements, along with procedures and internal controls, are being complied with.

The reports from these internal audits are made available both to the Board and to the external auditor. Senior management and employees play a critical role in the identification of risk. Employees are often the first to become aware of risk and the effective communication between employees and senior management is considered key in this area.

Read more about how we identify and manage risk on pages 72 to 77

Quoted Companies Alliance Corporate Governance Code 2023 continued

6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair.

To ensure the Board contains the necessary mix of experience, skills and capabilities, the Group undertakes Board skills matrix assessments as required, aligning the outputs with its diversity and strategic goals. This approach enables the Board to ensure it has the required diversity and expertise to guide the Company effectively. In order to define key skills and experience the Board considers the requirement for industry expertise, functional skills and strategic capabilities.

As part of the Board Performance Evaluation and recruitment process, an evaluation of the existing skills helps inform and identify skills that may be required. These processes guide the selection of new Board members, ensuring that any new member's skills are complementary to the existing Board.

Diversity remains a key metric when developing Board composition. Diversity characteristics including gender, age, ethnicity and geographic diversity assist the Board in providing a broader perspective, helping to ensure it represents the diversity of its stakeholders.

The above processes ensure the Board of Renew balances its mix of experience, skills and diversity, all of which align with its strategic objectives and governance standards. This balanced approach ensures the Board is well equipped to respond to future challenges and opportunities while reflecting its commitment to inclusivity and strategic alignment.

Independence of Non-executive Directors

The Board adopts the principles of the QCA Corporate Governance Code 2023 regarding tenure of the Board and seeks to balance experience with the need to refresh the Board. In assessing the continued independence of Directors, where they have served more than 9 years, the Board considers their independence of judgement and ability to continue to challenge the Board.

Renew complies with the provision of Board independence as the Group has at least 2 independent Non-executive Directors.

		Board member duration
D A Brown	Non-executive Chairman Independent	7 years
S D Dasani	Non-executive Director Independent	5 years
S A Hazell	Non-executive Director Independent	4 years
L Barber	Non-executive Director Independent	2 years
P Scott	Chief Executive Officer	8 years
S C Wyndham-Quin	Chief Financial Officer	7 years
A P Liebenberg	Executive Director	8 years

Board Committees

The Board operates with a number of Committees. Shatish Dasani, the Senior Independent Non-executive Director, is Chair of the Audit and Risk Committee, David Brown is Chair of the Nomination Committee and Stephanie Hazell is Chair of the Remuneration Committee. The Board delegates clearly defined powers to its Remuneration, Nomination and Audit and Risk Committees. Each of the Board's Committees has carefully drafted terms of reference.

Remuneration Committee

Read more about the Remuneration Committee's key responsibilities and activity during 2024 on pages **97 to 104**

Nomination Committee

Read more about the Nomination Committee's key responsibilities and activity during 2024 on pages **95 and 96**

Audit and Risk Committee

Read more about the Audit and Risk Committee's key responsibilities and activity during 2024 on pages **92 to 94**

General Purposes Committee

The Board forms a General Purposes Committee from time to time as it deems necessary. This Committee comprises any 2 of the Executive Directors as determined by the Board to consider individual business matters which have been specifically delegated to it by the Board.

Board and Committee meetings

The Board met formally 12 times in the year ended 30 September 2024 with all Directors in attendance other than on one occasion.

Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

Board effectiveness

Board composition

The Board comprises the independent Non-executive Chair, the Chief Executive Officer, two Executive Directors and three independent Non-executive Directors.

Time commitment

Directors are expected to commit as much time as is necessary to fully undertake their duties. Board members are expected to attend all Board meetings and Committee meetings as well as any additional meetings as requested.

Brief biographies of the Directors can be viewed on pages **80 and 81**

The members of the Board bring a range of expertise on issues of performance, strategy and governance, which are vital to the success of the Group. The Board is satisfied that, across the Directors, it has an effective and appropriate balance of skills and experience.

Senior Independent Director

Shatish Dasani is the Senior Independent Director and undertakes a key role in supporting the Chairman in the effective running of the Board.

Company Secretary

Sean Wyndham-Quin is responsible for assisting the Board in discharging its statutory duties and responsibilities as well as liaising with the Group's shareholders and other stakeholder groups. He is assisted by Louise Jones, the Assistant Company Secretary.

For the appointment of new Non-executive Directors, a specialist executive search agency will be engaged.

Professional development

Appropriate training, briefings and inductions are available to all Directors on appointment and subsequently as necessary, considering existing qualifications and experience. The Board members have many years of relevant experience and each is responsible for ensuring their continuing professional development to maintain their effective skills and knowledge.

Independent advice

Procedures are in place for the Directors to seek independent professional advice, if necessary, at the Company's expense.

7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.

Succession planning

Continuity of leadership is recognised as a critical factor in maintaining both short-term and longer-term business success. Succession planning and management are key to delivering this continuity. Each year the Board carries out its annual review of succession planning at both Board and subsidiary business level as part of its strategic review process.

Board

The Nomination Committee considers succession planning for the Board each year, considering the challenges specific to the required role. The Chairman is responsible for overseeing the process of succession planning for the Board.

Senior management

The executive level succession framework, which addresses senior management succession in the Group's subsidiary businesses, forms part of the subsidiary budget and strategic planning process and is reported to the Board on an annual basis.

8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Chairman and fellow members of the Board are responsible for making sure Board members are updated with information concerning the state of the business and its performance, and information necessary for them to effectively discharge their duties and responsibilities, in a timely manner.

Board Performance Evaluation

Each year the Board undertakes a Board Performance Evaluation to drive continuous improvement, improve decision making and provide insight. Board members are asked to complete an anonymous evaluation questionnaire relating to the Board as a whole and their performance as an individual Board member. The responses are provided to the Board for discussion and actions.

2023 Board Performance Evaluation

In 2023, the Board identified oversight of the Group's culture as an area that could be further developed. The Board agreed an action plan which included more detailed insight into culture across the Group's subsidiary businesses. In addition, the Board committed to a number of visits to the Group's subsidiary businesses to engage with colleagues from across the Group directly. During 2024, the Board has increased visibility of the Group's Committees and its employee training and development programmes, as well as receiving more frequent reporting on surveys undertaken across the subsidiary businesses.

2024 Board Performance Evaluation

The 2024 Board Performance Evaluation was undertaken in June. The results of the Board Performance Evaluation questionnaire were consolidated and discussed at the June Board meeting and as a result of the evaluation process, it was agreed that the Board would increase the time spent discussing strategy. At the September Board meeting, the Board dedicated additional time to reviewing the Group's strategic planning process. The Board had additional input from the Group's senior leadership team in order to inform more detailed strategic discussions across each of the Group's sectors.

External evaluation

It is the ambition of the Board that the Board Performance Evaluation be externally facilitated every three years to assess the Board and its Committees to ensure they are equipped to support the Group's evolving requirements. The Board took the view that an external review was not appropriate during 2024 and this will be reviewed again in 2025.

Quoted Companies Alliance Corporate Governance Code 2023 continued

9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.

Establishing a Remuneration Policy that supports long-term value creation and aligns with the Company's purpose, strategy and culture is essential to the long-term success of the Group. In developing the Group's Remuneration Policy, the Remuneration Committee considers the Group's purpose and values, the incorporation of long-term incentives over short-term rewards, equity-based incentives, deferred compensation and long-term performance metrics.

The Group endeavours to ensure fairness and transparency when setting its Remuneration Policy including fair pay ratios, transparent communication and consultations with its major shareholders on executive compensation policies, aligning their interests with those of management.

It is important the Group's Remuneration Policy promotes good behaviours that are aligned with the Group's culture. Equally clawback and malus provisions have recently been incorporated into the Group's Remuneration Policy to facilitate the withholding of pay in cases of unethical behaviour, ensuring alignment with ethical standards.

It is the Group's policy to ensure that executive remuneration is appropriate and is set at a level that attracts and retains a strong executive management team. To this end, the Remuneration Committee regularly reviews and adjusts the Group's Remuneration Policy as was the case in October 2024 following a peer benchmark exercise.

Renew is committed to a Remuneration Policy that balances short-term performance incentives with a focus on long-term value creation, strategic alignment and cultural consistency. The Board feels the Group's current Remuneration Policy not only enhances alignment with shareholder interests but also strengthens internal trust and commitment to sustainable growth and ethical practices.

Board Committees

Roles and responsibilities

Chairman

The Board, run by Chairman David Brown, is responsible for Group strategy, results, direction, risk management and business performance. The Board is ultimately responsible for overseeing the success of the Group.

Chief Executive

Chief Executive Paul Scott oversees the management of the business supported by his executive team with responsibility for delivery of the Group's strategic direction and management of its day-to-day performance.

The Senior Independent Director

Shatish Dasani is the Senior Independent Director and undertakes a key role in supporting the Chairman in the effective running of the Board.

Chief Financial Officer and Company Secretary

Sean Wyndham-Quin is responsible for assisting the Board in discharging its statutory duties and responsibilities as well as liaising with the Group's shareholders and other stakeholder groups.

Appropriate training, briefings and inductions are available to all Directors on appointment and subsequently as necessary, taking into account existing qualifications and experience.

Procedures are in place for the Directors to seek independent professional advice, if necessary, at the Company's expense.

Board and Committee meetings

The Board met 12 times during the year. Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

The Board delegates clearly defined powers to its Remuneration, Nomination and Audit and Risk Committees. Each of the Board's Committees has carefully drafted terms of reference.

Remuneration Committee

Read more about the Remuneration Committee's responsibilities and activity during 2024 on pages 97 to 104

Nomination Committee

Read more about the Nomination Committee's responsibilities and activity during 2024 on pages 95 and 96

Audit and Risk Committee

Read more about the Audit and Risk Committee's responsibilities and activity during 2024 on pages 92 to 94

The Board is responsible for ensuring thorough corporate governance is applied throughout its business and will be continuing to work towards improving its governance framework throughout 2025.

The Directors attended the following meetings in the year ended 30 September 2024:

	Main Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
D A Brown	12/12	3/3	7/7	2/2
S A Hazell	11/12	3/3	7/7	2/2
S D Dasani	12/12	3/3	7/7	2/2
L Barber	12/12	3/3	7/7	2/2
P Scott	12/12	—	—	—
S C Wyndham-Quin	12/12	—	—	—
A P Liebenberg	12/12	—	—	—

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

Board and Committee meetings

The Board met formally 12 times in the year ended 30 September 2024 with all Directors in attendance except for on one occasion.

Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

2024 Corporate Governance challenges

During 2024, the reporting structure of the Group was reviewed in order to address the growth in both size and complexity of the Group. The Board supported the creation of an Executive Board which comprises the Group's Chief Executive Officer, Chief Financial Officer, Group Commercial Director and the Sector Directors. The Executive Board will report to the Chief Executive Officer.

Committee reporting

Remuneration Committee

Read more about the Remuneration Committee's responsibilities and activity during 2024 on pages 97 to 104

Nomination Committee

Read more about the Nomination Committee's responsibilities and activity during 2024 on pages 95 and 96

Audit and Risk Committee

Read more about the Audit and Risk Committee's responsibilities and activity during 2024 on pages 92 to 94

Shareholder engagement

The Chief Financial Officer and Company Secretary, Sean Wyndham-Quin, is the primary contact for all investor relations queries and can be contacted by email at info@renewholdings.com or by post at Renew Holdings plc, 3125 Century Way, Thorpe Park, Leeds LS15 8ZB.

Read more about how we deliver value for our stakeholders on pages 30 to 33

Shareholder voting

The table on pages 90 and 91 shows the votes cast at the 64th Annual General Meeting of Renew Holdings plc which was held at The Grand, York, on 30 January 2024 at 11.00am.

Details on how to vote on the resolutions at the Annual General Meeting and how to ask questions of the Board of Directors were included in the Notice of Meeting.

STATEMENT OF CORPORATE GOVERNANCE CONTINUED

Quoted Companies Alliance Corporate Governance Code 2023 continued

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders continued

Shareholder voting continued

2024 Annual General Meeting voting results

	Voting for	Voting against	Voting withheld
Ordinary resolution 1			
To receive, approve and adopt the Company's audited financial statements for the year ended 30 September 2023 and the reports of the Directors and auditor thereon.	45,849,497	6,000	185,310
Ordinary resolution 2			
To declare a final dividend for the year ended 30 September 2023 of 12.00p per Ordinary Share in the capital of the Company to be paid on 8 March 2024 to shareholders who appear on the register at the close of business on 9 February 2024.	46,040,435	120	252
Ordinary resolution 3			
To re-elect David Brown as a Director of the Company.	45,343,135	694,620	3,052
Ordinary resolution 4			
To re-elect Shatish Dasani as a Director of the Company.	45,748,548	289,192	3,067
Ordinary resolution 5			
To re-elect Stephanie Hazell as a Director of the Company.	45,849,274	188,481	3,052
Ordinary resolution 6			
To re-elect Liz Barber as a Director of the Company.	45,884,545	153,210	3,052
Ordinary resolution 7			
To re-elect Paul Scott as a Director of the Company.	45,942,099	95,656	3,052
Ordinary resolution 8			
To re-elect Sean Wyndham-Quin as a Director of the Company.	45,082,862	184,893	773,052
Ordinary resolution 9			
To re-elect Andries Liebenberg as a Director of the Company.	45,938,891	97,264	4,652
Ordinary resolution 10			
To approve the Directors' remuneration report for the year ended 30 September 2023.	44,948,537	1,086,595	5,675
Ordinary resolution 11			
To appoint Ernst & Young LLP as auditor of the Company.	45,920,010	119,731	1,066
Ordinary resolution 12			
To authorise the Audit and Risk Committee of the Board of Directors of the Company to determine the remuneration of the auditor.	46,028,679	11,462	666

	Voting for	Voting against	Voting withheld
<p>Special resolution 13</p> <p>THAT the Directors of the Company (the "Directors") be and are generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the capital of the Company ("Shares") or grant rights to subscribe for or to convert any security into Shares ("Rights") up to an aggregate nominal amount of £2,637,796, such authority to apply in substitution for all previous authorities pursuant to Section 551 of the Act to the extent unutilised and to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 30 April 2025 (unless renewed, varied or revoked by the Company prior to or on such date) but, in each case, save that the Company may make offers and enter into agreements before this authority expires which would, or might, require Shares to be allotted or Rights to be granted after this authority expires and the Directors may allot such Shares or grant such Rights pursuant to any such agreement as if this authority had not expired.</p>	45,878,704	161,620	483
<p>Special resolution 14</p> <p>THAT, subject to the passing of resolution 13, the Directors of the Company (the "Directors") be empowered to allot equity securities (as defined in the Companies Act 2006 (the "Act")) for cash under the authority given by resolution 13 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be limited:</p> <p>(a) in connection with an offer by way of a rights issue or other pre-emptive issues to holders of Ordinary Shares in the capital of the Company in proportion (as nearly may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates, or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;</p> <p>(b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £791,338; and</p> <p>(c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,</p> <p>such power to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 30 April 2025 but, in each case, prior to its expiry the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the power had not expired.</p>	44,742,289	1,298,035	483
<p>Special resolution 15</p> <p>THAT, subject to the passing of resolution 13, the Directors of the Company (the "Directors") be empowered in addition to any power granted under resolution 14 to allot equity securities (as defined in the Companies Act 2006 (the "Act")) for cash under the authority given by resolution 13 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be limited:</p> <p>(a) to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £791,338, such power to be used only for the purposes of financing (or refinancing, if the power is to be used within 12 months after the original transaction) a transaction which the Directors determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice; and</p> <p>(b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,</p> <p>such power to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 30 April 2025 but, in each case, prior to its expiry the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the power had not expired</p>	44,917,460	1,122,409	938

Shatish Dasani

Chair of the Audit and Risk Committee

COMMITTED TO PROVIDING RIGOROUS OVERSIGHT OVER THE GROUP'S REPORTING, RISK AND CONTROL PROCESSES

Membership

Shatish Dasani (Committee Chair)

David Brown

Stephanie Hazell

Liz Barber

Meeting attendance¹

Shatish Dasani

David Brown

Stephanie Hazell

Liz Barber

1. There were three meetings held during the year ended 30 September 2024.

Key responsibilities and terms of reference

- Monitor the integrity, clarity and completeness of the financial statements, the Interim Report and any other announcements relating to the Group's financial performance or position.
- Review and challenge, where necessary, the appropriateness of accounting policies, key accounting judgements and sources of estimation.
- Keep under review the adequacy and effectiveness of the Group's internal control and risk management systems.
- Evaluate the effectiveness of the Group's internal audit process.
- Review the policies and process for identifying and assessing business risks and managing their impact on the Group.
- Review the Group's systems and controls for preventing bribery, fraud and ensuring compliance with relevant legal and regulatory requirements.
- Ensure that the Group has adequate whistleblowing policies and procedures.
- Review the effectiveness and independence of the external auditor, negotiate and agree its remuneration and make recommendations to the Board in respect of its appointment.

Focus in the reporting year

- Continued focus on financial reporting of the Group's performance with appropriate disclosure.
- Review of key current and emerging risks faced by the business and measures taken to address these risks.
- Internal controls framework in the Group including monitoring of any weaknesses identified by internal and external audit.

Priorities for 2025

- Oversight of the reporting and financial integration of Full Circle following its recent acquisition.
- Review of key risks faced by the Group, including emerging ones, and of measures taken to address these risks.
- Review structure and resourcing of internal audit function, and continue monitoring of actions to address weaknesses identified by internal and external audit reports.

Introduction

Dear shareholder,

I am pleased to present the Audit and Risk Committee report for the financial year ended 30 September 2024. The role of the Audit and Risk Committee is to protect the interests of shareholders by ensuring the integrity of the Group's financial reporting and by monitoring the ongoing effectiveness of the Group's internal controls. The Committee is appointed by the Board, comprises independent Non-executive Directors and provides independent monitoring, guidance and challenge to the Executive Directors. The Audit and Risk Committee report sets out the responsibilities of the Committee, its composition and the work undertaken during the year.

Responsibilities and terms of reference

The terms of reference are approved by the Board and are available for review on the Company website (www.renewholdings.com). The principal responsibilities of the Committee are set out opposite.

Committee composition

The Audit and Risk Committee consists of all four Non-executive Directors and is chaired by me as Senior Independent Non-executive Director with recent and relevant financial experience. The Board believes that the members have sufficient skills, qualifications and experience to discharge their duties in accordance with the Committee's terms of reference and as a Committee have competence in the sector within which the Group operates.

Summary of activity

The Audit and Risk Committee formally met on three occasions since the date of the last report. The Chief Executive Officer, the Chief Financial Officer and the Executive Directors attend Committee meetings by invitation to ensure that the Committee is fully informed of material matters within the Group. The external auditor attended all of the meetings and on one of these occasions also met separately with the Audit and Risk Committee without any of the Executive Directors present.

During the period to the date of this report, the principal activities of the Committee were as follows:

- review the Group's financial statements and preliminary results announcements including consideration of significant financial reporting issues and matters of judgement inherent within the above;
- review the content of the Annual Report and Accounts to ensure it provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy;
- monitor and review the Group's internal control and risk management systems; and
- consider the external auditor's audit plan, scope and coverage of audit work, internal quality procedures and independence and agree the audit fee.

Significant financial reporting risks and judgement areas considered

The following judgement areas and significant estimates were considered by the Committee in the review and approval of the 2023/24 financial statements:

Revenue recognition and valuation of contract balances

The Group recognises revenue by assessing the stage of completion of a contract in line with its accounting policy. The Committee has reviewed the process for making these assessments critically and discussed with management key contract issues on an ongoing basis. It has also reviewed the work undertaken by the external auditor to satisfy itself that the judgements made are robust.

Risk management and internal control

The Committee has undertaken a review of the Group's financial, operational and compliance controls and is satisfied that these remain appropriate for the Group.

A rolling programme of internal financial audits is carried out to review the processes and procedures used in the Group's financial management. Undertaken by senior members of the finance team, the findings include recommendations for corrective or preventive action. Results of the internal audits are reviewed with the business and the Audit and Risk Committee. Each subsidiary is audited at least once every three years and agreed actions are monitored to ensure that they are completed on a timely basis. During the year the finance team responsible for undertaking the internal financial audits undertook additional training to ensure consistency of approach in the process across the Group.

www.renewholdings.com

The terms of reference are approved by the Board and are available for review.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

Summary

Ernst & Young LLP has audited the Group's accounts for the year ended 30 September 2024. With input from management, the Committee was satisfied with the external audit team's knowledge of the business, that the scope of the audit was appropriate and that all significant accounting judgements had been challenged robustly.

The use of the external auditor for performing non-audit services is only permitted where the service is not prohibited by the FRC Ethical Guideline and where the external auditor is best placed to provide the service. In this case, the engagement needs to be authorised in line with the policy agreed by the Committee which is summarised below.

Policy on the provision of non-audit services

- Provision of certain non-audit services by the Group's auditor is prohibited and must not be provided under any circumstances.
- Fees for permissible non-audit services should not exceed 70% of the average audit fees paid in the last three consecutive financial years.
- A register is kept of all permitted non-audit services provided by the auditor and the fees agreed.
- Any individual engagement with a fee exceeding £10,000 or where the cumulative fee for the calendar year would exceed 25% of the audit fee should be approved by the Chair of the Audit and Risk Committee.
- Any individual engagement with a fee exceeding £25,000 or where the cumulative fee exceeds 40% of the audit fee should be approved by the Audit and Risk Committee.
- Permissible non-audit services are generally assurance related. Audit-related services are those non-audit services specified in the FRC Ethical Standard 2019 that are largely carried out by members of the audit engagement team and where the work involved is closely related to the work performed.

Fees of external auditor

During the financial year, the Group external auditor's fees were £1,203k (2023: £1,067k). The Committee confirms that no non-audit services were undertaken by the Group's auditor, Ernst & Young LLP, in the period.

Financial Reporting Council's ("FRC") Audit Quality Review

The Audit Quality Review team of the FRC reviewed Ernst & Young's audit of the Group's consolidated financial statements for the year ended 30 September 2023. The FRC wrote to the Chairman of the Audit Committee setting out the scope of its review, its principal findings and areas of good practice identified. Overall, the Audit and Risk Committee noted the review did not raise any findings to consider and, accordingly, the Committee is satisfied that this was a high quality audit.

Whistleblowing policy

During the year the Group reviewed its whistleblowing policy to ensure any fraud, misconduct or wrongdoing by employees or officers of Renew is reported and appropriately dealt with. The policy clearly sets out the procedure and protection for whistleblowers and includes contact details for an independent third-party whistleblowing helpline.

2025 and beyond

We are committed to providing the highest levels of oversight to the Group's reporting and control processes. In 2025, the Committee will continue to focus on risk management and the control environment, business continuity planning, cyber risk and ESG reporting.

In addition the Committee will review reporting and financial integration of Full Circle following its recent acquisition. The structure and resources related to internal audit activity will also be reviewed.

Approval

The Audit and Risk Committee report was approved by the Board on 25 November 2024 and signed on its behalf by:



Shatish Dasani

Chair of the Audit and Risk Committee
25 November 2024

NOMINATION COMMITTEE REPORT

David Brown
Chair of the Nomination Committee

A BOARD TO DELIVER SUCCESS

Membership

David Brown (Committee Chair)
Shatish Dasani
Stephanie Hazell
Liz Barber

Meeting attendance¹

David Brown

Shatish Dasani

Stephanie Hazell

Liz Barber

1. There were two meetings held during the year ended 30 September 2024.

Key responsibilities and terms of reference

- Review the structure, size and composition of the Board and its Committees.
- Review skills, knowledge, experience and diversity of the Board.
- Review time commitments and external directorships.
- Succession planning for Directors and senior executives.
- Keep under review the leadership needs of the organisation, both Executive and Non-executive.
- Leadership talent development.
- Board Performance Evaluation.
- Committee effectiveness and terms of reference.

Focus in the reporting year

- Continuing to develop the Group's approach to diversity and inclusion.
- Developing compliance with the updated QCA Corporate Governance Code (2023).
- Board, executive and senior management succession planning.
- Undertaking the annual internal Board Performance Evaluation.

Priorities for 2025

- Succession planning for Directors and the Group's senior executives.
- Driving improvements in diversity and inclusion across the business.
- Undertaking an externally facilitated Board Performance Evaluation.

Introduction

Dear shareholder,

As Chair of the Nomination Committee, I am pleased to present my report on the Committee's activities during the year.

Board changes

Having served on the Board as Executive Director (Rail) for over eight years, Andries Liebenberg informed the Board of his intention to retire effective from 31 January 2025. The Board would like to take this opportunity to thank Andries for the significant contribution he has made to the Group since his appointment and to wish him well in his retirement. Following the retirement of Andries Liebenberg, the Board will consist of two Executive Directors and four Non-executive Directors.

Board effectiveness

Each year the Board undertakes a Board Performance Evaluation to drive continuous improvement, improve decision making and provide insight. Board members are asked to complete an anonymous evaluation questionnaire relating to the Board as a whole and their performance as an individual Board member. The responses are provided to the Board for discussion and actions.

2023 Board Performance Evaluation

In 2023, the Board identified oversight of the Group's culture as an area that could be further developed. The Board agreed an action plan which included more detailed insight into culture from around the Group's subsidiary businesses. In addition, the Board committed to a number of visits to the Group's subsidiary businesses to engage with colleagues from across the Group directly. During 2024, the Board has increased visibility of the Group's committees and its employee training and development programmes, as well as receiving more frequent reporting on surveys undertaken across the subsidiary businesses.

NOMINATION COMMITTEE REPORT CONTINUED

Board effectiveness continued

2024 Board Performance Evaluation

The 2024 Board Performance Evaluation was undertaken in June. The results of the Board Performance Evaluation questionnaire were consolidated and discussed at the June Board meeting and as a result of the evaluation process, it was agreed that the Board would increase the time spent discussing strategy. At the September Board meeting, the Board dedicated additional time to reviewing the Group's strategic planning process. The Board had additional input from the Group's senior leadership team in order to inform more detailed strategic discussions across each of the Group's sectors.

External evaluation

It is the ambition of the Board that the Board Performance Evaluation be externally facilitated every three years to assess the Board and its Committees to ensure they are equipped to support the Group's evolving requirements. The Board took the view that an external review was not appropriate during 2024 and this will be reviewed again in 2025.

Board composition and succession planning

The Committee has reviewed the composition of the Board and its Committees to ensure they continue to have the appropriate balance of skills and experience necessary to support the delivery of the Group's long-term strategy. Over the last five years the Board has continued to develop its range of skills and experience through the appointment of three Non-executive Directors.

As part of the review of Board and Committee composition, the Board discussed the requirement and potential benefits of establishing a Sustainability Committee. The Nomination Committee felt that as there were opportunities during the year for the Board to review and assess the Group's sustainability performance and planning, a Sustainability Committee would not add any additional value at this time but that the requirement should be reassessed annually.

Succession planning for the Board members and senior executives is reviewed on an annual basis as part of the Group's strategic planning process. Succession for all identified roles is reviewed for the short, medium and long term and the results of this underpin the development of individuals at both Group and subsidiary business level.

During the year the Group continued its leadership development programme, Renew Inspiring Senior Executives ("RISE"), which will support the development of senior management talent across the Group.

Diversity and inclusion

It is the Board's view that a diverse membership enhances the quality of debate and decision making to the benefit of all stakeholders. The Board is keen for its membership to reflect its wider workforce and the communities in which the Group operates.

During the year we continued to support both Group and subsidiary diversity, equality and inclusion forums which look at many aspects of diversity, equality and inclusion across the businesses including how we attract and retain a more diverse workforce. We will be working with our subsidiaries to further develop our diversity roadmap including improving our gender pay profile through 2025. In addition all the Group's subsidiary businesses are working towards the Investors in Diversity accreditation.

As a Group we feel it is important to measure our progress in this area and, as such, we measure the number of female leaders across our business. During the year the percentage of female leaders across the Group increased from 12 per cent in 2023 to 14 per cent in 2024. We are working to further improve on this during 2025 and beyond through a number of initiatives.

Over recent years we have worked to improve the diversity of the Board in its widest sense with three new appointments. The Group works to support an inclusive culture across the business and this will continue to be an area of focus during 2025 as we seek to ensure our workforce better represents the diversity of the communities in which we operate. The Board considers diversity as part of the overall recruitment requirements for any new Board members.

The Group is very much aware that the engineering sector has traditionally been male dominated and therefore the Group is fully committed to promoting gender diversity in all areas of its workforce. Our subsidiaries continue to work with education providers in their local areas to improve the perception of our industry for diverse young people, including girls across all economic and social backgrounds. Also as part of this process, the year-on-year improvement in the number of female leaders across the business target will ultimately help to reduce the gender pay gap.

Assessment of independence of the Non-executive Directors

The Committee undertakes an annual assessment of the independence of our Non-executive Directors. The Committee was satisfied all the Non-executive Directors remained independent in the period.

Time commitments and external appointments of Non-executive Directors

The Committee reviewed the Non-executive Directors' time commitments and external appointments during the year and confirms that the Non-executive Directors have sufficient time to be able to fulfil their Group responsibilities. The Committee did not identify any instances of overboarding.

Retirement by rotation

In line with the UK Corporate Governance Code 2018, all Directors will be subject to re-election at the Group's 2025 Annual General Meeting ("AGM") and offer themselves for re-election.

Details setting out how each Board member continues to be important for the Company's long-term success are included on pages 80 and 81.

2025 and beyond

The Nomination Committee will continue to focus on ensuring the Board retains the appropriate set of skills, experience and diversity that is required to execute the Group's long-term Strategic Plan, supporting the continued success of the Group.



David Brown

Chair of the Nomination Committee
25 November 2024

DIRECTORS' REMUNERATION REPORT

Stephanie Hazell

Chair of the Remuneration Committee

STRATEGIC INCENTIVES FOR SUSTAINABLE GROWTH

"The increased size of Renew has seen a parallel increase in the operational and regulatory complexity of the business and therefore the challenges of leading it."

Membership

Stephanie Hazell (Committee Chair)
David Brown
Shatish Dasani
Liz Barber

Meeting attendance¹

Stephanie Hazell

David Brown

Shatish Dasani

Liz Barber

1. There were 7 meetings held during the year ended 30 September 2024.

Key responsibilities and terms of reference

- Determine and agree with the Board the framework and policy for the remuneration packages, including bonuses, incentive payments and share options or share awards of the Executive Directors and members of executive management.
- Review and approve the design of all share incentive plans and performance related pay schemes for approval by the Board and shareholders as applicable.
- Determine targets and awards made under share incentive plans and performance related pay schemes.
- Determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives.
- Ensure that the contractual terms and payments made on termination are fair to the individual and the Company and that failure is not rewarded.

Non-executive Directors do not have any personal interests in the matters to be decided by the Committee other than as shareholders, nor any potential conflicts of interest arising from cross-directorships and no day-to-day involvement in the running of the Company. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate to provide advice. However, no Director is present or takes part in discussions concerning their own remuneration.

Focus in the reporting year

- Reviewed the new QCA Corporate Governance Code.
- Set targets for the FY24 LTIP award and FY25 annual performance related bonus.
- Approved the FY23 annual performance related bonus payout and vesting of the 2020 LTIP award.
- Approved the 2024 Directors' remuneration report.
- Reviewed Board and senior management remuneration.
- Consulted major shareholders and the main representative bodies in respect of proposed changes to the Remuneration Policy and its implementation for FY25.

Priorities for 2025

- Ensure continued compliance with the QCA Corporate Governance Code and continue to develop best practice disclosures.
- Set performance targets in respect of the FY25 LTIP award.
- Continue to liaise with major shareholders and the main representative bodies in respect of the changes to the Remuneration Policy and its implementation for FY25 in the run up to the 2025 AGM.

Engagement with shareholders

We encourage our shareholders and representative bodies to engage with the Remuneration Committee at any time to help inform the Committee's decision-making process. The Remuneration Committee typically consults with major shareholders on any significant change in the structure or scale of Directors' remuneration. As such, major shareholders and the main representative bodies were consulted in respect of the proposed changes to the Remuneration Policy and its implementation during September and October 2024 and major shareholders confirmed their strong support for these proposals.

DIRECTORS' REMUNERATION REPORT CONTINUED

Advisors to the Committee

FIT Remuneration Consultants LLP ("FIT") continued to provide the Remuneration Committee with independent advice as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at www.remunerationconsultantsgroup.com. FIT provides no other services to the Company.

Annual Statement

Dear shareholder,

I am pleased to introduce the Directors' remuneration report for the year ended 30 September 2024. This report is divided into three sections, being:

- this **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in the year ended 30 September 2024 and how the Remuneration Policy will operate for the year ending 30 September 2025, including a number of changes which are explained in more detail below;
- the **Directors' Remuneration Policy Report**, which summarises the Company's Remuneration Policy, including two changes which are explained in more detail below; and
- the **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in the year ended 30 September 2024.

The auditor is not required to report to the shareholders on the Directors' Remuneration report.

Consistent with best practice and noting Principle 9 of the new QCA Code, the Directors' Remuneration Report – i.e. the Annual Statement, Annual Report on Remuneration and a revised Directors' Remuneration Policy Report (as explained below) – will be taken to the 2025 AGM for shareholder approval by way of advisory vote.

Corporate governance

The Group seeks to align its governance and policies with the FTSE 250 (i.e. significantly above those typically applied on AIM), and its policy and disclosures on Directors' remuneration are intended to reflect this approach. Throughout this report, we aim to provide shareholders with the necessary information to understand our remuneration strategy and how it links with Group performance. As an AIM listed company, we are not required to provide all of the information included in this report. However, we provide disclosures in addition to those which are required under the AIM Rules on a voluntary basis to enable shareholders to understand and consider our remuneration arrangements.

Remuneration Policy implementation for the year ended 30 September 2024

The Group achieved a record financial performance in FY24, with continued growth in revenue, profit and strong operating cash generation. Following a review of performance in respect of the FY24 annual bonus, the Committee determined that the Group's operating profit performance for the year ended 30 September 2024 resulted in a bonus of 105% of salary. Following a review of health and safety performance, no reduction to the annual bonus award was considered necessary.

During the year, LTIPs awarded on 14 December 2020 vested at 42.25% of the maximum based on partial vesting against the relative TSR measure and partial vesting against the absolute TSR measure.

In respect of LTIPs granted on 15 December 2021 where vesting is based on three year TSR to 30 September 2024, awards will vest at 16.69% of the maximum based on partial vesting against the relative TSR measure and partial vesting against the absolute TSR measure.

Remuneration Policy review – background

Renew has a strong and consistent track record of disciplined growth and financial delivery, almost tripling in size over the past five years in respect of market capitalisation. Over the same five-year period, revenue has doubled to c.£1bn and profit before tax has increased from £27m in FY19 to £60m for FY24. All of this has been achieved while maintaining operating margins in the order of 6.5% and in spite of the Covid-19 pandemic and more recent macro-economic headwinds. Indeed, consistency has been the hallmark of Renew over this turbulent period.

The increased size of Renew has seen a parallel increase in the operational and regulatory complexity of the business and therefore of the challenges of leading it. Over the past five years we have:

- acquired 6 companies and therefore increased the number of brands operating as part of the Group;
- entered a number of new markets, including Highways, Rail Electrification, Aviation and Electricity Transmission, which we believe will contribute strongly to the future growth of the Group, as well as adding increased resilience through diversifying our end markets and thereby improving the quality of our earnings;
- significantly strengthened our corporate centre to better allow our operating subsidiaries to collaborate and ensure that we provide the best solutions for our customers as well as capturing more of their spend; and
- added over 1,000 full-time employees to the Group.

In addition to the above, we have taken the decision to reduce our number of Executive Directors from three to two following Andries Liebenberg's retirement from the business.

Reflecting Renew's significant increase in size and complexity and the Board's desire to align its governance and policies with the FTSE 250 in line with the expectations of both customers and investors, the Committee reviewed the Directors' Remuneration Policy and its implementation during the summer of 2024. While the Committee believes that the Policy remains appropriate for the enlarged Group, it wishes to:

- make changes to the Policy in respect of pension provision and shareholding guidelines to bring us more closely into line with best practice in the FTSE 250;
- ensure that the CEO and CFO's salary levels appropriately reflect the size and complexity of the Group, the change in their respective roles following the reduction from three to two Executive Directors and their performance and experience more generally; and
- more closely align the long-term incentive performance metrics and targets to the delivery of Renew's strategy, its competitors and FTSE 250 market practice more generally.

The changes to the Policy and its proposed implementation for FY25 are set out below.

Changes to the Remuneration Policy

The Committee has made two changes to the Remuneration Policy to better reflect best practice in the FTSE 250 as follows:

- pension provision for the CEO and CFO will be aligned to the 5% of salary average provision across the workforce. The previous Directors' Remuneration Policy required that any new appointment to the Board be offered a workforce-aligned pension provision. However, this policy has been extended to our current CEO and CFO such that their pensions will be workforce aligned from 1 October 2025; and
- shareholding guidelines have been increased from 100% to 200% of salary.

Implementation for the year ending 30 September 2025

Base salary

Following a review of Executive Director base salary levels, the Committee concluded that prevailing salary levels (£404,000 for the CEO and £310,000 for the CFO) did not reflect the size and complexity of the Group or each individual's role and responsibilities going forward, particularly given the announcement of Andries Liebenberg's retirement which will result in two, rather than three, Executive Directors on the Board. As such, the following increases were awarded from 1 October 2024 and are proposed for 1 October 2025:

	CEO	CFO
Current	£404,000	£310,000
Awarded from 1 October 2024	£489,000 (+£85,000)	£355,000 (+£45,000)
Potential increases from 1 October 2025	Up to £574,000 (up to +£85,000)	Up to £400,000 (up to +£45,000)

In line with investor guidance, the increases for each Executive Director will be awarded over two phases and the salary increases from 1 October 2025 will be subject to satisfactory Group and individual performance during FY25 (i.e. the second increases are not guaranteed). Other than for a material role change, subsequent salary increases from 1 October 2026 onwards are expected to be in line with the general workforce increases.

While the Committee uses benchmark data with caution, it notes that the proposed salaries will more closely align the CEO and CFO to both Renew's listed peers and the lower quartile of the FTSE 250 (where the market capitalisation is closely comparable to Renew's). Although the Committee awarded above workforce increases to the Executive Directors in 2022 and 2023 following shareholder consultation, these increases were planned prior to: (i) the inflationary effect on wages and salaries that took hold over the last two years and failed therefore to materially address the shortfall against the external market; and (ii) the retirement of Andries Liebenberg.

Pension

As noted above, pension provision will be workforce aligned by 1 October 2025. As such, the CEO and CFO's pension provision was reduced from 15% of salary to 10% of salary from 1 October 2024 and will be further reduced down to 5% of salary from 1 October 2025 in line with the wider workforce.

Annual bonus

Annual bonus potential will continue to be capped at 130% of salary based on sliding scale operating profit targets with a review of health and safety performance over the reporting period. Any bonus award above 100% of salary will normally be deferred into shares.

Long-term incentives

LTIP awards in the year ending 30 September 2025 will be granted to Executive Directors up to 150% of salary. Following a review of Renew's approach to long-term incentive provision, the Committee concluded that the Group is significantly out of line with its competitors and FTSE 250 market practice more generally in respect of: (i) setting threshold vesting at 0%; (ii) measuring LTIPs purely against Total Shareholder Return targets; and (iii) the degree of significant stretch set for maximum vesting. As such, the following changes will be made for the next (and subsequent) LTIP awards, which are expected to be granted in December 2024:

- Threshold vesting: Rather than 0% vesting at threshold, 25% of an award will vest at threshold performance.

- Earnings Per Share ("EPS"): The Committee wishes to introduce an EPS performance metric for 2024 and future awards, to be weighted equally with each of the current absolute and relative Total Shareholder Return ("TSR") metrics.
- Relative TSR: This part of LTIP awards will vest in full for upper quartile performance, which is the market standard, rather than maximum vesting for upper decile performance. Threshold vesting for 25% of this part of an award will continue to be set at median, as measured against a group of Renew's listed peers.
- Absolute TSR: The Committee wishes to reduce the maximum vesting target for 3-year absolute TSR from 100% to 75%. While the growth prospects of Renew remain strong, given the scale of the business today, the Committee no longer considers doubling the size of the Group on a 3-year basis to be a sensible target without compromising the quality of our growth.

Based on the above, the performance targets for the next LTIP award will be as follows:

	Weight	Threshold (25% of this part)	Maximum (100% of this part)
Absolute TSR	One third	25%	75%
Relative TSR	One third	Median	Upper Quartile
Adjusted EPS	One third	6.68% p.a. ¹	10.95% p.a. ¹

1. Measured from FY24 to FY27

Non-executive Director fees

The base fee for the Chairman and Non-executive Directors were increased by 3% effective 1 October 2024.

	FY25	FY24	% change
Chairman	£113,558	£110,250	3%
NED base fee	£56,779	£55,125	3%
SID fee	£5,000	£5,000	0%
Committee Chair fee	£5,000	£5,000	0%

Concluding remarks

The Remuneration Committee has considered the changes to the Executive Director packages carefully and believes that they are necessary to ensure Renew's CEO and CFO are paid correctly and are therefore appropriately retained and incentivised. The changes to:

- the Remuneration Policy in respect of pension contributions and shareholding requirements will bring us more closely into line with best practice in the FTSE 250;
- CEO and CFO salary levels ensure that they will more appropriately reflect the size and complexity of the Group, the change in their respective roles following the reduction from three to two Executive Directors and their performance and experience more generally. While the Committee accepts that these increases will be significantly above the workforce average, the increases will be phased and the salary increases from 1 October 2025 will be subject to satisfactory Group and individual performance during the FY25 financial year (i.e. the increases are not guaranteed); and
- long-term incentive provision will more closely align Renew to the delivery of its strategy, its competitors and FTSE 250 market practice more generally.

Our major shareholders have consistently told us that they rate our management team highly and wish to retain them within the business, a view which is strongly shared by Renew's Board. We consulted expansively with our largest shareholders on these proposed changes and are pleased to report that the majority of our largest shareholders (and all of those who actively engaged with our consultation) have confirmed that they are supportive of the proposals set out above.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy Report

The Company's Remuneration Policy is that the remuneration packages of the Executive Directors should be sufficiently competitive to attract, retain and motivate those Directors to achieve the Company's long-term strategic objectives, including the creation of sustainable shareholder returns, without making excessive payments. The annual performance related bonus rewards Executive Directors for delivering our short-term financial and operational goals. The long-term focus of our strategy is supported through our LTIP under which performance is tested over three years.

Policy changes for FY25

As noted in the Annual Statement, two changes are being made to the Directors' Remuneration Policy in respect of CEO and CFO pension provision and shareholding guidelines in light of shareholder/proxy feedback and to better reflect best practice in the FTSE 250:

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To attract, retain and motivate the best candidates to deliver the Group's strategic objectives.	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide market-competitive benefits package.	Offered in line with market practice and may include car allowances and certain medical cover for Directors and their immediate families. The Company also has a permanent health insurance policy to provide cover for the Executive Directors.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Workforce aligned pension provision for new appointments. Provision for the current Executive Directors will be moved to workforce levels over two years.	Workforce aligned	Not applicable
Annual bonus	To incentivise Executive Directors to drive the in-year performance of the business and reward strong performance, thereby driving longer-term shareholder returns.	Awards are based on annual performance and are normally payable in cash up to 100% of salary. Bonus in excess of 100% of salary will be deferred into shares. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	130% of salary	Sliding scale financial and/or personal and/or ESG and/or strategic targets
LTIP	To closely align a material part of an Executive Director's remuneration with the delivery of the Group's long-term strategy and shareholder returns.	Conditional shares and/or nil-cost or nominal-cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	150% of salary	Sliding scale financial and/or share price and/or strategic and/or ESG performance
Shareholding guidelines	To align the financial interests of the Executive Directors with those of the Group's shareholders.	Executive Directors are expected to build a shareholding in the Group over time by retaining the net of tax LTIP awards which vest.	200% of salary	Not applicable
Non-executive Directors	The Committee determines the Chairman's fee and fees for the Non-executive Directors are agreed by the Chairman and Chief Executive.	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are paid in cash.	n/a	n/a

Malus and clawback

Malus and clawback provisions are operated in respect of the annual bonus and LTIP. Triggers include a subsequent reassessment of performance conditions, a breach of contract or fiduciary duties, material reputational damage and corporate failure. In the event that clawback is enacted, the Committee has the discretion to require repayment or to reduce any unvested or unpaid award made under any annual or share-based incentive plan.

Discretion

The Committee may apply discretion when considering the amounts earned under the annual bonus and LTIP vestings to ensure outcomes are fair and appropriate in light of the overall performance of the Group, health and safety performance, broader stakeholder experience and any exceptional factors.

Service contracts and letters of appointment

The Company's policy is for all of the Executive Directors to have rolling service contracts that provide for a 12-month notice period. The fees of Non-executive Directors are determined by the full Board within the limits set out in the Articles of Association. The Non-executive Directors are not eligible for bonuses, pension benefits, share options or other benefits. The Directors are indemnified to the full extent permitted by statute under the Articles of Association. All Non-executive Directors are subject to re-election annually by shareholders. The service contracts of the Directors who served during the year ended 30 September 2024 and were in post on that day include the following terms:

Directors	Executive/Non-executive	Date of contract	Unexpired term	Notice period (months)
D A Brown	Non-executive	2 April 2017	Rolling one month	1
S D Dasani	Non-executive	8 February 2019	Rolling one month	1
S A Hazell	Non-executive	1 March 2020	Rolling one month	1
E Barber	Non-executive	1 November 2022	Rolling one month	1
P Scott	Executive	1 July 2014	Rolling one year	12
A P Liebenberg	Executive	31 March 2016	Rolling one year	12
S C Wyndham-Quin	Executive	8 November 2017	Rolling one year	12

Annual Report on Remuneration

Implementation of the Remuneration Policy for FY25

Details of how the Remuneration Committee intends to operate the Directors' Remuneration Policy for FY25 are set out in the Annual Statement.

Directors' remuneration for the year ended 30 September 2024

The table below sets out total remuneration for Directors for the year ended 30 September 2024.

	Notes	Salary/fees £000	Taxable benefits ^{1,4} £000	Annual bonus ⁵ £000	LTIP ⁶ £000	Total remuneration 2024 £000	Total remuneration 2023 £000
Executive Directors							
P Scott	1,2,3,4,5,6	404	80	426	330	1,240	1,601
A P Liebenberg	1,3,4,5,6	294	51	310	240	895	1,161
S Wyndham-Quin	1,3,4,5,6	310	46	327	252	935	1,218
Subtotal						3,070	3,980
Non-executive Directors							
D A Brown		110	—	—	—	110	105
S D Dasani		65	—	—	—	65	63
S A Hazell		60	—	—	—	60	58
E Barber	7	55	—	—	—	55	48
Total						3,360	4,254

Notes:

- Salary figures (and therefore total remuneration) for 2023 have been restated.
- The highest paid Director for 2024 was P Scott who received emoluments of £1,240,000 (2023: £1,601,000).
- Benefits include car allowances and certain medical cover for the Director and immediate family.
- Executive Directors received payments amounting to 15% of their basic salary in lieu of Company pension contributions. These were paid through the payroll and taxed as salary and are included in benefits above.
- Bonuses were earned by P Scott, A P Liebenberg and S C Wyndham-Quin during the current financial year and will be paid in the year ending 30 September 2025.
- Details of the LTIP options exercised during the year can be found on page 102.
- E Barber was appointed as a Non-executive Director on 1 November 2022.

Annual bonus awards

The annual bonus award for the year ended 30 September 2024 was determined by operating profit targets and health and safety performance.

Operating profit target

The operating profit targets, actual performance and bonus payout were as follows:

	Target	Maximum	Actual	Bonus award
Operating profit*	£67.2m	£88.0m	£70.9m	105% of salary

* Before exceptional items.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration continued

Annual bonus awards continued

Health and safety target

The annual bonus includes a review of health and safety performance over the reporting period. The Committee may use its discretion to reduce bonus awards in line with performance in a manner that is fair to the individual and the Company. Following a review of health and safety performance in the year to 30 September 2024, no reduction to the annual bonus award was considered necessary. The annual bonus in excess of 100% of salary will be paid in shares.

Share Awards vesting in the year ended 30 September 2024

During the year, LTIPs awarded on 14 December 2020 vested in December 2023 at 42.25% of the maximum based on 25.00% of the relative TSR measure and 59.50% of the absolute measure measured over the three years to 30 September 2024. These options (equating to 37,936 shares in respect of P Scott's award, 27,576 shares in respect of A P Liebenberg's award and 29,027 shares in respect of S Wyndham-Quin's award) were subsequently exercised on 19 December 2023. The net of tax value at vesting, based on 832.5 pence (being the 5-day volume weighted average price to the close of business on 18 December 2023) including the value of dividend equivalents equated to £329,979, £239,864 and £252,486 for P Scott, A P Liebenberg and S Wyndham-Quin respectively.

In respect of LTIPs granted to Executive Directors on 15 December 2021, awards are expected to vest in December 2024 at 16.69% of the maximum based on 11.36% of the relative TSR measure and 22.01% of the absolute measure measured over the three years to 30 September 2024.

LTIP awards granted in the year ended 30 September 2024

The following LTIP awards were granted to the Executive Directors on 7 December 2023:

Director	Basis of award	Number of shares under award
P Scott (Chief Executive)	150% of salary	73,411
A Liebenberg (Executive Director)	150% of salary	53,390
S Wyndham-Quin (Chief Financial Officer)	150% of salary	56,250

The LTIP options are exercisable at a nominal cost to the extent that the following performance criteria are achieved by the Company over a three-year performance period:

50% of awards	Absolute TSR over the three years to 30 September 2026: 0% of this part of an award vests for delivering a 25% TSR growth increasing pro-rata to 100% of this part of an award vests for delivering a 100% TSR growth.
50% of awards	Relative TSR over the three years to 30 September 2026 as measured against a bespoke group of peers (Babcock, Balfour Beatty, Breedon, Costain, Galliford Try, Genuit, Keller, Kier, Marlow, Mitie, Morgan Sindall, Severfield): 0% of this part of an award vests for median TSR increasing pro-rata to 100% of this part of an award vests for upper decile TSR.

Outstanding LTIP awards

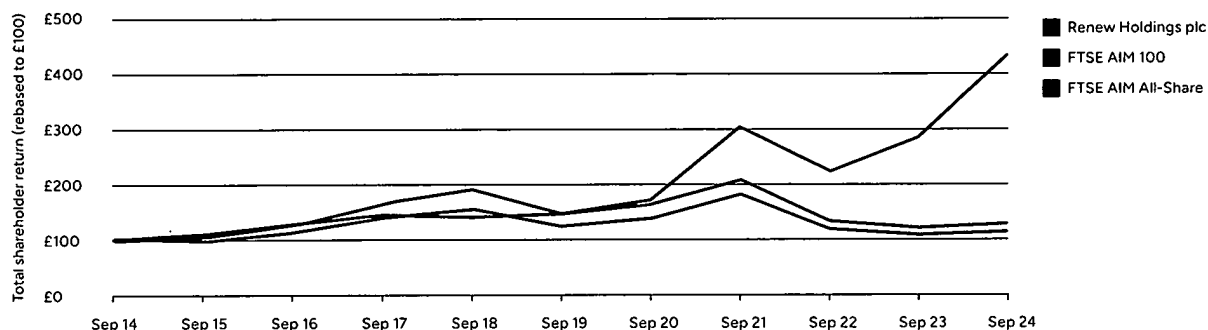
Information is provided below for Directors who served during the financial year and as at 30 September 2024. Pursuant to the Long Term Incentive Plan ("LTIP"), the Board has granted options to the Executive Directors as set out in the following table:

	Exercisable between 16 Dec 2024 and 15 Dec 2031	Exercisable between 20 Dec 2025 and 19 Dec 2032	Exercisable between 7 Dec 2026 and 8 Dec 2033
P Scott	59,535	83,696	73,411
A P Liebenberg	43,278	60,870	53,390
S C Wyndham-Quin	45,556	64,130	56,250

The market price of the Company shares at 30 September 2024, being the last trading day of the month, was 1,052p and the range of market prices during the year was between 675p and 1,112p.

Total shareholder return ("TSR") performance graph

The graph below shows a comparison of Renew Holdings plc's TSR against that achieved by the AIM 100 Index and AIM Index for the last ten financial years to 30 September 2024.



Chief Executive Officer historical remuneration

The table below shows the remuneration of the Chief Executive Officer over the seven year period to 30 September 2024 (building to 10 years). The total remuneration figure includes the performance related bonus and LTIP awards.

Year ended 30 September	Group Chief Executive	Single total remuneration figure £000	Annual performance related bonus £000	Long-term incentive vesting £000
2024	Paul Scott	1,240	426	330
2023	Paul Scott	1,601	396	712
2022	Paul Scott	1,918	372	1,123
2021	Paul Scott	1,010	359	274
2020	Paul Scott	833	270	208
2019	Paul Scott	797	309	127
2018	Paul Scott	663	163	155

Chief Executive Officer pay ratio

The table below sets out the ratio of the Chief Executive Officer to the equivalent base salary pay for the lower quartile, median and upper quartile of the Group's employees (calculated on a full-time basis). The ratios have been calculated in accordance with The Companies (Miscellaneous Reporting) Regulations 2018.

Year ended 30 September	Method option	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2024	A	14:1	12:1	8:1
2023	A	14:1	11:1	8:1
2022	A	13:1	10:1	7:1
2021	A	13:1	10:1	7:1

- "Option A" methodology was selected on the basis that it provides the most robust and statistically accurate means of identifying the median, lower quartile and upper quartile colleagues.
- The workforce comparison is based on actual payroll data for the period 1 October 2023 to 30 September 2024.
- Part-time workers have been included by calculating the full-time equivalent value of their base pay.
- Leavers, joiners and employees on reduced pay (due to sick pay, maternity leave, etc.) have been included.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration continued

Directors' share interests

Those Directors serving at the end of the year and their immediate families had interests in the share capital of the Company at 30 September 2024 as follows.

Ordinary Shares of 10p each	1/10/2023	30/09/2024	Shareholding guideline ¹ (% of salary)	Shareholding ¹ (% of salary)
P Scott	232,932	232,932	100%	480%
A P Liebenberg	49,481	49,481	100%	140%
S C Wyndham-Quin	132,532	132,532	100%	356%
D A Brown	12,920	12,920	—	n/a
S D Dasani	19,000	19,000	—	n/a
S A Hazell	7,868	7,868	—	n/a
E Barber	0	0	—	n/a

1. Executive Directors are encouraged to build up and hold their personal shareholding as soon as possible to ensure their financial interests are aligned with those of our shareholders. The shareholding guidelines required Executive Directors to hold Ordinary Shares equal in value to 100% of their salary which was increased to 200% of salary from 1 October 2024. The current shareholding as a percentage of salary has been calculated using the Group Chief Executive, Chief Financial Officer and Rail Director's base salaries for the year ended 30 September 2024 and a share price based on the average share price between 30 September 2023 and 1 October 2024, being £9.28. Unvested LTIP shares do not count towards satisfaction of the shareholding requirement, but the Board notes that, in addition to the shareholdings, the Executive Directors also have a significant interest in the unvested share awards.

External appointments

The Chief Executive Officer and Chief Financial Officer did not have any external appointments during the year ended 30 September 2024.

Payments to former Directors and payments for loss of office

There were no payments made to former Executive Directors or payments for loss of office during the year ended 30 September 2024 (2023: £nil).

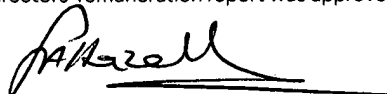
In respect of Andries Liebenberg's leaving arrangements, he will receive his salary, benefits and pension up until his departure from the Company on 31 January 2025. He is not entitled to an annual bonus for the year ending 30 September 2025 and his unvested LTIP awards will continue to vest on the normal vesting dates, subject to performance and time pro-rating.

Employee share ownership scheme

The Committee reviewed the benefits of introducing an employee share ownership scheme to allow the Group's employees to share in the success of the Company during 2024. The Committee is currently of the view that the Group's devolved business model makes such a scheme unsuitable at this time albeit this will continue to be reviewed annually.

Approval

The Directors' remuneration report was approved by the Board and signed on its behalf by:



Stephanie Hazell

Chair of the Remuneration Committee
25 November 2024

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30 September 2024.

Principal activities

For the year ended 30 September 2024 the principal activity of the Group continued to be as contractors providing Engineering Services to the infrastructure market. The main activities are carried out in the United Kingdom. More details of these activities, the year's trading and future developments are contained in the Chair's statement, the Chief Executive's review, the Strategic report and the Financial review. A list of the Group's subsidiaries as at 30 September 2024 is listed in Note R to the Company's financial statements.

Results and dividends

The Group profit for the year after tax and after accounting for discontinued operations was £41,571,000 (2023: £43,384,000). The Directors recommend the payment of a final dividend on the Ordinary Shares of 12.67p (2023: 12.00p) giving a total for the year of 19p (2023: 18.00p).

Business review

Information that fulfils the business review requirements applicable to the Group can be found in this report, the Chief Executive's review and the Strategic report.

Derivatives and other financial instruments

The Group's financial instruments include bank loans, cash and short-term deposits and obligations under leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk.

Interest rate risk

Interest bearing assets comprise cash and bank deposits and earn interest at floating rates. The Group's revolving credit facility ("RCF") and overdraft facility bear interest at floating rates. £52m was drawn on the RCF at the year end.

Liquidity risk

The Group's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in both current and deposit accounts and, when necessary, to establish appropriate levels of borrowing facilities to provide short-term flexibility.

Foreign currency risk

The Group has no foreign currency risk exposure. The Group does not use derivative financial instruments in its management of foreign currency risk.

Credit risk

The Group's principal financial assets are bank balances, cash, contract assets and trade receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its contract assets and trade receivables. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and its assessment of the current economic environment.

Payment of creditors

The Group recognises the importance of good relationships with its suppliers and sub-contractors and has established the following payment policy:

- (a) agree payment terms in advance of any commitment being entered into;
- (b) ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract; and
- (c) ensure that payments are made in accordance with the terms of the contract or order providing that the presented documentation is complete and accurate.

Employees

The Directors recognise the need for communication with employees at every level. All employees have access to a copy of the Annual Report and Accounts which, together with staff briefings, internal notice board statements and newsletters, keeps them informed of the Group's progress.

The Group continues to be committed to the health, safety and welfare of its employees and to observe the terms of the Health and Safety at Work Act 1974, and all other relevant regulatory and legislative requirements.

It is the policy of the Group that there shall be no discrimination or less favourable treatment of employees, workers or job applicants in respect of race, colour, ethnic or national origins, religious beliefs, sex, sexual orientation, disability, political beliefs, age or marital status. Full consideration will be given to suitable applications for employment from disabled persons where they have the necessary abilities and skills for that position and wherever possible to retrain employees who become disabled so that they can continue their employment in another position. The Group engages, promotes and trains staff on the basis of their capabilities, qualifications and experience without discrimination, giving all employees an equal opportunity to progress.

Health and safety management

Paul Scott, the Chief Executive Officer, was the designated Director of health and safety with Group responsibility for safety and environmental management throughout the year. Health, safety and environmental management issues and reports are reviewed at every Group Board meeting with the Head of Department in attendance when necessary.

The Executive Management Committee, chaired by the Chief Executive Officer, discusses and progresses policy, legislative changes, best practice, training needs, inspections, audits (internal and external), performance measurement and statistical information. All topics are discussed with a specific focus on improvement.

Control at business level remains with subsidiary Managing Directors who are required to appoint a Director who is responsible for safety and environmental matters. Health, safety and environmental issues are discussed as the first agenda item at monthly Board meetings. Each business safety and environmental meeting encourages open communication among all employees and is a key part of the Group's efforts to gather and disseminate good practice for inclusion in business-based management systems. Our safety and environmental standards are contained within bespoke business safety and environmental management systems. This system is based on Group activities and provides specific standards, procedures, information, forms and advice which accommodate changes in legislation expected during the coming financial year.

Management advice is provided by the Group Safety, Health, Environment and Quality ("SHEQ") Director.

DIRECTORS' REPORT CONTINUED

Health and safety management continued

Group companies operate under certified management systems for SHEQ. These systems ensure compliance with all relevant legal, client and Group requirements whilst having proactive leadership and worker participation at their core.

Group companies employ their own competent professional SHEQ advisors, each holding formally recognised qualifications and professional body memberships. Lead advisors in each company liaise directly with the Group SHEQ Director on common issues. Group companies also maintain memberships with organisations such as the Royal Society for the Prevention of Accidents ("RoSPA") along with relevant trade organisations and locally based safety groups.

All Group companies maintain a training matrix and plan identifying SHEQ training requirements for all personnel. Formal training is augmented by the provision of regular briefings into work methods, risk assessments, toolbox talks and SHEQ alerts.

Group Minimum Requirements ("GMRs") require each business to report and record all injuries, diseases, dangerous occurrences and "near-miss" events. These events are investigated, based on actual and potential severity, to determine root cause and to prevent recurrence. Incident statistics and causal trends are collated and evaluated on an ongoing basis allowing performance to be measured and the determination of any necessary system amendments. A system of SHEQ alerts ensures lessons learned and changes to working practices are rapidly transmitted across our businesses, workforce and contractors.

The Group measures a number of leading and lagging SHEQ performance indicators including: senior manager tours, SHEQ advisor site support and assurance visits, near-miss report ratio against hours worked, diversion of waste from landfill, carbon emissions and Lost Time Incident Frequency Rate ("LTIFR").

Sustainability

The Group's Sustainability report is on pages 51 to 61.

Directors

The Directors of the Company who served, or were appointed, during the year and their brief biographical details are set out below.

Non-executive Directors

David Brown – Director, was appointed to the Board on 3 April 2017 and became Chairman on 17 May 2022. David was former managing director of Surface Transport at Transport for London and former CEO of The Go-Ahead Group PLC. David is non-executive director at Velociti Ltd and chair of Tripshift Ltd. David has 40 years of experience in the transport sector with a proven track record in leading multi-site and multidiscipline commercial and public sector organisations with significant turnovers and large workforces.

Shatish Dasani – Director, was appointed to the Board as a Non-executive Director in February 2019. He is currently chair of UNICEF UK and non-executive director and audit committee chair at Genuit Group plc, SIG plc and Speedy Hire plc. Shatish is a Chartered Accountant with over 25 years' experience in senior public company finance roles across various sectors including building materials, advanced electronics, general industrial and business services. Previously he was the chief financial officer of Forterra plc and TT Electronics plc and has also been alternate non-executive director of Camelot Group plc and public member at Network Rail plc.

Stephanie Hazell – Director, was appointed to the Board as a Non-executive Director in March 2020. Stephanie is currently non-executive director at NSMP Limited and Neos Networks and senior advisor to Shell Renewables and Energy Services. Stephanie has over 20 years' relevant experience working in high-profile businesses including PricewaterhouseCoopers LLP, Orange SA,

Virgin Management Ltd and National Grid Plc where she held the position of director, strategy and corporate development.

Elizabeth (Liz) Barber – Director, was appointed as a Non-executive Director on 1 November 2022. Liz is currently non-executive director and senior independent director and remuneration committee chair (interim) at Cranswick plc, a non-executive director of HICL plc, non-executive director and audit committee chair of Encyclis Limited, chair of the ICAEW Sustainability Committee and chair of the Yorkshire and Humber Climate Commission. A Chartered Accountant, Liz has previously been CFO, then CEO, of Kelda Group/Yorkshire Water, partner at Ernst & Young LLP where she was head of audit for the north region and independent non-executive director and audit committee chair at KCOM PLC from 2015 until 2019. Liz held various senior non-executive positions including deputy chair of the University of Leeds.

Executive Directors

Andries Liebenberg – Director, was appointed to the Board on 31 March 2016. Andries was previously Managing Director of Renew's largest business, Amalgamated Construction Limited, and has been with the Group for over twelve years.

Paul Scott – Director, was appointed to the Board as Engineering Services Director on 21 July 2014 and as Chief Executive on 1 October 2016. Paul has been with the Group for 23 years, serving as Managing Director of Shepley Engineers Limited, the Group's nuclear services business, prior to assuming the Group-wide Engineering Services role.

Sean Wyndham-Quin – Director, was appointed to the Board on 8 November 2017 and as Chief Financial Officer on 29 November 2017. Previously, he served as a partner at SPARK Advisory Partners, a business he co-founded in early 2012. Prior to that he worked for Brewin Dolphin and Ernst & Young where he qualified as a Chartered Accountant.

All Non-executive Directors and Executive Directors will retire by rotation at the 2025 Annual General Meeting ("AGM") and offer themselves for reappointment. The Board recommends their reappointment as it considers that they continue to perform their roles well and bring considerable strategic, financial and management experience to the Group's business.

The Articles of Association provide that each Director shall be indemnified by the Company against losses, costs and expenses they may sustain or incur in connection with the performance of their duties of office, to the fullest extent permitted by law. The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its Directors.

Disclosable interests

As at 30 September 2024, the Company has been notified of the following disclosable interests in the voting rights of the Company:

	Number of Ordinary Shares	Percentage of issued share capital
Octopus Investments Nominees Limited	11,541,118	14.58
Charles Stanley Group PLC	4,729,695	5.98
Investec Wealth & Investment Limited	4,369,496	5.52
Canaccord Genuity Group Inc.	3,275,091	4.14
Rathbone Brothers PLC	2,887,783	3.65
BlackRock	2,770,659	3.50
Hargreaves Lansdown	2,493,880	3.15

Directors' interests

The beneficial interests of the Directors (and their immediate family members) in the shares of the Company and options for shares as at 30 September 2024 are set out on page 104. No Director has any interest in any other Group company.

Details of the Directors' remuneration and service contracts appear on pages 101 and 102.

Share capital

As at the date of this report, the total number of shares in issue (being Ordinary Shares of 10p each) is 79,138,195. During the year, the Company has not bought back any of its own shares. 4,306 new Ordinary Shares of 10p each were issued at nominal cost during the year to satisfy the exercise of share options and executive incentive scheme share awards.

Forward-looking statements

This Annual Report contains certain forward-looking statements. These statements are made by the Directors in good faith, based on the information available to them up to the time of approval of this report. Actual results may differ to those expressed in such statements, depending on a variety of factors. These factors include customer acceptance of the Group's services, levels of demand in the market, restrictions to market access, competitive pressure on pricing or additional costs, failure to retain or recruit key personnel and overall economic conditions.

Going concern

The Directors have considered the Group's current and future prospects, risks and uncertainties in assessing the appropriateness of the going concern assumption. The Group closely monitors its funding position and facilities throughout the year, including compliance with banking covenants to ensure the Group has sufficient funds to continue operations. The Group's going concern period under review is the period to 31 December 2025.

The Group has a committed £120m revolving credit facility until November 2026. £52m was drawn on the RCF as at 30 September 2024. The Group's budgets across the going concern period show that the Group is expecting to remain compliant with all banking covenants through the going concern period.

The Directors considered the impact of a severe downside scenario by modelling a decline in market conditions resulting in significantly lower than forecast sales. The Directors consider such a reduction in revenues to be remote.

The model has been reverse stress tested to determine the extent to deterioration of cashflows that would lead to the Group breaching the level of available facilities. The Directors consider that such a significant deterioration of cashflow is implausible.

On consideration of the Group's budgets and stress testing, the Directors believe that the Group has sufficient resources to continue as a going concern through the period to 31 December 2025. As such, the Directors consider that the going concern basis for the 2024 financial statements is appropriate. The Directors have reviewed budgets which consider the Group's future development, performance and financial position, including cashflows, liquidity position and borrowing facilities, as well as the risks and uncertainties relating to the Group's business activities.

The following factors were considered relevant:

- the current order book and pipeline of potential future framework orders; and
- the Group's liquidity and its bank facilities which are committed until November 2026, including both the level of those facilities and the covenants attached to them.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern period and therefore have prepared the financial statements on a going concern basis.

Section 172(1) statement

As required by Section 172 of the Companies Act 2006, the Directors confirm that, during the year, they continued to act in such a way as to promote the success of the Company for the benefit of all its stakeholders. Our full Section 172(1) statement can be read on page 29.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm the following:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

On the recommendation of the Audit and Risk Committee (see pages 92 to 94), in accordance with Section 489 of the Act, resolutions are to be proposed at the AGM for the reappointment of Ernst & Young LLP as auditor of the Company and to authorise the Audit and Risk Committee to agree its remuneration. The remuneration of the auditor for the year ended 30 September 2024 is fully disclosed in Note 3 to the consolidated financial statements on page 124.

Approval

The Board approved the Report of the Directors on 25 November 2024.

By order of the Board



Sean Wyndham-Quin
Company Secretary
25 November 2024

Company number 650447

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") and applicable law and they have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- in respect of the Group financial statements, state whether they have been prepared in accordance with UK adopted IAS subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent Company financial statements, state whether applicable UK accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

to the members of Renew Holdings plc

Opinion

In our opinion:

- Renew Holdings plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Renew Holdings plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2024 which comprise:

Group	Parent company
Group income statement for the year then ended	Balance sheet as at 30 September 2024
Group statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Group statement of changes in equity for the year then ended	Statement of cash flows for the year then ended
Group balance sheet as at 30 September 2024	Related notes A to R to the financial statements including a summary of significant accounting policies
Group cash flow statement for the year then ended	
Related notes 1 to 36 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 as applied to listed entities, 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 and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process, including associated controls;
- Obtaining management's going concern assessment, including the cash forecast and covenant calculation for the going concern period through to 31 December 2025. We tested the assessment, including the covenant calculations, for clerical accuracy;
- Checking the consistency of information used in management's assessment with the FY25 budget and information obtained from other areas of the audit;

- Reviewing the financing agreement to verify the nature of facilities, repayment terms, covenants, and understanding the relevant terms and conditions. We assessed the continued availability to the Group through the going concern period and ensured completeness of covenants considered in management's assessment and validated that the covenants were calculated in-line with the underlying financing arrangement;
- Assessing the appropriateness of the key assumptions in management's base and severe-but-plausible scenario, which included the likelihood of revenue growth, by comparing these to year-to-date performance and industry benchmarks alongside consideration of historical forecasting accuracy;
- Evaluating the amount and timing of mitigating factors under the Group's control that could preserve cash, if required;
- Considering the appropriateness of management's reverse stress test scenario, to understand the conditions under which there would be a liquidity shortfall or a breach of a financial covenant during the going concern period and whether these conditions have no more than a remote possibility of occurring;
- Reviewing the Group's going concern disclosures included in the Annual Report and Accounts to assess whether they were appropriate and in conformity with the reporting standards.

Key Observations:

- At 30 September 2024 the Group has a committed Revolving Credit Facility of £120m to November 2026. The Revolving Credit Facility was drawn to £52.0m at 30 September 2024 to fund the Full Circle acquisition.
- The results from management's assessments, including a reverse stress test, and our independent sensitivity analysis indicate that a scenario whereby a decline in performance is severe enough to extinguish liquidity or cause a covenant breach is considered remote.
- Our consideration of other evidence, including industry reports, did not contradict the assumptions in management's forecasts.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Renew Holdings plc

Conclusions relating to going concern continued

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 and parent company's ability to continue as a going concern for a period to 31 December 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none">We performed an audit of the complete financial information of 4 components and audit procedures on specific balances for a further 13 components.The components where we performed full or specific audit procedures accounted for 96% of profit before tax from continuing operations, 98% of revenue and 95% of total assets.
Key audit matter	<ul style="list-style-type: none">Inappropriate recognition of revenue and valuation of contract assets/liabilities
Materiality	<ul style="list-style-type: none">Overall Group materiality of £3.0m which represents 5% of profit before tax from continuing operations.

An overview of the scope of the parent company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We consider size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, the potential impact of climate change, changes in the business environment and other factors when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 44 reporting components of the Group, we selected 17 components covering entities, all within the United Kingdom, which represent the principal business units within the Group.

Of the 17 components selected, we performed an audit of the complete financial information of 4 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 13 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 96% (2023: 94%) of the Group's profit before tax from continuing operations (2023: adjusted for a £1.2m gain on remeasurement of an existing equity investment), 98% (2023: 98%) of the Group's revenue and 95% (2023: 97%) of the Group's total assets. For the current year, the full scope components contributed 49% (2023: 61%) of the Group's profit before tax from continuing operations (2023: adjusted for a £1.2m gain on remeasurement of an existing equity investment), 47% (2023: 54%) of the Group's revenue and 48% (2023: 52%) of the Group's total assets. The specific scope component contributed 47% (2023: 33%) of the Group's profit before tax from continuing operations (2023: adjusted for a £1.2m gain on remeasurement of an existing equity investment), 51% (2023: 44%) of the Group's revenue and 47% (2023: 45%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 27 components that together represent 4% of the Group's profit before tax from continuing operations, none are individually greater than 2% of the Group's profit before tax from continuing operations. For these components, we performed other

procedures, including analytical review, review of board meeting minutes, testing of consolidation journals, and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

The only changes from the prior year are inclusion as specific scope components of a newly acquired entity and an entity where there was a discernible increase in trading activity in the year.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Renew Holdings plc. The Group has determined that the effects of climate change fall into two risk categories: physical and transition.

These are referenced on pages 51 to 61 in the sustainability report and on pages 62 to 71 in the Climate-related Financial Disclosures report which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering the impact of climate change on the Group's disclosures in the financial statements and conclusion that no issue was identified that would impact the carrying value of assets with indefinite and long lives or have any other impact on the Group financial statements. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures.

While the Group has stated its commitment to the aspirations to achieve net zero carbon by 2040 (for Scope 1 and 2), the Group is currently unable to determine the full future economic impact on their business model, operational plans and customers to achieve this and, therefore, the potential future impacts are not fully incorporated in these financial statements.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of

resources in the audit; and directing the efforts of the engagement team. We identified one key audit matter below; this matter was addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on this matter.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Inappropriate recognition of revenue and valuation of contract assets/liabilities</p>	<p>We performed walkthroughs of each revenue stream and evaluated the design and implementation of key controls. This included observation of a sample of contract review meetings.</p>	<p>We have completed our audit procedures in respect of fixed price and target cost/reimbursable contracts. We did not identify any evidence of material misstatement in the revenue recognised of £1,009.0m in the year as a result of inappropriate revenue recognition or valuation of contract assets and liabilities.</p>
<p><i>Refer to the Audit and Risk Committee Report (page 92); Accounting policies (page 118); and Notes 2 and 17 of the Group Financial Statements (pages 123, 134 and 135)</i></p>	<p>We performed correlation analysis over the full population of transactions in the year to verify whether revenue transactions followed the expected path from revenue recognition to cash collection. We tested a sample of material journals not following the expected correlation</p>	
<p>The Group has reported revenues of £1,009.0m (2023: £848.2m as restated), contract asset balances of £173.2m (2023: £178.6m), and contract liability balances of £20.2m (2023: £27.7m)</p>	<p>We inspected board minutes and legal claims to determine whether there were any claims or disputes not reflected in the year end contract assessments</p>	
<p>Across the Group, revenue is recognised through the completion of performance obligations which vary in length. As a result of this we have identified two components to this risk dependant on contract type.</p>	<p>For the sample of contracts, we read the signed contract (including obtaining a copy of any material change or compensation events, where applicable), and identified the key terms to ensure the accounting was appropriate.</p>	
<p>Reimbursable/Target Cost contracts performed at or near the year end: the risk is focused on cut-off, with a risk that revenue is over or under stated in the current year depending on business performance either through error or management bias.</p>	<p>In assessing the nature and terms of the contracts, we ensured there was consistent application of accounting across the Group, including whether the method to determine percentage of completion was appropriate.</p>	
<p>Fixed Price contracts in progress at year end: there is estimation uncertainty around the amount of revenue to recognise at the year-end for any incomplete contracts. This assessment requires management to estimate the stage of completion of contract activity, assess costs to complete, and estimate revenue for any unagreed variations. Forecasting is subjective and is an area that could lead to misstatement of revenue and contract assets/liabilities either through error or management bias.</p>	<p>We stratified our population for testing depending on the type of contract:</p> <p>Reimbursable/Target Cost For a sample of contracts, we:</p> <ul style="list-style-type: none"> • Performed cut-off testing pre and post year-end by agreeing costs and/or invoices to supporting evidence, including timesheets and/or the latest certification. • Assessed whether contract assets/liabilities included disallowable costs, claims, or other adjustments and, where relevant, whether it was appropriate to recognise a 'pain/gain' share. We tested a sample of contracts with these features. <p>Fixed Price For a sample of contracts, we:</p> <ul style="list-style-type: none"> • Reperformed the percentage of completion calculation ensuring the methodology was consistent and appropriate. We agreed the revenue recognised derived from this calculation, as well as the margin recognised, to the valuation report; • Assessed for any unagreed revenue recognised by considering against the criteria of IFRS 15. We also considered any claims or other adjustments; • Tested a sample of costs to come by vouching to purchase order or quotation in order to assess the appropriateness of the percentage of completion; • Performed sensitivity analysis to flex the costs to come, in order to determine whether any reasonable possible change would have a material impact on the contract profitability and to assess the impact of any delays or damages where relevant; and • Assessed historical forecasting accuracy/post-year end variation schedules to determine whether there was a risk that the estimate made by management could be misstated. <p>Testing Summary We performed full and specific scope audit procedures over this risk area in 17 locations, which covered 98% of the Group's revenue.</p>	

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Renew Holdings plc

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.0m (2023: £2.8m), which is 5% of profit before tax from continuing operations (2023: 5% of profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment). We believe that profit before tax from continuing operations provides us with the most relevant performance measure to the stakeholders of the Group.

We determined materiality for the Parent Company to be £1.9m (2023: £1.7m), which is 1.0% (2023: 1.0%) of Parent Company net assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £2.25m (2023: £2.0m). We have set performance materiality at this percentage due to our assessment of the control environment, the level of misstatements in the prior year, and the outcome of our risk assessment.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.45m to £1.35m (2023: £0.3m to £1.2m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.15m (2023: £0.1m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1-107, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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 this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 its 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 108, 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 and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those that relate to the reporting framework (UK adopted International Accounting Standards for the Group and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" for the Parent Company, the Companies Act 2006, the Quoted Companies Alliance ("QCA") Corporate Governance Code 2018), the relevant tax compliance regulations in the jurisdictions in the UK, and The Health and Safety at Work Act 1974.
- We understood how Renew Holdings plc is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures, and the Company Secretary. We corroborated our inquiries through our review of minutes of meetings of the Board of Directors, Nomination Committee, and the Audit and Risk Committee, which we also observed in attendance. We also considered the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those programmes and controls.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved included testing manual journals recorded at the component and consolidation level, understanding unusual and one-off transactions, and where relevant, corroborating the basis of accounting judgements and estimates with employees outside of the finance functions or with external legal counsel. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and UK legislation.

- Specific inquiries were also made with the component management to confirm the details of any instances of non-compliance with laws and regulations.

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

Use of our report

This report is made solely to the 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.

Ernst & Young LLP

Mark Morrill (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
25 November 2024

GROUP INCOME STATEMENT
for the year ended 30 September

	Note	Before exceptional items and amortisation of intangible assets 2024 £000	Exceptional items and amortisation of intangible assets (see Note 3) 2024 £000	Total 2024 £000	Before exceptional items and amortisation of intangible assets 2023 (restated**) £000	Exceptional items and amortisation of intangible assets (see Note 3) 2023 £000	Total 2023 (restated**) £000
Revenue: Group including share of joint ventures*		1,056,985	—	1,056,985	887,562	—	887,562
Less share of joint ventures' revenue*		(48,015)	—	(48,015)	(39,383)	—	(39,383)
Group revenue from continuing activities		1,008,970	—	1,008,970	848,179	—	848,179
Cost of sales		(867,306)	—	(867,306)	(719,534)	—	(719,534)
Gross profit		141,664	—	141,664	128,645	—	128,645
Administrative expenses		(74,980)	(9,479)	(84,459)	(70,236)	(4,413)	(74,649)
Other operating income	15	4,165	—	4,165	3,865	—	3,865
Share of post-tax result of joint ventures	15	25	(224)	(199)	77	(231)	(154)
Operating profit	3	70,874	(9,703)	61,171	62,351	(4,644)	57,707
Finance income	5	791	—	791	360	—	360
Finance costs	5	(1,828)	—	(1,828)	(1,285)	—	(1,285)
Other finance income – defined benefit pension schemes	5	90	—	90	66	—	66
Profit before income tax		69,927	(9,703)	60,224	61,492	(4,644)	56,848
Income tax expense	7	(17,771)	1,558	(16,213)	(12,296)	1,554	(10,742)
Profit for the year from continuing activities		52,156	(8,145)	44,011	49,196	(3,090)	46,106
Loss for the year from discontinued operations	4			(2,440)			(2,722)
Profit for the year				41,571			43,384
Basic earnings per share from continuing activities	9	65.91p	(10.30)p	55.61p	62.26p	(3.91)p	58.35p
Diluted earnings per share from continuing activities	9	65.88p	(10.29)p	55.59p	62.07p	(3.89)p	58.18p
Basic earnings per share	9	65.91p	(13.38)p	52.53p	62.26p	(7.35)p	54.91p
Diluted earnings per share	9	65.88p	(13.37)p	52.51p	62.07p	(7.33)p	54.74p

* Alternative performance measure, please see Note 30 for further details.

** The comparatives have been restated due to the classification of a component of the Group as a discontinued operation in the year. Please see Accounting policies i) Basis of accounts and preparation for further details.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September

	Note	2024 £000	2023 £000
Profit for the year		41,571	43,384
Items that will not be reclassified to profit or loss:			
Movement in actuarial valuation of the defined benefit pension schemes	28	81	387
Movement on deferred tax relating to the pension schemes		(5)	(106)
Total items that will not be reclassified to profit or loss		76	281
Total comprehensive income for the year net of tax		41,647	43,665

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Total equity £000
At 1 October 2022	7,886	66,378	3,896	1,375	69,143	148,678
Transfer from income statement for the year					43,384	43,384
Dividends paid					(13,683)	(13,683)
New shares issued	27	41				68
Recognition of share based payments				669		669
Vested share option transfer				(777)	777	—
Actuarial movement recognised in pension schemes					387	387
Movement on deferred tax relating to the pension schemes					(106)	(106)
At 30 September 2023	7,913	66,419	3,896	1,267	99,902	179,397
Transfer from income statement for the year					41,571	41,571
Dividends paid					(14,506)	(14,506)
New shares issued	1					1
Recognition of share based payments				707		707
Vested share option transfer				(599)	(257)	(856)
Actuarial movement recognised in pension schemes					81	81
Movement on deferred tax relating to the pension schemes					(5)	(5)
At 30 September 2024	7,914	66,419	3,896	1,375	126,786	206,390

GROUP BALANCE SHEET

at 30 September

	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets – goodwill	10	161,172	148,805
– other	10	33,925	27,869
Property, plant and equipment	11	25,608	19,400
Right of use assets	12	26,294	19,174
Investment in joint ventures	15	3,780	3,979
Retirement benefit asset	28	2,954	2,456
		253,733	221,683
Current assets			
Inventories	13	6,365	4,169
Assets held for sale	14	19,519	—
Trade and other receivables	16	183,488	187,311
Current tax assets		4,389	814
Cash and cash equivalents	18	80,219	35,657
		293,980	227,951
Total assets		547,713	449,634
Non-current liabilities			
Lease liabilities	21	(15,605)	(10,733)
Retirement benefit obligation	28	(641)	(822)
Deferred tax liabilities	7	(9,982)	(7,363)
Provisions	22	(338)	(338)
		(26,566)	(19,256)
Current liabilities			
Borrowings	20	(52,000)	—
Trade and other payables	19	(207,244)	(228,677)
Lease liabilities	21	(8,975)	(6,945)
Provisions	22	(17,461)	(15,359)
Liabilities directly associated with assets held for sale	14	(29,077)	—
		(314,757)	(250,981)
Total liabilities		(341,323)	(270,237)
Net assets		206,390	179,397
Share capital	24	7,914	7,913
Share premium account	25	66,419	66,419
Capital redemption reserve	25	3,896	3,896
Share based payments reserve	25	1,375	1,267
Retained earnings	25	126,786	99,902
Total equity		206,390	179,397

Approved by the Board and signed on its behalf by:



D A Brown
Chairman
25 November 2024

GROUP CASHFLOW STATEMENT

for the year ended 30 September

	Note	2024 £000	2023 (restated*) £000
Profit for the year from continuing operating activities		44,011	46,106
Share of post-tax trading result of joint ventures	15	199	154
Impairment and amortisation of intangible assets	10	5,960	6,014
Gain on remeasurement of existing equity interest	3	—	(2,164)
Research and development expenditure credit		(4,894)	(1,249)
Depreciation of property, plant and equipment and right of use assets	11,12	12,683	10,623
Profit on sale of property, plant and equipment and right of use assets	3	(549)	(822)
Increase in inventories		(1,770)	(1,440)
Increase in receivables		(1,520)	(10,670)
(Decrease)/increase in payables and provisions		(4,593)	11,247
Charge in respect of share options	25	707	669
Settlement of share options		(856)	—
Finance income	5	(791)	(360)
Finance expense	5	1,738	1,219
Interest paid		(1,828)	(1,285)
Income taxes paid		(16,243)	(11,767)
Income tax expense	7	16,213	10,742
Net cash inflow from continuing operating activities		48,467	57,017
Net cash outflow from discontinued operating activities		(4,032)	(3,240)
Net cash inflow from operating activities		44,435	53,777
Investing activities			
Interest received		791	360
Proceeds on disposal of property, plant and equipment		1,326	1,251
Purchases of property, plant and equipment		(6,146)	(5,414)
Acquisition of subsidiary net of cash acquired		(26,083)	(13,324)
Net cash outflow from continuing investing activities		(30,112)	(17,127)
Net cash outflow from discontinued investing activities		(545)	(95)
Net cash outflow from investing activities		(30,657)	(17,222)
Financing activities			
Dividends paid	8	(14,506)	(13,683)
Issue of share equity		1	68
New loan		72,000	23,000
Loan repayments		(20,000)	(23,000)
Repayments of obligations under lease liabilities	21	(9,246)	(7,501)
Net cash inflow/(outflow) from financing activities		28,249	(21,116)
Net increase in continuing cash and cash equivalents		46,604	18,774
Net decrease in discontinued cash and cash equivalents		(4,577)	(3,335)
Net increase in cash and cash equivalents		42,027	15,439
Cash and cash equivalents at beginning of year		35,657	20,218
Cash and cash equivalents at end of year	32	77,684	35,657
Bank balances and cash	18	77,684	35,657

* The comparatives have been restated due to the classification of a component of the Group as a discontinued operation in the year. Please see Accounting policies i) Basis of accounts and preparation for further details.

NOTES TO THE ACCOUNTS

1 Accounting policies

Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("UK adopted IAS"). The financial statements are presented in sterling since this is the currency in which the majority of the Group's transactions are denominated.

(i) Basis of accounting and preparation

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards under the historical cost convention.

Going concern

The Directors have considered the Group's current and future prospects, risks and uncertainties in assessing the appropriateness of the going concern assumption. The Group closely monitors its funding position and facilities throughout the year, including compliance with banking covenants to ensure the Group has sufficient funds to continue operations. The Group's going concern period under review is the period to 31 December 2025.

In October 2024, the Group renegotiated its committed revolving credit facility ("RCF") to maintain the facility to November 2026 and increase the total facility to £120.0m. There was no change in key banking covenants arising from this renegotiation. £52m of the RCF was drawn down at 30 September 2024 in preparation for the Full Circle acquisition.

The Group's budgets across the going concern period show that the Group is expecting to remain compliant with all banking covenants through the going concern period.

The Directors considered the impact of a severe downside scenario by modelling a decline in market conditions resulting in significantly lower than forecast sales. The Directors consider such a reduction in revenues to be remote.

The model has been reverse stress tested to determine the extent of deterioration of cash flows that would lead to the Group breaching the level of available facilities. The Directors consider that such a significant deterioration of cash flow is implausible.

On consideration of the Group's budgets and stress testing, the Directors believe that the Group has sufficient resources to continue as a going concern through the period to 31 December 2025. As such, the Directors consider that the going concern basis for the 2024 financial statements is appropriate. The Directors have reviewed budgets which consider the Group's future development, performance and financial position, including cash flows, liquidity position and borrowing facilities, as well as the risks and uncertainties relating to the Group's business activities.

The following factors were considered relevant:

- the current order book and pipeline of potential future framework orders
- the Group's liquidity and its bank facilities which are committed until November 2026, including both the level of those facilities and the covenants attached to them.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern period and therefore have prepared the financial statements on a going concern basis.

Prior year restatement

On 4 October 2024 Walter Lilly was sold to Size Group Holdings Ltd (see Note 36a). Management determined that, as a separate major line of business which met the criteria to be classified as held for sale as at 30 September 2024, Walter Lilly qualified as a discontinued operation. Under IFRS 5, the classification of Walter Lilly as a discontinued operation results in the requirement to separately present the totals of its result for the period and any gain or loss on remeasurement on the face of the income statement. IFRS 5 also requires that these disclosures be re-presented for prior periods presented in the financial statements. Accordingly, it was necessary to restate the comparative information as originally reported in order to present the result of Walter Lilly as discontinued operations.

Adopted IFRSs effective in the year:

The standards and interpretations that are applicable for the first time in the Group's financial statements for the year ended 30 September 2024 have had no effect on these financial statements.

(ii) Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiary undertakings. The results and net assets of undertakings acquired are included in the Group income statement and balance sheet using the acquisition method of accounting. The results of undertakings acquired/disposed of are included from the date the Group obtains/loses control as defined in IFRS 10. Business combinations are accounted for under IFRS 3 Business Combinations using the purchase method. The Group's interests in joint ventures are accounted for using the equity method. Under this method the Group's share of the profits less losses of joint ventures is included in the consolidated income statement and its interest in their net assets is included in investments in the consolidated balance sheet. Where the share of losses exceeds the Group's interest in the entity and there is no obligation to fund these losses, the carrying value is reduced to £nil, following which no further losses are recognised.

(iii) Revenue

Revenue, which excludes intra-group revenue and Value Added Tax, is recognised as performance obligations are satisfied over time. This revenue reflects the amount of consideration which the Group expects to be entitled to in exchange for the satisfaction of these performance obligations. Variable consideration is estimated and included in the transaction price to the extent that management has assessed that it is highly probable that its inclusion will not result in a significant reversal in future periods. Where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a separate contract or a modification to the existing contract.

1 Accounting policies continued**(iii) Revenue** continued

The Group's revenue encompasses businesses in the rail, environmental, infrastructure and energy sectors. The typical contract within all of these businesses contains a single performance obligation for the provision of engineering services satisfied over time. In these contracts revenue is earned from the maintenance of infrastructure assets, with a high volume of relatively short duration contracts, the terms of which are usually governed by larger framework agreements.

Revenue attributed to performance obligations is recognised over time based on the percentage of completion, as work performed under the contract is bespoke to the customer and as the Group has a right to payment for work performed. The percentage of completion is calculated using an input method, based on the costs incurred to date as a percentage of the total costs expected to satisfy the performance obligation. Estimates of revenues, costs and the extent of progress toward completion are revised if circumstances or conditions change. Any resulting increases or decreases in estimated revenues or costs are reflected in the percentage of completion calculation in the period in which the circumstances that give rise to the revision become known.

The assessment of the final outcome of each contract is determined by regular review of the revenues and costs to complete that contract by an in-house or external survey of the work.

Variable consideration arises from pain/gain sharing arrangements in addition to contract variations where not stated in the contract. Variable consideration is estimated, and where necessary, constrained to ensure that it is highly probable that a significant reversal of revenue will not arise.

Losses are recorded in full when the unavoidable costs of fulfilling a contract exceed the economic benefits.

Any revenues recognised in excess of amounts invoiced are recognised as contract assets within current assets. Any payments received in excess of revenue recognised are recognised as contract liabilities within current liabilities.

(iv) Segment reporting

Under IFRS 8, the Group is required to identify its operating segments. Operating segments are defined as components of the Group about which separate financial information is available as is evaluated regularly by the chief operating decision maker ("CODM") in assessing performance and allocating resources. The Group has identified the Board as the CODM.

The separate financial information of the subsidiaries is regularly reviewed by the CODM, and therefore these are the Group's operating segments. However, under IFRS 8, management has assessed these operating segments and concluded that they can be aggregated into a single reportable operating segment. Engineering Services, on the basis that they have similar economic characteristics in the:

- nature of service provided: infrastructure maintenance in a range of civil, mechanical and electrical engineering applications;
- nature of service process: predominantly long-term framework agreements;
- types of customers: blue-chip customers in regulated markets; and
- methods used to provide the service: direct delivery by the Group's skilled engineering workforce, supplemented by specialist subcontractors where appropriate.

The Engineering Services reportable segment includes all activities relating to engineering services across the Group's businesses.

(v) Intangible assets

- a) Goodwill arising on consolidation represents the excess of the cost, amount of any non-controlling interest, and, in a business achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

For the purpose of such impairment reviews, goodwill is allocated to the relevant cash-generating unit ("CGU"), or group of CGUs, which is expected to benefit from synergies of the combination.

A goodwill impairment loss is recognised in the income statement for the amount by which the carrying value of the related CGU, or group of CGUs, exceeds the recoverable amount, which is the higher of a CGU's fair value less costs of disposal or its value in use.

On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

- b) Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of intangible assets is amortised over their expected useful lives. These intangibles relate to customer relationships and contractual rights and are amortised over the period over which the Board has determined that future cash flows are likely to arise from these relationships and rights.

The useful life of these assets is dependent on the intangible asset recognised.

The useful lives of these assets range between five and twenty years.

NOTES TO THE ACCOUNTS CONTINUED

1 Accounting policies continued

(vi) Property, plant and equipment

Property, plant and equipment is recorded at cost less provision for impairment if required.

Depreciation is provided on all property, plant and equipment, other than freehold land. Provision is made at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life as follows:

Freehold land	–	no depreciation charge
Freehold buildings	–	fifty years
Plant, vehicles and equipment	–	three to ten years

Right of use assets are depreciated from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

(vii) Impairments

Goodwill arising on acquisitions and other assets that have an indefinite useful life and are therefore not subject to amortisation, are reviewed at least annually for impairment. Other intangible assets and property, plant and equipment are reviewed for impairment whenever there is any indication that the carrying amount of the asset may not be recoverable. If the recoverable amount of any asset is less than its carrying amount, a loss on impairment is recognised. Recoverable amount is the higher of the fair value of the asset less any costs which would be incurred in selling the asset and its value in use. Value in use is assessed by discounting the estimated future cash flows that the asset is expected to generate. For this purpose, assets are grouped into cash generating units which represent the lowest level for which there are separately identifiable cash inflows. Impairment losses in respect of goodwill are not reversed in future accounting periods. Reversals of other impairment losses are recognised in income when they arise.

(viii) Inventories

Inventories comprise raw materials and are stated at the lower of cost and net realisable value.

Cost includes appropriate attributable overheads and excludes interest. Where necessary, provision is made for obsolete, slow moving and defective inventories.

(ix) Trade receivables

Trade receivables do not carry any interest and are initially recognised at their fair value and then at amortised cost.

(x) Contract assets

Any revenues recognised in excess of amounts invoiced are recognised as contract assets.

(xi) Trade payables

Trade payables on normal terms are not interest bearing and are initially recognised at their fair value and then at amortised cost.

(xii) Contract liabilities

Contract liabilities represent the obligation to transfer goods or services to a customer for which the consideration has been received, or consideration is due, from the customer.

(xiii) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, including bank deposits with original maturities of less than three months, net of bank overdrafts. Within the Group balance sheet, bank overdrafts are offset against positive cash balances in instances where the Group has both the legal right to offset those balances and the intention to settle the year end balances net. Where either the criteria for offset are not met, or in instances where there has been offsetting and the net position is an overdraft, the overdraft is included within borrowings within current liabilities in the balance sheet.

(xiv) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and where it is probable that an outflow will be required to settle that obligation and where the amount can be reliably estimated.

(xv) Leasing accounting policy

The Group has taken the exemption under IFRS 16 from recognising right-of-use assets and lease liabilities for low-value leases and leases that are short-term in nature (defined as leases with a term of 12 months or less). Costs on those leases are recognised on a straight-line basis as an operating expense within the income statement. All other leases are accounted for in accordance with this policy.

The Group has various lease arrangements for properties (e.g. office buildings and storage facilities), vehicles, and other equipment including plant and machinery. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Group recognises a lease liability and a corresponding right of use asset with respect to all such lease arrangements in which it is a lessee.

A right of use asset is capitalised on the balance sheet at cost which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right of use asset at inception. Right of use assets are depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term and are assessed in accordance with IAS 36 "Impairment of Assets" to determine whether the asset is impaired and to account for any loss.

1 Accounting policies continued**(xv) Leasing accounting policy** continued

The lease liability is initially measured at the present value of lease payments as outlined above and is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Lease payments comprise fixed lease rental payments. Lease liabilities are classified between current and non-current on the balance sheet.

Since the discount rate implicit in the leases could not be readily determined, lease payments are discounted using the Group's incremental borrowing rate (being the rate the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.) The discount rate is determined by reference to the Group's current borrowing facilities.

If an underlying asset is re-leased by the Group to a third party and the Group retains the primary obligation under the original lease, the transaction is deemed to be a sub-lease. The Group continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short-term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to lessor accounting in IFRS 16 by reference to the right of use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

(xvi) Defined benefit pension schemes

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to the income statement. The Group determines the net interest income/(expense) on the net defined benefit asset/(liability) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit asset/(liability) taking account of changes arising as a result of contributions and benefit payments. This is recognised in the income statement. Movement in actuarial measurement of the net defined benefit asset/(liability) is recognised in other comprehensive income in the period in which it occurs. Pension scheme surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented on the face of the Group balance sheet.

Pension buy-in

Accounting for a buy-in of a defined benefit scheme does not meet the criteria of a settlement event in accordance with IAS 19 Employee Benefits as the Group retains an obligation to fund pension liabilities of the scheme in the event of insurer default. As such, actuarial gains and losses associated with the buy-in are recognised in other comprehensive income.

(xvii) Defined contribution pension plans

Contributions to defined contribution pension plans are charged to the income statement as incurred.

(xviii) Taxation

The tax charge is composed of current tax and deferred tax, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the relevant tax is also dealt with in equity.

Current tax is based on the profit for the year. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax on such assets and liabilities is not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

The Group offsets deferred tax assets and liabilities if, and only if, income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

As part of the UK adoption of the Organisation for Economic and Development ("OECD") Pillar Two rules, the UK government announced two new taxes, the Multinational Top-up Tax and the Domestic Top-up Tax which are designed to ensure corporations pay tax at a rate of at least 15%.

The Domestic Top-up Tax applies to the Group from 1 October 2024. As the Group's current effective tax rate is in excess of 15%, it is expected that the introduction of this tax will not affect the Group. The Multinational Top-up Tax is not expected to impact the Group due to the tax jurisdictions within which Full Circle operates. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. It is currently expected that the group's standard rate of tax for the year ending 30 September 2025 will be in excess of 15%.

NOTES TO THE ACCOUNTS CONTINUED

1 Accounting policies continued

(xix) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. The exchange differences arising are recognised in the income statement.

Translation of overseas operations

The income statements of overseas subsidiary undertakings are translated at the average rate of exchange ruling throughout the financial year. The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from this policy and arising on the retranslation of the opening net assets are taken directly to reserves, being accumulated in the separate component of equity headed "Cumulative translation adjustment".

(xx) Financial instruments

Financial assets are classified within the "amortised cost" category according to IFRS 9. The Group has no derivative financial assets or hedging instruments.

Non-derivative financial assets include trade and other receivables and contract assets, as defined by IFRS 15. Neither of these two categories contain a significant financing element and, as such, expected credit losses are measured under IFRS 9 using the simplified impairment approach. This approach requires expected lifetime losses to be recognised upon the initial recognition of the asset.

At initial recognition, the Group measures a non-derivative financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group subsequently measures trade and other receivables and contract receivables at amortised cost.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. The Group's principal financial liabilities are loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(xxi) Share based payments

IFRS 2 "Share Based Payment" requires a fair value to be established for any equity-settled share based payments. Fair value has been independently measured using a Monte Carlo valuation model. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period based on the Directors' estimate of shares that will eventually vest.

(xxii) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding in the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of Ordinary Shares outstanding for the effects of all dilutive potential Ordinary Shares, which comprise share options granted to employees.

(xxiii) Finance income and expense

Finance income comprises interest income on funds invested that are recognised in income or expense. Interest income is recognised as it accrues in income or expense, using the effective interest method. Finance expense comprises interest expense on borrowings and the unwinding of the discount on provisions that are recognised in income or expense. All borrowing costs are recognised in income or expense using the effective interest method.

(xxiv) Exceptional items

Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement. Any future movement on items previously classified as exceptional will also be classified as exceptional.

Accounting estimates and judgements

IAS 1 "Presentation of financial statements" requires disclosure of the judgements that management has made that have the most significant effect on the amounts recognised in the financial statements and information about estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management has concluded that there are no judgements or estimates for which there is a significant risk of material adjustment to the amounts recognised in the financial statements, and therefore nothing which the Group is required to disclose under IAS 1.

Management has chosen to make a disclosure with regards to other estimates relevant to an understanding of the Group's application of accounting policies below.

1 Accounting policies continued**Other areas of estimation uncertainty**

The following area of estimating uncertainty is not presented to comply with the requirements of paragraph 125 of IAS 1 "Presentation of Financial Statements" as it is not expected that there is a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. It is presented as an additional disclosure of estimates used in the financial statements.

Revenue

The recognition of revenue is based on a series of judgements and estimates made by management.

Changes in these judgements and estimates may have an impact on the revenue recognised. Management must assess the performance obligations under each contract and the point at which those obligations have been fulfilled, allocating the transaction price as necessary to each obligation. The most significant estimate management must make relates to estimates of the total expected costs of a contract, which is required in order to apply its revenue recognition policy.

Management has determined that revenue attributed to performance obligations is recognised over time based on the percentage of completion, as the work performed under the Group's contracts is bespoke to the customer and the Group has a right to payment for work performed. The percentage of completion is calculated using an input method, based on the costs incurred to date as a percentage of the total costs expected to satisfy the performance obligation. Estimates of revenues, costs and the extent of progress toward completion are revised if circumstances or conditions change. Any resulting increases or decreases in estimated revenues or costs are reflected in the percentage of completion calculation in the period in which the circumstances that give rise to the revision become known.

The Group has control and review procedures in place to regularly monitor and evaluate the estimates being made to ensure that they are consistent and appropriate. This includes reviewing the independent certification of the value of work done, the progress of work against contracted timescales and the costs incurred against plan.

In addition management makes judgements on the expected recoverability of value recorded in respect of performance obligations which have been completed but not yet agreed with the customer and on the likelihood of the entitlement to any variable consideration. Differences arising on the ultimate completion of the contract and any unforeseen changes or events as the contract progresses may result in changes to the expected financial outcome.

2 Segmental analysis

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board approves major capital expenditure and assesses the performance of the Group and its progress against the strategic plan through monitoring key performance indicators. The Board also determines key financing decisions such as raising equity, all loan or bank borrowing arrangements and the granting of security over the Group's assets. As such the Group considers that the Board is the CODM.

As set out in the accounting policy, the Group's operating segments have been identified at the level of the individual subsidiaries based on the information provided to the CODM. However, these operating segments are then combined to identify the externally reportable segments based on the aggregation criteria in IFRS 8. In previous years, having applied the aggregation criteria, the Group identified two reportable segments – Engineering Services and Specialist Building. Historically the Specialist Building segment comprised Walter Lilly and Allenbuild Limited. Walter Lilly was sold on 4 October 2024 and, as a separate major line of business, was classified as a discontinued operation under IFRS 5 (see Note 1 Accounting policies prior year restatement). Allenbuild Limited had previously been disposed of in October 2014.

As Walter Lilly represented the last remaining CGU in the Specialist Building segment, and was classified as a discontinued operation at September 2024, the Group now comprises a single operating segment – Engineering Services.

The information received by the CODM shows results both pre and post exceptional items. The Group had one customer within the Engineering Services sector which represented 39.4% (2023: 42.6%) of Group revenue from continuing activities. No other customer represented more than 10% of the Group's revenue.

(a) Geographical analysis

Group revenue for both financial years is derived from continuing activities in the UK.

All of the Group's non-current assets are deployed in the UK.

NOTES TO THE ACCOUNTS CONTINUED

3 Operating profit

	2024 £000	2023 £000
Operating profit is arrived at after charging/(crediting)		
Auditor's remuneration – audit services	1,203	1,067
Auditor's remuneration – non audit services	—	—
Depreciation of owned assets	4,859	4,499
Depreciation of assets held as leases	7,824	6,189
Profit on sale of property, plant and equipment and right of use assets	(549)	(822)

During the year, the following services were provided by the Group's auditor:

	2024 £000	2023 £000
Fees payable to the Company's auditor for the audit of the financial statements	320	227
Fees payable to the Company's auditor and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	883	840
	1,203	1,067

Exceptional items and amortisation of intangible assets

	2024 £000	2023 £000
Costs associated with acquisitions	3,519	560
Total losses arising from exceptional items	3,519	560
Amortisation of intangible assets (see Note 10 and Note 15)	6,184	6,245
Gain on remeasurement of existing equity interest	—	(2,161)
Total exceptional items and amortisation charge before income tax	9,703	4,644
Taxation credit on exceptional items and amortisation	(1,558)	(1,554)
Total exceptional items and amortisation charge	8,145	3,090

During the year the Group incurred £3.5m (2023: £0.6m) on acquisitions. The costs this year included costs on Excalon £1.3m, Full Circle £1.3m and £0.9m other.

On 25 November 2022, the Company acquired the whole of the issued share capital of Enisca Group Limited which resulted in the Group owning 100% of Enisca Browne Ltd. The Group previously owned 50% of this Company and accounted for it as a joint venture using the equity method of accounting. As a result, under IFRS 3, this is treated as a step acquisition where the previously held equity interest is remeasured at its acquisition-date fair value with the resulting gain recognised in the income statement. Further information on this acquisition can be found in Note 33.

	2024 £000	2023 £000
Remeasured value	—	3,566
Less equity interest (previously included in Investments in joint ventures)	—	(1,405)
Gain on remeasurement of existing equity interest	—	2,161

4 Loss for the year from discontinued operations

The loss for the year from discontinued operations recognised in the Income Statement of £2,440,000 (2023: £2,722,000) comprises:

- the profit after tax of Walter Lilly of £1,026,000 (2023: £954,000); and
- a loss of £3,466,000 (2023: £3,676,000) arising from ongoing costs associated with the disposal of Allenbuild Ltd.

Further details in relation to the disposal of Walter Lilly and an analysis of its revenue, expenses, pre-tax profit and income tax expense are provided in Note 14.

On 31 October 2014, the Board reached an agreement to sell Allenbuild Ltd to Places for People Group Ltd. As a term of the disposal Renew Holdings plc retained both the benefits and the obligations associated with a number of Allenbuild contracts. At the time of the disposal, the sale of this business was accounted for as a discontinued operation. During the year an additional provision of £3,466,000 (2023: £3,676,000) has been recognised, and because this adjustment relates to uncertainties directly related to the operations of Allenbuild before its disposal, this has been classified within discontinued operations. This additional provision was as a result of the settlement of historical claims during the financial year and a subsequent internal reassessment of the likely costs required to settle other known contractual disputes.

5 Finance income and costs

Finance income

Finance income of £791,000 (2023: £360,000) has been earned during the year on bank deposits.

	2024 £000	2023 £000
Finance costs		
On bank loans and overdrafts	(595)	(377)
Other interest payable	(1,233)	(908)
	(1,828)	(1,285)
Other finance income – defined benefit pension schemes		
Interest on scheme assets	5,457	5,826
Interest on scheme obligations	(5,367)	(5,760)
Net pension interest	90	66

Further information on the defined benefit pension schemes is set out in Note 28 to the accounts.

6 Employee numbers and remuneration

	2024 Number	2023 Number
The average monthly number of employees, including Executive Directors, employed in continuing activities during the year was:	4,480	4,256
At 30 September:	4,429	4,361
Operations	2,722	2,641
Administrative	1,707	1,720
	4,429	4,361

Cost of staff, including Executive Directors, during the year amounted to:

	2024 £000	2023 £000
Wages and salaries	247,131	226,444
Social security costs	26,083	24,688
Other pension costs	10,476	10,741
Share based payments	707	669
	284,397	262,542

NOTES TO THE ACCOUNTS CONTINUED

6 Employee numbers and remuneration continued

Directors' emoluments

	2024 £000	2023 £000
Aggregate emoluments	3,360	4,254
Highest paid Director: aggregate emoluments	1,240	1,601

	Salary/fees £000	Bonuses £000	LTIP £000	Benefits £000	Total emoluments 2024 £000	Total emoluments 2023 £000
Executive Directors						
P Scott	404	426	330	80	1,240	1,601
A P Liebenberg	294	310	240	51	895	1,161
S C Wyndham-Quin	310	327	252	46	935	1,218
					3,070	3,980
Non-executive Directors						
D A Brown	110	—	—	—	110	105
S D Dasani	65	—	—	—	65	63
S A Hazell	60	—	—	—	60	58
E Barber	55	—	—	—	55	48
					3,360	4,254

Directors' share options

Pursuant to the Long Term Incentive Plan ("LTIP"), the Board has granted options to the Executive Directors as set out in the following table.

The LTIP options are exercisable at a nominal cost but are only exercisable to the extent that certain performance criteria are achieved by the Company over a three year performance period.

Number of Ordinary Shares under option

	Exercisable between 16 Dec 2024 & 15 Dec 2031	Exercisable between 20 Dec 2025 & 19 Dec 2032	Exercisable between 7 Dec 2026 & 6 Dec 2033
LTIP options			
P Scott	59,535	83,696	73,412
A P Liebenberg	43,278	60,870	53,390
S C Wyndham-Quin	45,556	64,130	56,250

During the year £707,000 (2023: £669,000) was charged to the income statement with a corresponding credit to the share based payments reserve in accordance with IFRS 2.

7 Income tax expense

(a) Analysis of expense in year

	2024 £000	2023 (restated*) £000
Current tax:		
UK corporation tax on profits of the year	(16,407)	(12,143)
Adjustments in respect of previous period	(668)	1,164
Total current tax	(17,075)	(10,979)
Deferred tax – defined benefit pension schemes	(36)	(29)
Deferred tax – other temporary differences	898	266
Total deferred tax	862	237
Income tax expense in respect of continuing activities	(16,213)	(10,742)

7 Income tax expense continued**(b) Factors affecting income tax expense for the year**

	2024 £000	2023 £000
Profit before income tax	60,224	56,848
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023: 22%)	(15,056)	(12,507)
Effects of:		
Expenses not deductible for tax purposes	(1,139)	(516)
Non-taxable income	—	696
Change in tax rate	129	640
Adjustment in respect of tax losses	521	(143)
Adjustments in respect of previous period	(668)	1,088
	(16,213)	(10,742)

Corporation tax rate increased from 19% to 25% from 1 April 2023 so profits for the prior year were subject to a blended rate of 22%.

Deferred tax has been provided at a rate of 25% (2023: 25%) following the decision that the UK corporation tax rate should increase to 25% (effective from 1 April 2023 and substantively enacted on 24 May 2021). The deferred tax asset and liability at 30 September 2024 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary timing differences (2023: 25%).

The Group has available further unused UK tax losses of £7.5m (2023: £23.1m) to carry forward against future taxable profits. A substantial element of these losses relates to activities which are not forecast to generate the level of profits needed to utilise these losses. A deferred tax asset has been provided to the extent considered reasonable by the Directors, where recovery is expected to be recognisable within the foreseeable future. The unrecognised deferred tax asset in respect of these losses amounts to £1.6m (2023: £5.8m).

(c) Deferred tax asset

	2024 £000	2023 £000
Defined benefit pension scheme	160	206
Provisions	2,106	2,106
Share options	344	316
Future tax losses	244	—
	2,854	2,628

(d) Deferred tax liabilities

	2024 £000	2023 £000
Defined benefit pension scheme	(1,041)	(860)
Accelerated capital allowances	(3,050)	(1,843)
Other intangible amortisation	(8,680)	(7,223)
Other fair value adjustments	(65)	(65)
	(12,836)	(9,991)
Net deferred tax liability	(9,982)	(7,363)

(e) Reconciliation of deferred tax asset

	2024 £000	2023 £000
As at 1 October	2,628	2,899
Origination of temporary differences	272	(214)
Defined benefit pension schemes – income statement	11	14
Defined benefit pension schemes – SOCI	(57)	(71)
At 30 September	2,854	2,628

NOTES TO THE ACCOUNTS CONTINUED

7 Income tax expense continued (f) Reconciliation of deferred tax liability

	2024 £000	2023 £000
As at 1 October	(9,991)	(7,568)
Acquisition of subsidiary undertaking	(3,189)	(2,833)
Origination of temporary differences	(1,208)	(1,059)
Arising on fair value adjustments	1,548	1,548
Defined benefit pension schemes – income statement	(47)	(43)
Defined benefit pension schemes – SOCI	51	(36)
At 30 September	(12,836)	(9,991)

* Please see Accounting Policies i) Basis of accounts and preparation.

8 Dividends

	2024 Pence/share	2023 Pence/share
Interim (related to the year ended 30 September 2024)	6.33	6.00
Final (related to the year ended 30 September 2023)	12.00	11.33
Total dividend paid	18.33	17.33

	£000	£000
Interim (related to the year ended 30 September 2024)	5,009	4,748
Final (related to the year ended 30 September 2023)	9,497	8,935
Total dividend paid	14,506	13,683

Dividends are recorded only when authorised and are shown as a movement in equity rather than as a charge in the income statement. The Directors are proposing that a final dividend of 12.67p per Ordinary Share be paid in respect of the year ended 30 September 2024. This will be accounted for in the 2024/25 financial year.

9 Earnings per share

	2024			2023		
	Earnings £000	EPS Pence	DEPS Pence	Earnings £000	EPS Pence	DEPS Pence
Earnings before exceptional items and amortisation	52,156	65.91	65.88	49,196	62.26	62.07
Exceptional items and amortisation	(8,145)	(10.30)	(10.29)	(3,090)	(3.91)	(3.89)
Basic earnings per share – continuing activities	44,011	55.61	55.59	46,106	58.35	58.18
Loss for the year from discontinued operations	(2,440)	(3.08)	(3.08)	(2,722)	(3.44)	(3.44)
Basic earnings per share	41,571	52.53	52.51	43,384	54.91	54.74
Weighted average number of shares ('000)		79,137	79,165		79,011	79,253

The dilutive effect of share options is to increase the number of shares by 28,000 (2023: 242,000) and reduce basic earnings per share by 0.02p (2023: 0.17p).

10 Intangible assets

	Goodwill £000	Contractual rights and customer relationships £000
Cost:		
At 1 October 2022	139,698	62,612
Additions	10,360	11,498
At 1 October 2023	150,058	74,110
Additions	12,367	12,016
At 30 September 2024	162,425	86,126
Impairment losses/amortisation:		
At 1 October 2022	1,253	40,227
Charge for year	—	6,014
At 1 October 2023	1,253	46,241
Charge for year	—	5,960
At 30 September 2024	1,253	52,201
Carrying amount:		
At 30 September 2024	161,172	33,925
At 30 September 2023	148,805	27,869
At 30 September 2022	138,445	22,385

The carrying amounts of goodwill allocated to cash generating units ("CGUs") are as follows:

	2024 £000	2023 £000
Seymour (C.E.C.) Holdings Ltd, its subsidiaries and VHE Construction Plc	5,813	4,017
Shepley Engineers Ltd and its subsidiaries	1,335	633
Amco Group Holdings Ltd and its subsidiaries	25,691	25,691
Envolve Infrastructure Ltd and its subsidiaries	6,556	6,556
Clarke Telecom Ltd	11,143	11,143
QTS Group Ltd and its subsidiaries	57,800	57,800
Carnell Group Holdings Ltd and its subsidiaries	21,853	19,409
J Browne Group Holdings Ltd, Enisca Group Ltd and its subsidiaries	21,760	11,400
Excalon Holdings Ltd and its subsidiaries	9,221	—
V.H.E.Construction PLC	—	1,796
Enisca Group Holdings Ltd and its subsidiaries	—	10,360
	161,172	148,805

	Note	Goodwill £000	Contractual rights and customer relationships £000
Additions in the year			
During the financial year there were 3 acquisitions:			
Excalon	33c	9,221	8,444
Route 1 (included within Carnell Group Holdings Ltd and its subsidiaries)	33b	2,444	2,745
TIS (included within Shepley Engineers Ltd and its subsidiaries)	33a	702	827
		12,367	12,016

NOTES TO THE ACCOUNTS CONTINUED

10 Intangible assets continued

Amortisation charges in respect of intangible assets with a finite life are recorded within administrative expenses in the income statement. The amortisation policy is disclosed in the accounting policies and ranges from two to nineteen years.

In order to test goodwill for impairment the Group performs value in use calculations by preparing cash flow forecasts for each cash generating unit derived from the most recent financial budgets and strategic plans approved by management going forward three years, and then extrapolates cash flows based on conservative estimated growth rates according to management's view of longer term prospects for each CGU.

The CGUs are deemed to be the subsidiaries to which the goodwill relates. Management used growth rates deemed to be appropriate to each CGU after reviewing the particular market conditions related to the sector in which each CGU operates. A perpetual growth rate range of 2% (2023: 2%) per annum has been used. The range of discount rates used within each CGU is 10.0% - 12% (2023: 10.0%-12%). The Board considers the rates appropriate as, based on publicly available information, they represent the rates that a market participant would require for these assets. The Board has chosen the discount rates having taken into account the cost of funds to the Group and the risks associated with the markets in which the CGUs operate. Other than changes to the discount rates the key assumption which would impact the carrying value of goodwill is the margin generated by each CGU. The valuation of the cash generating units indicates sufficient headroom such that any reasonably possible change to key assumptions is unlikely to result in an impairment in related goodwill.

Changes to the composition of CGUs in 2024

Following an internal group reorganisation, VHE and Enisca report to the CODM through Seymour and J Browne respectively. The revised structure has resulted in overhead cost synergies as backroom supporting functions have been combined, together with a simplified reporting structure, which benefit the respective entities involved. The management teams have been combined which allows for a joint marketing proposal as a combined CGU.

11 Property, plant and equipment

	Freehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost:			
At 1 October 2022	6,257	44,598	50,855
Additions	561	4,948	5,509
Disposals	—	(4,352)	(4,352)
Reclassification of assets to intangible assets	—	(171)	(171)
Transfer from right of use assets	—	1,827	1,827
Acquisition of subsidiary	224	104	328
At 1 October 2023	7,042	46,954	53,996
Additions	857	5,289	6,146
Disposals	—	(442)	(442)
Transfer from right of use assets	—	2,044	2,044
Acquisition of subsidiary	3,176	1,363	4,539
Assets held for sale (Note 14)	—	(741)	(741)
At 30 September 2024	11,075	54,467	65,542
Depreciation:			
At 1 October 2022	1,008	32,013	33,021
Charge for year	239	4,260	4,499
Disposals	—	(3,928)	(3,928)
Reclassification of assets to intangible assets	—	(168)	(168)
Transfer from right of use assets	—	1,172	1,172
At 1 October 2023	1,247	33,349	34,596
Charge for year	312	4,547	4,859
Disposals	—	(131)	(131)
Transfer from right of use assets	—	1,185	1,185
Assets held for sale (Note 14)	—	(575)	(575)
At 30 September 2024	1,559	38,375	39,934
Net book value:			
At 30 September 2024	9,516	16,092	25,608
At 30 September 2023	5,795	13,605	19,400
At 30 September 2022	5,249	12,585	17,834

The Group enters into hire purchase (leasing) contracts for its fleet of vans. Under the terms of these contracts, the legal title over the vans automatically transfers to the Group at the end of the lease term for no additional costs. The "transfers from right of use assets" shown in the above movements table relate to those vans subject to these arrangements for which the Group has obtained legal title during the year.

12 Right of use assets

	Freehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost:			
At 1 October 2022	11,820	18,921	30,741
Additions	1,762	8,241	10,003
Disposals	(1,648)	(2,484)	(4,132)
Transfer to Plant, vehicles and equipment	—	(1,827)	(1,827)
Acquisition of subsidiary	396	105	501
At 1 October 2023	12,330	22,956	35,286
Additions	3,285	10,574	13,859
Disposals	(620)	(2,689)	(3,309)
Transfer to Plant, vehicles and equipment	—	(2,044)	(2,044)
Acquisition of subsidiary	1,042	2,076	3,118
Assets held for sale (Note 14)	(1,446)	(53)	(1,499)
At 30 September 2024	14,591	30,820	45,411
Depreciation:			
At 1 October 2022	6,024	9,198	15,222
Charge for year	2,235	3,954	6,189
Disposals	(1,648)	(2,479)	(4,127)
Transfer to Plant, vehicles and equipment	—	(1,172)	(1,172)
At 1 October 2023	6,611	9,501	16,112
Charge for year	2,443	5,381	7,824
Disposals	(620)	(2,222)	(2,842)
Transfer to Plant, vehicles and equipment	—	(1,185)	(1,185)
Assets held for sale (Note 14)	(754)	(38)	(792)
At 30 September 2024	7,680	11,437	19,117
Net book value:			
At 30 September 2024	6,911	19,383	26,294
At 30 September 2023	5,719	13,455	19,174
At 30 September 2022	5,796	9,723	15,519

13 Inventories

	2024 £000	2023 £000
Raw materials	6,365	4,169

All inventories are pledged as security for liabilities.

NOTES TO THE ACCOUNTS CONTINUED

14 Assets held for resale

Disposal of Walter Lilly & Co Ltd

On 4 October 2024 the Company announced the disposal of Walter Lilly & Co. Limited ("Walter Lilly") for a nominal net cash impact on a cash free/debt free basis to Size Holdings Limited ("Size") (the "Disposal"), a leading provider of premium quality construction, specialist crafts and maintenance services. Size will assume any ongoing liabilities relating to Walter Lilly. The disposal will enhance Group operating margins.

The disposal sees the Group exit its only remaining Specialist Building business and is consistent with the Group's strategy of focusing activities on Specialist Engineering where it targets end markets delivering maintenance and renewals programmes that benefit from long-term, non-discretionary funding programmes.

At 30 September 2024 Walter Lilly was classified as a disposal group held for sale and as a discontinued operation. The business of Walter Lilly represented the entirety of the Group's Specialist Building operating segment until 30 September 2024. With Walter Lilly being classified as a discontinued operation, the Specialist Building segment is no longer presented in the segment note. The results of Walter Lilly for the year are presented below.

	2024 £000	2023 £000
Revenue from contracts with customers	91,535	73,375
Expenses	(90,130)	(72,117)
Operating income	1,405	1,258
Finance costs	—	—
Profit before tax from discontinued operations	1,405	1,258
Tax expense	(379)	(304)
Profit for the year from discontinued operations	1,026	954

The major classes of assets and liabilities of Walter Lilly classified as held for sale as at 30 September 2024 are as follows:

	Note	2024 £000
Property, plant and equipment	11	602
Right of use assets	12	707
Debtors		18,210
Assets held for sale		19,519
Bank overdraft	18	(2,535)
Lease liability		(707)
Creditors		(25,835)
Liabilities directly associated with assets held for sale		(29,077)
Group net asset directly associated with the disposal group		(9,558)
Group net asset directly associated with the disposal group		(9,558)
At 30 September 2024 Walter Lilly had an inter-company debtor, settled on disposal		19,696
Subsidiary net assets		10,138
Other provisional post year-end movements		(541)
Exceptional profit on disposal		7,500
Provisional sale proceeds		17,097
Provisional sale proceeds		17,097
Overdraft		2,535
Inter-company settlement		(19,696)
Estimated cash impact		(64)

Walter Lilly was sold after the financial year end and, consequently, the profit on disposal will be disclosed as an exceptional item in the financial statements for the year ending 30 September 2025.

14 Assets held for resale continued**Disposal of Walter Lilly & Co Ltd** continued

The net cashflows incurred by Walter Lilly are as follows:

	2024 £000	2023 £000
Operating	(3,167)	(1,975)
Investing	(546)	(95)
Financing	—	—
	(3,713)	(2,070)

Sale proceeds are provisional since subject to finalising a completion accounts exercise which may impact the net assets, consequent sale proceeds, profit on disposal and net cash impact.

15 Investment in joint ventures

The Group, through the acquisition of J Browne Holdings Ltd, has the following interest in the joint ventures. These joint ventures perform engineering services which is a key segment of the Group.

	Country of incorporation	Principal activity	Percentage of shares held
Blackwater Plant Hire Ltd	England and Wales	Engineering	50%
Cappagh Browne Utilities Ltd	England and Wales	Engineering	50%
Cappagh Browne Ltd	England and Wales	Engineering	50%

a) Movement in year

	Goodwill £000	Other intangible asset £000	Reserves £000	Total £000
At 1 October 2022	3,812	1,419	307	5,538
Enisca Browne transfer on acquisition	(962)	(377)	(66)	(1,405)
Amortisation		(231)		(231)
Equity accounted share of net profit			77	77
At 1 October 2023	2,850	811	318	3,979
Amortisation		(224)		(224)
Equity accounted share of net profit			25	25
At 30 September 2024	2,850	587	343	3,780

On 25 November 2022, the Group acquired the remaining 50% of Enisca Browne Ltd, an entity in which the Group previously held a 50% interest through its wholly owned subsidiary J Browne Group Holdings Ltd. As a result of obtaining control of Enisca Group Ltd, the Group has derecognised the investment in a joint venture and accounted for the acquisition of the remaining 50% interest as a business combination achieved in stages, applying the requirements of IFRS 3. Remeasurement of the existing equity investment to fair value resulted in a net gain of £2,161,000 recognised in profit or loss in FY23 (please see Note 3). For further details of the acquisition please see Note 33.

NOTES TO THE ACCOUNTS CONTINUED

15 Investment in joint ventures continued

b) Summarised financial information related to equity accounted joint ventures

The following summarises financial information related to equity accounted joint ventures in aggregate. The financial information of each joint venture is not significant by size and has been combined. Cappagh Browne Ltd has not been included in the table below due to the balances not being material. These joint ventures do not have coterminous financial periods with the Group and as such, financial statements as at 30 September 2024 have been prepared for the Group's purposes by the joint ventures.

	2024 £000	2023 £000
Non-current assets		
Property, plant and equipment	2,949	4,442
Current assets		
Inventories	488	450
Trade and other receivables	23,686	21,584
Current tax assets	331	332
Cash and cash equivalents	2,059	1,787
	26,564	24,153
Total assets	29,513	28,595
Non-current liabilities		
Lease liabilities	(1,634)	(3,356)
	(1,634)	(3,356)
Current liabilities		
Trade and other payables	(27,158)	(24,573)
Current tax liabilities	(35)	(30)
	(27,193)	(24,603)
Total liabilities	(28,827)	(27,959)
Net assets reported by equity accounted joint ventures (100%)	686	636
Revenue (100%)	96,029	78,766
Cost of sales	(87,321)	(70,678)
Gross profit	8,708	8,088
Administrative expenses	(8,624)	(7,973)
Profit before taxation	84	115
Taxation	(35)	39
Net profit after tax (100%)	49	154

Administrative expenses include management charges of £8,330,000 (2023: £7,730,000). The Group's share of the management charge income is £4,165,000 (2023: £3,865,000) which was recognised in the consolidated Income Statement as "Other operating income".

c) Results of equity accounted joint ventures (50%)

	2024 £000	2023 £000
Group share of profit before tax	43	58
Group share of tax	(18)	19
Group share of profit after tax	25	77

16 Trade and other receivables

	2024 £000	2023 £000
Trade receivables	43,415	48,597
Contract assets	129,777	129,997
Receivables from other related parties	5,065	3,434
Other receivables	1,356	1,450
Prepayments	3,875	3,833
	183,488	187,311

The Directors consider that the carrying amount of trade, contract assets and other receivables approximates to their fair value.

16 Trade and other receivables continued

The Group has a variety of credit terms depending on the customer. These terms generally range from 30 to 60 days.

Included in trade and other receivables are debtors with a carrying value of £1.8m (2023: £2.8m) which are past due at the reporting date for which the Group has not provided. These amounts are recorded within trade receivables above and are assessed for expected credit losses using the simplified approach. However, no provision has been recognised as the probability of default on these items is considered negligible.

The Group does not hold any collateral over these balances. £0.4m (2023: £0.3m) of these balances relate to certified retentions.

The average age of these receivables is 230 days (2023: 224 days).

Ageing of past due but not impaired receivables:

	2024 £000	2023 £000
30–180 days	1,015	1,731
180–365 days	424	459
Greater than 1 year	345	571
	1,784	2,761

17 Contract assets and contract liabilities

	2024 £000	2023 £000
Contracts in progress at the balance sheet date:		
Amounts due from construction contract customers included in trade and other receivables	43,415	48,597
Amounts due from construction contract customers included in contract assets	129,777	129,997
	173,192	178,594
Amounts due to construction contract customers included in contract liabilities	(20,151)	(27,748)
	153,041	150,846

Contract asset ageing analysis:

	2024 £000	2023 £000
Due within one year	172,620	175,037
Due after more than one year	572	3,557
	173,192	178,594

Contract assets relate to revenue earned from the provision of engineering and construction services which have not yet been billed to customers. Amounts previously recognised as contract assets are reclassified to trade receivables when they are invoiced to the customer. As such, the balance of the contract asset account varies and depends on the number, stage of completion and invoicing of these services at the end of the year.

Amounts due after more than one year relate to retentions held by the customer which are predominantly settled 12 months after the contract has achieved practical completion certification. The Group expects to realise this asset within its normal working cycle.

There was no significant impairment losses recognised on any contract asset in the reporting period (2023: £nil).

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period is £27.7m (2023: £8.1m). Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods is £nil (2023: £nil).

18 Cash and cash equivalents

	2024 £000	2023 £000
Cash at banks	80,208	35,646
Cash in hand	11	11
	80,219	35,657

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 30 September 2024, the Group had available £28,000,000 (2023: £80,000,000) of undrawn committed borrowing facilities. The drawdown was linked to the acquisition of Full Circle which occurred on 7 October 2024 (see Note 36). At the same time the revolving credit facility available was increased from £80,000,000 to £120,000,000.

NOTES TO THE ACCOUNTS CONTINUED

18 Cash and cash equivalents continued

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2024:

	2024 £000	2023 £000
Cash at banks	80,208	35,646
Cash in hand	11	11
	80,219	35,657
Bank overdraft attributable to discontinued operation (Note 14)	(2,535)	—
	77,684	35,657

At 30 September 2024 positive cash balances of £117.4m (2023: £129.4m) have been offset against overdraft positions of £39.7m (2023: £93.8m) resulting in net cash position, presented within cash and cash equivalents, of £77.7m (2023: £35.6m).

Offsetting was applied as the Group had a legal right to offset these balances and settle them net.

19 Trade and other payables

	2024 £000	2023 £000
Contract liabilities	20,151	27,748
Trade payables	56,307	73,889
Other taxation and social security	29,449	26,372
Other payables	5,833	5,333
Accruals	95,504	95,335
	207,244	228,677

20 Borrowings

	2024 £000	2023 £000
Bank loans repayable:		
Within one year	52,000	—

In the year, the Group utilised £72.0m (2023: £23.0m) of the revolving credit facility to support the Group's operations. £20.0m (2023: £23.0m) was repaid during the year by cash generated from operations. £52.0m was drawn down in September 2024 in anticipation of the Full Circle acquisition which occurred on 7 October 2024 (see Note 36).

The bank loans are secured by a fixed and floating charge over the Group's UK assets. The Group has committed debt facilities of £80.0m in the form of a revolving credit facility with HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc which is committed until November 2026. The revolving facility was increased to £120.0m in October 2024 which remains committed to November 2026.

21 Lease liabilities

	2024 £000	2023 £000
As at 1 October	17,678	14,524
Additions	13,859	10,131
Addition on acquisition	2,879	524
Assets held for resale	(707)	—
Accretion of interest	387	296
Payments	(9,516)	(7,797)
As at 30 September	24,580	17,678
Current	8,975	6,945
Non-current	15,605	10,733
	24,580	17,678

It is the Group's policy to lease certain of its plant, vehicles and equipment under finance leases. The average outstanding lease term is 3 years (2023: 3 years). For the year ended 30 September 2024, the average effective borrowing rate was c.5.90% (2023: c.4.20%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

21 Lease liabilities continued

The present value of minimum lease payments can be split:

	Hire purchase £000	Right of use £000	Total 2024 £000	Hire purchase £000	Right of use £000	Total 2023 £000
Within one year	2,927	6,048	8,975	2,547	4,398	6,945
Within two to five years	3,176	12,429	15,605	2,547	8,186	10,733
	6,103	18,477	24,580	5,094	12,584	17,678

All lease obligations are denominated in sterling. The fair value of the Group's lease obligations approximates to their carrying amount. The Group's obligations under hire purchase agreements are secured on the asset to which the lease relates.

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	2024 £000	2023 £000
Within one year	10,341	7,662
Within two to five years	17,178	11,589
Total	27,519	19,251

22 Provisions

	Property obligations £000	Contractors' all risk insurance provision £000	Discontinued operations provision £000	Other provisions £000	Total £000
At 1 October 2023	338	5,121	7,488	2,750	15,697
Additional/(reduction) in provision	—	(179)	3,466	—	3,287
Utilised in the year	—	(247)	(938)	—	(1,185)
At 30 September 2024	338	4,695	10,016	2,750	17,799
Non-current liabilities	338	—	—	—	338
Current liabilities	—	4,695	10,016	2,750	17,461
At 30 September 2024	338	4,695	10,016	2,750	17,799

Property obligations represent commitments on leases for properties where the Group expects outflows to occur at the end of the lease.

The Contractors All Risk insurance provision relates to claims arising from past events such as accidental damage which is not covered by third party insurance. The provision is valued based on historical rates of claim and costs to settle these claims. The timing of the settlement of claims made against the Group cannot be assessed with any certainty. The provision is not discounted as the impact would be immaterial.

Discontinued operations provision relates to liabilities arising from historic commitments regarding Allenbuild Ltd. The provision is for ongoing legal matters which cannot be assessed with a high degree of certainty.

The additional £3,466,000 provision was as a result of the settlement of historical claims during the financial year and a subsequent internal reassessment of the likely costs required to settle other known contractual disputes.

Other provisions are in respect of a legal matter, the outcome of which cannot be assessed with a high degree of certainty. A liability is only recognised where, based on the Group's view or legal advice, it is considered probable that an outflow of resource will be required to settle a present obligation that can be measured reliably.

NOTES TO THE ACCOUNTS CONTINUED

23 Other financial instruments

The Group's principal financial instruments comprise bank loans, cash and short-term deposits and obligations under leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The disclosures below provide information about the contractual terms of the Group's interest bearing deposits, loans and borrowings.

Interest rate profile of financial assets and liabilities

	Financial assets/(liabilities)		Total £000
	Fixed rate £000	Floating rate £000	
2024			
Assets			
Sterling	—	80,208	80,208
Dollar	—	—	—
	—	80,208	80,208
Liabilities			
Sterling	(24,580)	(52,000)	(76,580)
	(24,580)	(52,000)	(76,580)
	Financial assets/(liabilities)		Total £000
	Fixed rate £000	Floating rate £000	
2023			
Assets			
Sterling	—	35,646	35,646
	—	35,646	35,646
Liabilities			
Sterling	(17,678)	—	(17,678)
	(17,678)	—	(17,678)

The interest bearing assets accrue interest at prevailing market rates. Generally the Group holds deposits which are repayable on demand.

The sterling interest bearing liabilities accrue interest at a rate which is linked to SONIA.

The maturity of the fixed rate financial liabilities is disclosed in Note 21. The fixed rate liabilities have a weighted average period of 3 years (2023: 3 years).

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Group's financial assets and liabilities.

Financial risks

The Group has exposure to a number of financial risks through the conduct of its operations. Risk management is governed by the Group's operational policies, guidelines and authorisation procedures which are outlined in the Corporate governance statement. The key financial risks resulting from financial instruments are credit, liquidity, and market risk.

a) Credit risk

Credit risk is the risk of loss if a customer fails to meet its financial obligations and results primarily from the Group's trade and other receivables. The degree to which the Group is exposed to this risk depends on the individual financial situation of each specific customer. The Group assesses the credit worthiness of every customer prior to entering into any contract and requires appropriate evidence of financial capability on a case by case basis. The Group reviews trade and other receivables for impairment on a regular basis and information relating to the ageing of receivables is provided in Note 16. The Group does not use any form of invoice discounting or debt factoring.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Group has sufficient liquidity to meet its financial liabilities as they fall due and does so by monitoring cashflow forecasts and budgets. The Board has considered the cashflow forecasts for the next twelve months which show that the Group expects to operate within its working capital facilities throughout the year.

The Board aims to maintain a strong capital base so as to ensure investor and market confidence and to sustain the future of the business. The capital structure of the Group consists of equity attributable to equity holders of the Company as disclosed in Note 24 and reserves as disclosed in Note 25. The Group arranges loans and short term overdraft facilities and hire purchase facilities as the Board deems necessary. The Group does not have any derivative or non-derivative financial liabilities other than those disclosed in Notes 20 and 21 and the retirement benefit obligations disclosed in Note 28. An analysis of the maturity profile for lease liabilities is given in Note 21.

23 Other financial instruments continued**Financial risks** continued

c) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the carrying amount of its holding of financial instruments. The principal risk relates to interest rates where the Group's risk is limited to the rates applying to its interest bearing short-term deposits and its bank loan. A reduction in market interest rates could lead to a reduction in the Group's interest income and a reduction in its interest costs. Consequently a 1% decrease in market interest rates would reduce annual finance costs by £10,000 for every £1m of outstanding loan.

The Group's hire purchase financial liabilities are all at fixed rates of interest.

24 Share capital

	2024 £000	2023 £000
Allotted, called up and fully paid:		
79,138,195 (2023: 79,133,889) Ordinary Shares of 10p each	7,914	7,913

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

On 20 December 2023 4,306 Ordinary Shares were issued pursuant to the Group's Executive Incentive Scheme.

25 Reserves

	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000
At 1 October 2022	66,378	3,896	1,375	69,143
Transfer from income statement for the year				43,384
Dividends paid				(13,683)
New shares issued	41			
Recognition of share based payments			669	
Vested share option transfer			(777)	777
Actuarial movement recognised in pension schemes				387
Movement on deferred tax relating to the pension schemes				(106)
At 1 October 2023	66,419	3,896	1,267	99,902
Transfer from income statement for the year				41,571
Dividends paid				(14,506)
Recognition of share based payments			707	
Vested share option transfer			(599)	(257)
Actuarial movement recognised in pension schemes				81
Movement on deferred tax relating to the pension schemes				(5)
At 30 September 2024	66,419	3,896	1,375	126,786

There is no available analysis of goodwill written off against reserves in respect of subsidiaries that were acquired prior to 1989 and therefore, in accordance with the guidance of IAS 36, the Directors are not able to state this figure.

Capital redemption reserve

This reserve represents the combined impact of share buy-backs and cancellations in previous years

Share based payments reserve

Renew Holdings plc Long Term Incentive Plan

Since 2012 the Group has operated a Long Term Incentive Plan ("LTIP"), an equity settled share based payment plan.

The options are exercisable at a nominal cost or at the par value of an Ordinary Share three years after the date of grant subject to the achievement of certain performance criteria. Details of the options are given in the Directors' Remuneration Report.

Vesting of one half of the options is dependent on absolute growth in the Company's Total Shareholder Return ("TSR"), and the other half is dependent on the Company's TSR performance as compared to the TSR achieved by other companies in a comparator group of companies selected by the Remuneration Committee. All TSR calculations are based on the average of the opening and closing share price over a 30 day period prior to the commencement and the end of the performance period.

The absolute TSR growth target requires the Company's TSR over the three year performance period to grow by more than 25%. For TSR growth between 25% and 100%, the half of the option which is subject to the absolute TSR growth target vests on a straight-line basis from nil vesting at 25% growth, to 100% vesting at 100% growth. There will be no vesting if TSR growth is 25% or less.

NOTES TO THE ACCOUNTS CONTINUED

25 Reserves continued

Share based payments reserve continued

Renew Holdings plc Long Term Incentive Plan continued

The comparator group TSR performance target measures the Company's TSR over the 3 year performance period against the TSR of a group of companies selected by the Remuneration Committee. If the Company's TSR performance falls below the median performance of the comparator group then the options lapse forthwith. If the Company is ranked within the top decile of the comparator group the options shall vest in full. If the Company's TSR performance is ranked between the median position and the top decile of the comparator group then the options shall vest on a straight line basis from nil, at or below the median position, to 100% at the top decile.

Fair value has been independently measured by PricewaterhouseCoopers LLP using a Monte Carlo model methodology. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Board's estimate of shares that will eventually vest.

£707,000 (2023: £669,000) has been charged to administrative expenses in accordance with IFRS 2. There is no impact on net assets since an equivalent amount has been credited to the share based payments reserve.

The expected volatility has been calculated based on weekly historical volatility of the Company's share price over the three years prior to the date of grant. The risk free rate of return has been based on the yields available on three year UK Government bonds as at the date of grant.

Options granted under the Renew Holdings plc Long Term Incentive Plan over the Company's Ordinary Shares at 30 September 2024 were as follows:

Date of grant	15 December 2021	20 December 2022	7 December 2023	Total
Awards outstanding at 30 September 2023				
– Directors and employees	167,350	232,092	214,920	614,362
Exercise price	10.0p	10.0p	10.0p	
Price at date of grant	800.00p	692.00p	816.00p	
Maximum option life	10 years	10 years	10 years	
Assumed option life for purposes of valuation	2.79 years	2.78 years	2.82 years	
Expected volatility	38%	38%	28%	
Risk free interest rate	0.45%	3.61%	4.32%	
Value per option	712.0p	701.0p	666.0p	

Outstanding share options have a weighted average remaining contractual life of 8.33 years at a weighted average contractual price of 692.00p.

As at 30 September 2024, there were 614,362 options outstanding under the scheme. On 7 December 2023, options to subscribe for a further 214,920 Ordinary Shares were granted. During the year 102,316 options were exercised and 139,845 did not vest due to the conditions below not being fully achieved. No options lapsed during the year.

Movement in the year:

	2024 Number	2023 Number
Outstanding at 1 October	641,603	709,081
Granted during the year	214,920	232,092
Exercised during the year	(102,316)	(265,096)
Options did not vest	(139,845)	(34,474)
Outstanding at 30 September	614,362	641,603

26 Capital commitments

The Group had capital commitments at 30 September 2024 of £1,499,000 (2023: £3,510,000).

27 Guarantees

Under the terms of the Group's banking agreement, security over the Group's UK assets has been granted to the Group's bankers.

The Company has given guarantees and entered into counter-indemnities in respect of bonds relating to certain of the Group's own contracts. The Company has also given guarantees in respect of certain contractual obligations of its subsidiaries. Performance guarantees are treated as a contingent liability until such time as it becomes probable that payment will be required under its terms.

28 Employee benefits: retirement benefit obligations

Defined benefit pension schemes

The Group operates two principle defined benefit pension schemes, the Lovell Pension Scheme and the Amco Pension Scheme.

Both schemes have been closed to new members and to further benefits accrual for many years. During the year the Group acquired Excalon Holdings Ltd, an entity which has a defined benefit pension scheme, the Excalon Pension Scheme. The assets and liabilities of this scheme are not material to the Group, but a brief summary has been included in this Note.

28 Employee benefits: retirement benefit obligations continued**IAS 19 "Employee Benefits"**

The Directors have discussed the assumptions used in determining the actuarial valuations set out below with independent pensions advisors and have determined that they are appropriate. The Lovell scheme's valuation at 30 September 2024 shows a surplus of £2,446,000 based on the assumptions set out below. The Amco scheme shows a deficit of £641,000 based on the assumptions used in its valuation which are similar to those used for the Lovell scheme except where the Directors, in consultation with the scheme's advisors, consider it appropriate to vary them due to the different characteristics of the Amco scheme and its membership profile. The Directors have determined that it is appropriate to recognise the surplus in the Lovell scheme as, having reviewed the rules of the scheme, they are of the view that the employer has an unconditional right to that surplus.

In June 2023, the UK High Court in *Virgin Media Limited v NTL Pension Trustees II Limited* ruled that specific historical amendments to contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 were invalid if they lacked confirmation under section 37 of the Pension Schemes Act 1993 from the scheme's actuary. This decision was upheld on appeal in July 2024. The pension schemes' trustees, in conjunction with their legal advisers, have commenced an initial review of any relevant deeds. At the date of the approval of these financial statements, this review remains ongoing. Given the ongoing nature of this review, it is not currently possible to assess whether the judgement affects the scheme or has any material financial impact. Therefore, no judgemental provision has been made in the financial year ended 30 September 2024.

The following disclosures required by IAS 19 have been based on the most recent actuarial valuation as at 30 September 2024 carried out by Lane Clark & Peacock LLP, Consulting Actuaries, in respect of the Lovell scheme and Capita Employee Benefits (Consulting) Limited in respect of the Amco scheme using the following assumptions:

	As at 30 September 2024	As at 30 September 2023	As at 30 September 2022
Lovell Pension Scheme			
Rate of increase in salaries	N/a*	N/a*	N/a*
RPI increases to pensions in payment	4.2%	4.2%	4.4%
Discount rate	5.0%	5.5%	5.5%
Inflation assumption (CPI)	2.4%	2.5%	3.1%
Inflation assumption (RPI)	3.1%	3.3%	3.9%
Increases in deferred pensions	3.0%	3.2%	3.6%

* The Lovell Pension Scheme terminated the salary link with effect from 14 January 2022.

	As at 30 September 2024	As at 30 September 2023	As at 30 September 2022
Amco Pension Scheme			
Rate of increase in salaries	N/a*	N/a*	N/a*
RPI increases to pensions in payment	3.3%	3.4%	3.8%
Discount rate	5.0%	5.5%	5.4%
Inflation assumption (CPI)	2.7%	2.9%	3.3%
Inflation assumption (RPI)	3.4%	3.6%	4.0%
Increases in deferred pensions	2.7%	2.9%	3.3%

* The Amco Pension Scheme terminated the salary link with effect from 1 April 2022.

The mortality tables adopted for the valuation of the Lovell scheme are the 95% S2NA tables with future improvements in line with the Continuing Mortality Investigations 2023 model with long-term improvement rates of 1.25% per annum for both males and females. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 65 year-old male pensioner is forecast to live for a further 21.9 years and the further life expectancy of a male aged 65 in 2044 is 23.2 years.

The mortality tables adopted for the valuation of the Amco scheme are the 100% S3PA mortality tables with future improvements in line with the Continuing Mortality Investigations 2023 model with long-term improvement rates of 1.25% per annum for both males and females. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 65 year-old male pensioner is forecast to live for a further 21.6 years and the further life expectancy of a male aged 65 in 2044 is 22.9 years.

The assets in the Lovell scheme were:

	Value as at 30 September 2024 £000	Current allocation	Value as at 30 September 2023 £000	Current allocation	Value as at 30 September 2022 £000	Current allocation
Annuities	92,743	96%	90,066	94%	96,351	95%
Diversified portfolio	2,839	3%	5,324	6%	884	1%
Cash	591	1%	(201)	—	3,672	4%
Total	96,173	100%	95,189	100%	100,907	100%

NOTES TO THE ACCOUNTS CONTINUED

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The Trustees of the Lovell Pension Scheme purchased a bulk annuity from Rothesay Life in November 2020 to de-risk the defined benefit scheme obligation. This covers all remaining insured scheme benefits following previous bulk annuity transactions in 2011 and 2016.

The Company took the decision to fund the buy-in based on the following considerations:

- a buy-in will remove volatility of the scheme from the balance sheet of the Company, and no further contributions would be expected.
- the buy-in will transfer the pension risk associated with the scheme to a third party insurer. The only risk remaining will be the counterparty risk of the insurer.

The difference between the annuity purchase price and the defined benefit obligation covered by the policy has been accounted for in other comprehensive income. The accounting treatment is based on the following considerations made by the Company:

- the employer is not relieved of primary responsibility for the obligation. The policy simply covers the benefit payments that continue to be payable by the scheme.
- the contract is effectively an investment of the scheme; and
- the contract provides the option to convert the annuity into individual policies which would transfer the obligation to the insurer (known as a "buy-out"). Whilst this course of action may be considered in future, this is not a requirement and a separate decision will be required before any buy-out proceeds. There are currently no plans either by management or Trustees to convert the buy-in contract to individual policies.

The assets in the Amco scheme were:

	Value as at 30 September 2024 £000	Current allocation	Value as at 30 September 2023 £000	Current allocation	Value as at 30 September 2022 £000	Current allocation
Annuities	8,610	94%	8,032	93%	8,453	95%
Cash	530	6%	651	7%	464	5%
Total	9,140	100%	8,683	100%	8,917	100%

During 2013, the Trustees of the Amco scheme, in consultation with the Directors, used scheme assets to purchase annuities which match certain pension liabilities in a transaction known as a "buy in". This asset provides protection against falls in gilt yields and risks in the performance of other asset classes.

The Trustees of the Amco Pension Scheme purchased a bulk annuity from a specialist insurer in April 2022 to de-risk the defined benefit scheme obligation. This covers all remaining insured scheme benefits following previous bulk annuity transactions in 2013.

The Company took the decision to fund the buy-in based on the following considerations:

- a buy-in will remove volatility of the scheme from the balance sheet of the Company, and no further contributions would be expected.
- the buy-in will transfer the pension risk associated with the scheme to a third party insurer. The only risk remaining will be the counterparty risk of the insurer.

The difference between the annuity purchase price and the defined benefit obligation covered by the policy has been accounted for in other comprehensive income. The accounting treatment is based on the following considerations made by the Company:

- the employer is not relieved of primary responsibility for the obligation. The policy simply covers the benefit payments that continue to be payable by the scheme.
- the contract is effectively an investment of the scheme; and
- the contract provides the option to convert the annuity into individual policies which would transfer the obligation to the insurer (known as a "buy-out"). Whilst this course of action may be considered in future, this is not a requirement and a separate decision will be required before any buy-out proceeds. There are currently no plans either by management or Trustees to convert the buy-in contract to individual policies.

Scheme funding levels and actuarial valuations

Lovell Pension Scheme

The scheme actuary carried out the triennial valuation of the Lovell Pension Scheme as at 31 March 2021.

The scheme showed a surplus of £0.3m compared to a deficit of £0.3m when measured as at 31 March 2018.

Amco Pension Scheme

The scheme actuary carried out the triennial valuation of the Amco Pension Scheme as at 31 December 2019.

The scheme showed a deficit of £0.8m compared to £3.4m when measured as at 31 December 2016.

Recognition of pension scheme's surplus

Having taken legal advice with regard to the rights of the Company under the trust deeds and rules, the Directors do believe there is a right to recognise a pension surplus on an accounting basis for the Lovell scheme. The Directors do not believe that the surplus on an accounting basis will result in a surplus on an actuarial funding basis. However, the Directors are required to account for the plan's surplus as required by IFRS. As the Group has a legal right to benefit from the surplus, under IAS 19 and IFRIC 14, it must recognise the economic benefit it considers to arise from either a reduction to its future contributions or a refund of the surplus. This is a technical adjustment made on an accounting basis. Management does not believe there is an asset ceiling under IFRIC 14 which limits the economic benefit available. There is no cash benefit from the surplus.

28 Employee benefits: retirement benefit obligations continued**Scheme funding levels and actuarial valuations** continued

Scheme governance

Both the Lovell Pension Scheme and the Amco Pension Scheme have boards of Trustees chaired by an independent professional trustee, Capital Cranfield Trustees Ltd. The Lovell Pension Scheme also has member-elected Trustees who must be members of the scheme.

Both Renew Holdings plc for the Lovell Pension Scheme and Amalgamated Construction Ltd for the Amco Pension Scheme have the right to appoint employer-nominated Trustees although neither has elected to do so other than to appoint Capital Cranfield Trustees Ltd.

The Lovell Pension Scheme Trustees are advised by Lane, Clark & Peacock LLP on both actuarial and investment matters. The Lovell Scheme investments are independently managed by BlackRock Asset Management. Annuities purchased in both 2011 and 2016 are held by Legal & General and Just Retirement. Annuities purchased in 2020 are held by Rothesay Life.

The Amco Pension Scheme Trustees are advised by Capita Employee Benefits (Consulting) Ltd on both actuarial and investment matters. The Amco Scheme investments are independently managed by BlackRock Asset Management. Annuities purchased in 2013 are held by Legal & General. Annuities purchased in 2022 are held by Rothesay Life.

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Lovell Pension Scheme

	2024 £000	2023 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	95,189	100,907
Interest on scheme assets	5,003	5,365
Benefits paid	(8,563)	(6,799)
Actual return on scheme assets less interest on scheme assets	4,544	(4,284)
Total fair value of scheme assets carried forward	96,173	95,189
Present value of scheme obligations brought forward	92,733	98,677
Interest on scheme obligations	4,868	5,243
Benefits paid	(8,563)	(6,799)
Actuarial movement due to experience on benefit obligation	(343)	563
Actuarial movement due to changes in financial assumptions	4,886	(1,752)
Actuarial movement due to changes in demographic assumptions	146	(3,199)
Total fair value of scheme obligations carried forward	93,727	92,733
Surplus in the scheme	2,446	2,456
Deferred tax	(856)	(860)
Net surplus	1,590	1,596
Amount credited to other financial income:		
Interest on scheme assets	5,003	5,365
Interest on scheme obligations	(4,868)	(5,243)
Net pension interest	135	122
Amounts recognised in the statement of comprehensive income:		
Actual return on scheme assets less interest on scheme assets	4,544	(4,284)
Actuarial movement due to changes in assumptions on scheme obligations	(4,689)	4,388
Actuarial movement	(145)	104
Movement in the net scheme surplus during the year:		
Net scheme surplus brought forward	2,456	2,230
Net pension interest	135	122
Actuarial movement	(145)	104
Net scheme surplus carried forward	2,446	2,456

NOTES TO THE ACCOUNTS CONTINUED

28 Employee benefits: retirement benefit obligations continued

Scheme funding levels and actuarial valuations continued

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Amco Pension Scheme

	2024 £000	2023 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	8,683	8,917
Actual return on scheme assets	454	461
Benefits paid	(716)	(607)
Actuarial return on scheme assets less interest on scheme assets	719	(88)
Total fair value of scheme assets carried forward	9,140	8,683
Present value of scheme obligations brought forward	9,505	9,966
Interest on scheme obligations	499	517
Benefits paid	(716)	(607)
Actuarial movement due to changes in financial and demographic assumptions	493	(371)
Total fair value of scheme obligations carried forward	9,781	9,505
Deficit in the scheme	(641)	(822)
Deferred tax	160	206
Net deficit	(481)	(616)
Amount charged to other financial income:		
Interest on scheme assets	454	461
Interest on scheme obligations	(499)	(517)
Net pension interest	(45)	(56)
Amounts recognised in the statement of comprehensive income:		
Actuarial return on scheme assets less interest on scheme assets	719	(88)
Actuarial movement due to changes in assumptions on scheme obligations	(493)	371
Actuarial movement	226	283
Movement in the net scheme deficit during the year:		
Net scheme deficit brought forward	(822)	(1,049)
Net pension interest	(45)	(56)
Actuarial movement	226	283
Net scheme deficit carried forward	(641)	(822)

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Excalon Pension Scheme

	2024 £000
Movements in scheme assets and obligations	
Total fair value of scheme assets	1,513
Total fair value of scheme obligations	1,005
Surplus in the scheme	508
Deferred tax	(178)
Net surplus	330

Excalon's pension scheme was valued at acquisition and there were no material movements before the year end.

28 Employee benefits: retirement benefit obligations continued**Scheme funding levels and actuarial valuations** continued

Lovell Pension Scheme

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Actuarial return on scheme assets less interest on scheme assets	4,544	(4,284)	(56,805)	(34,862)	7,325
As a percentage of the assets at the end of the year	4.7%	(4.5)%	(56.3)%	(21.4)%	3.6%
Total amount recognised in the statement of comprehensive income	(145)	104	1,538	(26,084)	(1,482)
As a percentage of the obligations at the end of the year	0.0%	0.0%	1.6%	(16.1)%	(0.8)%

The Lovell scheme has been in operation for many years and, after taking advice from the Group's pensions advisors, the Directors have determined that it is not possible to allocate the assets and liabilities of the scheme between the various Group companies. The surplus for the scheme is accounted for in the individual financial statements of Renew Holdings plc which is legally the sponsoring employer for the plan.

Amco Pension Scheme

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Actuarial return on scheme assets less interest on scheme assets	719	(88)	(6,201)	69	568
As a percentage of the assets at the end of the year	7.9%	(1.0)%	(69.5)%	0.0%	3.8%
Total amount recognised in the statement of comprehensive income	226	283	(1,191)	412	(1,293)
As a percentage of the obligations at the end of the year	2.3%	3.0%	(12.0)%	2.7%	(9.0)%

The Amco scheme's sole employer is the Company's wholly owned subsidiary, Amalgamated Construction Ltd.

Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes and individual stakeholder pension plans for its employees.

The Group made contributions of £9,898,000 (2023: £10,741,000) into these plans during the year. There are also £1,361,000 (2023: £783,000) of accruals relating to these plans.

29 Related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Joint ventures in which a subsidiary undertaking is a venturer:

	Sales to related parties		Amounts owed by related parties	
	2024 £000	2023 £000	2024 £000	2023 £000
Cappagh Browne Utilities Ltd	3,050	4,080	3,540	2,330
Cappagh Browne Ltd	—	—	—	59
Blackwater Plant Hire Ltd	1,115	535	1,525	1,045
	4,165	4,615	5,065	3,434

The Group has a related party relationship with its key management personnel who were Directors of the Company during the year: P Scott, AP Liebenberg, SC Wyndham-Quin, DA Brown, SD Dasani, SA Hazell and E Barber, whose total compensation amounted to £3,360,000 (2023: £4,254,000) all of which was represented by short-term employment benefits, including £822,000 (2023: £1,757,000) relating to share option benefits, in accordance with IFRS 2. An analysis of this compensation is given in Note 6.

There were no other transactions with key management personnel in the year.

NOTES TO THE ACCOUNTS CONTINUED

30 Alternative performance measures

Renew uses a variety of alternative performance measures ("APMs") which, although financial measures of either historical or future performance, financial position or cash flows, are not defined or specified by IFRSs. The Directors use a combination of APMs and IFRS measures when reviewing the financial performance, position and cash of the Group.

The Directors believe that APMs provide a better understanding of the ongoing trading performance of the business by removing costs such as amortisation, and one-off exceptional items which will not directly impact the future cashflows and will mainly relate to the unrepeatable cash outflows incurred in acquiring a specific equity investment.

Depreciation is not removed on the basis that the tangible and right of use assets will be replaced at the end of their useful economic lives resulting in future cash outflows.

Furthermore, they believe that the Group's stakeholders use these APMs, for example when assessing the performance of the Group against discounted cash flow models, and it is therefore appropriate to give them prominence in the Annual Report and Accounts.

The APMs used by the Group are defined below:

Net Cash – This is the cash and cash equivalents less debt. This measure is visible in Note 32. The Directors consider this to be a good indicator of the financing position of the Group.

Adjusted operating profit (£70.874m) and adjusted profit before tax (£69.927m) – Both of these measures are reconciled to total operating profit and total profit before tax on the face of the consolidated income statement. The Directors consider that the removal of exceptional items and amortisation provides a better understanding of the ongoing performance of the Group.

The equivalent GAAP measures are operating profit (£61.171m) and profit before tax (£60.224m).

Adjusted operating margin (6.7%) – This is calculated by dividing operating profit before exceptional items and amortisation of intangible assets (£70.874m) by Group revenue including share of joint venture (£1,056,985m) both of which are visible on the face of the income statement. The Directors believe that removing exceptional items and amortisation from the operating profit margin calculation provides a better understanding of the ongoing performance of the Group.

The equivalent GAAP measure is operating profit margin (6.1%) which is calculated by dividing operating profit (£61.171m) from Group revenue from continuing activities (£1,008.970m).

Adjusted earnings per share (65.91p) – This measure is reconciled to the earnings per share calculation based on earnings before exceptional items and amortisation in Note 9. The Directors believe that removing exceptional items and amortisation from the EPS calculation provides a better understanding of the ongoing performance of the Group.

Group Revenue (£1,056.985m) – This measure is visible on the face of the income statement as Revenue: Group including share of joint ventures.

Group order book – This measure is calculated by the Directors taking a conservative view on secured orders and visible workload through long-term frameworks.

Organic growth (16.6%) reflects the Group's revenue growth year on year excluding the impact of any acquisitions made in the current or comparative financial period. For the current financial year the impact of TIS, Route One and Excalon were excluded.

31 Reconciliation of net cash flow to net cash

	2024 £000	2023 £000
Increase in net cash and cash equivalents	42,027	15,439
Increase in revolving credit facility	(52,000)	—
(Decrease)/increase in net cash from cash flows	(9,973)	15,439
Net cash at 1 October	35,657	20,218
Net cash at 30 September	25,684	35,657

32 Analysis of net cash

	At 1 October 2023 £000	Cash flows £000	At 30 September 2024 £000
Cash and cash equivalents	35,657	42,027	77,684
Bank loans	—	(52,000)	(52,000)
Net cash	35,657	(9,973)	25,684

Renew Holdings plc has not included finance lease liabilities within its measure of net cash due to their asset-backed nature. Therefore, whilst IFRS 16 has brought additional lease liabilities onto the balance sheet, the standard has had no effect on the Group's net debt measure, which has been calculated consistently with previous reporting periods.

32 Analysis of net cash continued**IFRS 16 measurement of debt**

The equivalent figures on an IFRS 16 measure would be:

	Note	2024 £000	2023 £000
Net cash (as above)	31	25,684	35,657
Hire purchase liabilities	21	(6,103)	(5,094)
Net cash including hire purchase liabilities		19,581	30,563
Other IFRS 16 right of use liabilities	21	(18,477)	(12,584)
Net cash including all lease liabilities on an IFRS 16 measure		1,104	17,979

33a Acquisition of subsidiary undertaking – TIS (Cumbria) Limited

On 26 October 2023, West Cumberland Engineering Ltd, a wholly-owned subsidiary of Renew Holdings Plc, acquired the whole of the issued share capital of TIS Cumbria Ltd ("TIS") for a gross cash consideration of £4.2m less a net working capital adjustment of £1.3m. The net £2.9m acquisition cost was funded from the Group's cash reserves. There is no deferred or contingent consideration payable.

Based in Cumbria, TIS is a leading nuclear manufacturing and fabrication specialist.

This acquisition will allow the Group to continue to support its existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes. The added manufacturing capacity will allow Renew to better support its existing clients, as well as strengthening its broader market position. TIS represents an excellent strategic fit with the Group's existing multidisciplinary nuclear capability, which offers attractive long term structural growth opportunities underpinned by highly visible committed regulatory spend in a sector where the Group has extensive experience.

The fair value of the assets and liabilities of TIS at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	827
Property, plant and equipment	3,894
Right of use assets	26
Inventories	12
Trade and other receivables	390
Current tax asset	24
Total assets	5,173
Liabilities	
Borrowings	(1,281)
Lease liabilities	(69)
Trade and other payables	(1,353)
Deferred tax liabilities	(254)
Total liabilities	(2,957)
Total identifiable net assets at fair value	2,216
Goodwill arising on acquisition	702
Purchase consideration transferred	2,918

Goodwill of £702,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £827,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from November 2023. Deferred tax has been provided on this amount.

Leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

NOTES TO THE ACCOUNTS CONTINUED

33a Acquisition of subsidiary undertaking – TIS (Cumbria) Limited continued

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. No impairment was identified. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £0.4m. The gross amount of trade and other receivables was £0.4m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.2m were expensed and are included in exceptional items (please see Note 3).

From the date of acquisition, TIS has contributed £1.5m to revenue and £0.2m to profit before tax from continuing operations of the Group. If the acquisition of TIS had occurred on 1 October 2023, Group revenue from continuing operations and profit before tax for the year ended 30 September 2024 would not be materially different from the results reported.

33b Acquisition of subsidiary undertaking – Route One Holdings (Wakefield) Ltd

On 9 April 2024, Carnell Group Holdings Ltd, a wholly-owned subsidiary of Renew Holdings Plc, acquired the whole of the issued share capital of Route One Holdings (Wakefield) Ltd ("Route One") for an Enterprise Value of £5.0m, together with a working capital adjustment of £1.3m. The cash consideration will be funded from the Group's existing cash resources, and there is no deferred or contingent consideration payable.

Based in West Yorkshire, Route One is a multi-disciplinary specialist engineering business operating in the UK Highways sector providing end-to-end solutions for bridge deck maintenance and protection. Route One has a number of long-term frameworks on the National Highways Scheme Delivery Frameworks across England.

The acquisition represents an excellent strategic fit for the Group. Route One will expand Carnell's offering by adding new capabilities to the Group's highway business, with particular expertise in bridge and structures maintenance and repairs. The UK Government's planned investment in the next Road Investment Strategy (RIS 3) from 2025 to 2030 will provide good growth opportunities, where the structures renewal programme has been identified as a key priority.

The fair value of the assets and liabilities of Route One at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	2,745
Property, plant and equipment	437
Right of use assets	234
Inventories	286
Trade and other receivables	1,691
Cash and cash equivalents	969
Total assets	6,362
Liabilities	
Lease liabilities	(572)
Trade and other payables	(939)
Corporation tax	(217)
Deferred tax liabilities	(788)
Total liabilities	(2,516)
Total identifiable net assets at fair value	3,846
Goodwill arising on acquisition	2,444
Purchase consideration transferred	6,290

Goodwill of £2,444,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business.

Other intangible assets valued at £2,745,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets.

Amortisation of this intangible asset commenced from April 2024. Deferred tax has been provided on this amount.

Leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The right of use assets were measured at an amount equal to the lease liabilities.

33b Acquisition of subsidiary undertaking – Route One Holdings (Wakefield) Ltd continued**Fair value adjustments arising from the acquisition**

In accordance with IFRS 3, the Board will review the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £1.7m. The gross amount of trade and other receivables was £1.7m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.2m were expensed and are included in exceptional items (please see Note 3).

From the date of acquisition, Route One has contributed £3.3m to revenue and £0.1m to profit before tax from continuing operations of the Group. If the acquisition of Route One had occurred on 1 October 2023, Group revenue from continuing activities would have been approximately £1,016.0m and profit before income tax for the year ended 30 September 2024 would be approximately £60.4m.

33c Acquisition of subsidiary undertaking – Excalon Holdings Ltd

On 11 June 2024, Renew Holdings Plc, acquired the whole issued share capital of Excalon Holdings Ltd ("Excalon") for a total consideration of £23.8m funded from the Group's existing revolving credit facility. The acquisition represents an excellent strategic fit for the Group, allowing Renew to expand into the electricity transmission and distribution market. This is consistent with the Group's strategy of targeting end markets where maintenance and renewals programmes benefit from non-discretionary funding.

Excalon, based in Salford, is a leading infrastructure contractor specialising in the provision of high voltage and extra high voltage infrastructure to the UK electricity sector. Excalon has a number of long-term frameworks with electricity Distribution Network Operators ("DNOs") across the UK. The UK electricity DNO market is regulated by Ofgem and operates in 5-year control period funding cycles. The RIIO ED2 cycle commenced in April 2023 with the latest determination of funding set at £22.2bn. Entering this market allows Renew to access both the opportunities in ED2 as well as the upgrade of the grid that is required to support the UK's zero carbon strategy.

Additional consideration of up to £2m will become payable in 2025 along with a further £2m in 2026, conditional upon the vendors remaining with the businesses and specific profit targets being achieved. The valuation of the business was based on Excalon generating a sustainable EBITDA of at least £3m per annum and the profitability of Excalon is expected to be in line with Renew's current Engineering Services operating profit margin. As these payments are linked to continuing employment of certain personnel, they are not included in purchase consideration but are instead accounted for as remuneration.

The fair value of the assets and liabilities of Excalon at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	8,444
Property, plant and equipment	207
Right of use assets	2,740
Retirement benefit asset	508
Inventories	128
Trade and other receivables	8,060
Cash and cash equivalents	7,320
Total assets	27,407
Liabilities	
Lease liabilities	(2,238)
Trade and other payables	(7,779)
Current tax liability	(295)
Deferred tax liabilities	(2,433)
Total liabilities	(12,745)
Total identifiable net assets at fair value	14,662
Goodwill arising on acquisition	9,221
Purchase consideration transferred	23,883

Goodwill of £9,221,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £8,444,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from July 2024. Deferred tax has been provided on this amount.

Leases

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

NOTES TO THE ACCOUNTS CONTINUED

33c Acquisition of subsidiary undertaking – Excalon Holdings Ltd continued

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. No impairment was identified. Fair value has been calculated using Level 3 inputs as defined by IFRS 13.

The fair value of trade and other receivables was £8.1m. The gross amount of trade and other receivables was £10.0m and it is expected that the full contractual amounts will be collected.

Transaction and deferred remuneration costs of £1.3m were expensed and are included in exceptional items (see Note 3).

From the date of acquisition, Excalon has contributed £16.9m to revenue and £2.0m to profit before tax from continuing operations of the Group. If the acquisition of Excalon had occurred on 1 October 2023, Group revenue from continuing activities would have been approximately £1,056.8m and profit before income tax for the year ended 30 September 2024 would be approximately £63.3m.

33d Acquisition of subsidiary undertaking – Enisca Group Limited

On 25 November 2022, the Company acquired the whole of the issued share capital of Enisca Group Limited (“Enisca”) for a cash consideration of £14.6m.

The Group previously held a 50% interest in Enisca Browne Ltd, a joint venture originally acquired through its subsidiary J Browne Group Ltd. As a result of obtaining control of Enisca Group Ltd, the Group has derecognised the investment in the joint venture and accounted for the acquisition of the remaining 50% interest as a business combination achieved in stages. This required the Group, as acquirer, to remeasure its previously held equity investment in Enisca Browne Ltd at its acquisition-date fair value. The Group’s equity interest prior to acquisition was £1.4m and its remeasurement to £3.6m resulted in a gain of £2.2m which was recognised in the income statement (please see Note 3).

The net acquisition cost was funded by a combination of cash and the Group’s existing revolving credit facility provided by HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc.

Enisca is a multi-disciplinary engineering business operating in the water and environmental sector with headquarters in Cookstown, Northern Ireland but with a base on the UK mainland. Enisca has long term Mechanical, Electrical, Instrumentation, Controls and Automation (MEICA) frameworks with Southern Water, South East Water, Affinity Water, Yorkshire Water, Irish Water, Northern Ireland Water, Anglian Water and Northumbrian Water.

The acquisition represents an excellent strategic fit, adding new capabilities and clients to Renew’s water business which continues to benefit from the UK Government’s commitment to spend £51bn over AMP7 into 2025. Further, Enisca has formed a key part of the Group’s strategy to maximise the opportunities presented by AMP8 during the procurement process in 2024.

The value of the assets and liabilities of Enisca at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	11,498
Property, plant and equipment	328
Right of use assets	501
Inventories	208
Trade and other receivables	7,411
Cash and cash equivalents	1,264
Total assets	21,210
Liabilities	
Lease liabilities	(403)
Deferred tax liabilities	(2,833)
Trade and other payables	(9,736)
Lease liabilities	(121)
Current tax liability	(324)
Total liabilities	(13,417)
Total identifiable net assets at fair value	7,793
50% equity interest measured at fair value	(3,555)
Goodwill arising on acquisition	10,360
Purchase consideration transferred	14,598

Goodwill of £10,360,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business.

Other intangible assets valued at £11,498,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets.

Amortisation of this intangible asset commenced from December 2022. Deferred tax has been provided on this amount.

33d Acquisition of subsidiary undertaking – Enisca Group Limited continued**Leases**

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition

In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13. No impairment was identified.

The fair value of trade and other receivables was £7.4m. The gross amount of trade and other receivables was £7.4m and it is expected that the full contractual amounts will be collected.

Transaction costs of £0.6m were expensed and are included in exceptional items (please see Note 3).

34 Capital management

For the purposes of capital management, capital includes issued share capital, share premium account and all other equity reserves attributable to the equity holders of the parent. Capital allocation priorities can be found after the Financial Review in these Annual Report and Accounts.

The Group manages its capital structure and makes adjustments in light of changing economic conditions, suitable conservative leveraging levels and the requirements of the financial covenants. The Group will ensure conservative leveraging by seeking to pay down debt quickly after acquisitions.

The Group's key financing sources are cash generated from operations and the £80m secured revolving credit facility (secured to November 2026). The facility was increased to £120m in October 2024.

The secured facility includes 2 key covenant requirements:

- i) Interest cover must exceed a 3 times multiple of adjusted EBITDA
- ii) leverage must not exceed a 2 times multiple of adjusted EBITDA

The covenant's definition of interest is pre-IFRS 16 "Leases" which therefore excludes the impact of the capitalisation of operating leases in the income statement and balance sheet.

The covenant also excludes the interest charged to the income statement as a consequence of the two defined benefit schemes reporting under IAS 19 "Employee Benefits." (Please see Note 28 for more details.)

The covenant's definition of adjusted EBITDA ("EBITDAE") excludes exceptional items, the impact of IFRS 16 "Leases", amortisation and the profit on disposal of property, plant and equipment ("PPE").

Interest	Note	2024 £000	2023 (restated*) £000
Finance income	5	791	360
Finance costs	5	(1,828)	(1,285)
IFRS 16 non-H.P. interest charge		800	435
Interest charge for covenant calculation		(237)	(490)
Operating Profit		61,171	57,707
Amortisation and exceptional items	3	9,703	4,644
Depreciation	11,12	12,683	10,623
EBITDAE per the statutory accounts		83,557	72,974
Profit on sale of property, plant and equipment	3	(549)	(822)
IFRS 16 non-H.P. depreciation charge		(5,773)	(4,406)
IFRS 16 non-H.P. operating profit benefit		(602)	(383)
EBITDAE for covenant calculations		76,633	67,363
Interest cover (minimum 3x)		323	137

NOTES TO THE ACCOUNTS CONTINUED

34 Capital management continued

The covenant includes in "net debt" interest bearing loans, borrowings and hire purchase liabilities less cash and short-term deposits.

	Note	2024 £000	2023 £000
Interest bearing borrowings	20	52,000	—
Hire purchase liabilities	21	6,103	5,094
Less cash and short-term deposits	18	(80,219)	(35,657)
Net (cash)/debt		(22,116)	(30,563)
Net (cash)/debt/EBITDAE multiple (maximum +2x)		(0.29)	(0.45)

* Please see Accounting Policies i) Basis of accounts and preparation.

The Group has a negative multiple reflecting strong cash reserves in the balance sheet and a record trading result. The reduced ratio is after drawing down £52.0m for the post balance sheet acquisition of Full Circle.

The Group has complied with its banking covenants throughout the financial year which are tested on a quarterly basis.

The strong cash generative characteristics of the business, combined with its undrawn facility, allows the Group to comfortably manage temporary variations in working capital, invest in the business to deliver organic growth, and continue to pursue a progressive dividend policy.

	Note	2024 £000	2023 £000	Movement %
Investment in Property, plant and equipment (cash funded)	11	6,146	5,509	12%
Investment in right of use assets (lease funded)	12	13,859	10,003	39%
		20,005	15,512	29%
Dividends paid	8	14,506	13,683	6%
Profit for the year		41,571	43,384	
Dividend cover		2.9	3.2	

The facilities in place provide sufficient headroom for the Group to respond quickly to acquisition opportunities that are consistent with our stated strategy. The headroom comprised at the year end:

	Note	2024 £000	2023 £000
Cash and short term deposits	18	80,219	35,657
Less borrowings	20	(52,000)	—
Bank overdraft attributable to discontinued operation	14	(2,535)	—
Net cash		25,684	35,657
Undrawn revolving credit facility		28,000	80,000
Headroom		53,684	115,657

35 Contingent liabilities

Liabilities have been recorded based on the Directors' best estimate of uncertain contract positions, known legal claims, investigations and legal actions in progress. The Group takes legal advice as to the likelihood of the success of claims and actions and no liability is recorded where the Directors consider, based on that advice, that the action is unlikely to succeed. The Group also has contingent liabilities in respect of other issues that may have occurred, but where no claim has been made.

Contingent liabilities may arise in respect of third party claims made against the Group, particularly in respect of the Group's discontinued Allenbuild operation. These claims can include those relating to cladding/legacy fire safety matters, and defects. A provision for such claims is only recognised to the extent that the Directors believe that the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. In future, the extent of the provision could increase or reduce, in line with normal accounting practice if new issues are identified or if estimates change, as the Group and building owners continue to undertake their own investigative works on these and other schemes within the discontinued portfolio.

36 Post balance sheet event

a) Disposal of Walter Lilly & Co Ltd

On 4 October 2024 the Company announced the disposal of Walter Lilly & Co. Limited ("Walter Lilly") with a nominal net cash impact on a cash free/debt free basis to Size Holdings Limited ("Size") (the "Disposal"), a leading provider of premium quality construction, specialist crafts and maintenance services. Size will assume any ongoing liabilities relating to Walter Lilly. The disposal will enhance Group operating margins. Further details are disclosed in Note 14 to these financial statements.

b) Acquisition of Full Circle

On 7 October 2024 the Group announced that it has acquired Full Circle Group Holding B.V. ("Full Circle" or the "Company"), a specialist provider of repair, maintenance and monitoring services for onshore wind turbines in the UK and Europe for a total cash consideration of €60.0m (£50.5m), funded from the Group's existing cash resources and banking facilities (the "Acquisition"). Full Circle was controlled and owned predominantly by AtlasInvest Holding, the Belgian family holding specialised in the energy sector.

Acquisition highlights

- Entry into the highly fragmented onshore wind services market which is forecast to grow at 7.7% CAGR from 2024 to 2030 as both the UK and Europe seek to deliver on their commitments to achieve Net Zero 2050 targets
- Technology-enabled platform providing 24/7 remote maintenance across nine countries from a centralised control centre in Amersfoort, the Netherlands
- Attractive servicing model built on strong customer relationships, with long-term, recurring full-scope contracts (c.7 years average remaining contract duration with c.95% renewal rate)
- Strong financial profile: FY21-23 revenue CAGR of 25%, delivering 14%+ EBIT margins which will be accretive to Group margins
- Excellent revenue visibility for FY25 and beyond with c.85% of Operations and Maintenance (O&M) contracts already secured and a strong pipeline of additional opportunities which gives overall revenue visibility for FY25 of c.75%
- Trans-European presence with c.75% of revenue currently generated through UK operations
- Experienced and committed management team in place to execute growth strategy
- The acquisition is expected to be earnings enhancing to the Group in the first full year of ownership, with ROIC in excess of the Group's cost of capital by the third full year of ownership

Due to the very short timescale since the acquisition, it has been impractical to provide the additional disclosures required under IFRS 3. The fair value exercise for assets and liabilities has not commenced which means that full acquisition disclosures will be presented in the Interim accounts for March 2025.

COMPANY BALANCE SHEET

at 30 September

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	E	469	34
Investments	F	292,242	266,912
		292,711	266,946
Current assets			
Debtors due after one year	G	2,446	2,456
Debtors due within one year	G	25,764	22,331
		28,210	24,787
Creditors: amounts falling due in less than one year	H	(119,054)	(107,123)
Net current liabilities		(90,844)	(82,336)
Total assets less current liabilities		201,867	184,610
Provisions for liabilities and charges	I	(15,049)	(12,947)
Net assets		186,818	171,663
Capital and reserves			
Share capital	K	7,914	7,913
Share premium account		66,419	66,419
Capital redemption reserve		3,896	3,896
Share based payments reserve		1,375	1,267
Profit and loss account		107,214	92,168
Equity shareholders' funds		186,818	171,663

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The profit after taxation for the financial year dealt with in the accounts of the Company was £29,903,000 (2023: £39,503,000).

Approved by the Board and signed on its behalf by:



D.A. Brown
Chairman
25 November 2024

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 September

	2024 £000	2023 £000
Profit for the year	29,903	39,503
Items that will not be reclassified to profit or loss:		
Movement in actuarial valuation of the defined benefit pension scheme	(145)	104
Movement on deferred tax relating to the pension scheme	51	(36)
Total items that will not be reclassified to profit or loss	(94)	68
Total comprehensive income for the year attributable to equity holders of the parent company	29,809	39,571

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Total equity shareholders' funds £000
At 1 October 2022	7,886	66,378	3,896	1,375	65,503	145,038
Transfer from profit and loss account for the year					39,503	39,503
Dividends paid					(13,683)	(13,683)
New shares issued	27	41				68
Recognition of share based payments				669		669
Vested share option transfer				(777)	777	—
Movement in actuarial valuation of the defined benefit pension scheme					104	104
Movement on deferred tax relating to the pension scheme					(36)	(36)
At 30 September 2023	7,913	66,419	3,896	1,267	92,168	171,663
Transfer from profit and loss account for the year					29,903	29,903
Dividends paid					(14,506)	(14,506)
New shares issued	1					1
Recognition of share based payments				707		707
Vested share option transfer				(599)	(257)	(856)
Movement in actuarial valuation of the defined benefit pension scheme					(145)	(145)
Movement on deferred tax relating to the pension scheme					51	51
At 30 September 2024	7,914	66,419	3,896	1,375	107,214	186,818

NOTES TO THE COMPANY ACCOUNTS

A Accounting policies

(i) Basis of accounting

Renew Holdings plc (the "Company") is a company limited by shares and domiciled in the UK.

The accounts have been prepared on the going concern basis and in accordance with FRS 102, under the historical cost convention. In determining that the going concern basis is appropriate the Directors have reviewed the Company's cash flow and operating forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (for the period ending 31 December 2025).

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006. The Company has taken advantage of the Section 408 exemption not to present its individual profit and loss account as it has prepared group accounts.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosure:

- Cash Flow Statement and related notes.

As the consolidated financial statements of Renew Holdings plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- the disclosure required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

A summary of the more important Company accounting policies, which have been applied consistently, is set out below:

(ii) Investments in subsidiaries

Investments in subsidiaries are recorded at cost less provision for impairment.

(iii) Tangible fixed assets

The accounting policy applied by the Company for tangible fixed assets is the same as the policy applied by the Group, which is set out in Note 1.vi Property, plant and equipment to the consolidated financial statements.

(iv) Leasing commitments

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

(v) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. In accordance with FRS 102 "The Financial Reporting Standard", deferred tax is not provided on permanent timing differences. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

(vi) Basic financial instruments – trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

(vii) Related party transactions

Interest is neither recognised nor charged on balances outstanding with fellow subsidiaries as they are repayable on demand. Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(viii) Foreign currencies

The accounting policy applied by the Company for foreign currencies is the same as the policy applied by the Group, which is set out in Note 1.xix Foreign currencies to the consolidated financial statements.

A Accounting policies continued**ix) Employee benefits****Defined benefit pension scheme**

The accounting policy applied by the Company for employee benefits is the same as the policy applied by the Group, which is set out in Note 1.xvi Defined benefit pension schemes to the consolidated financial statements.

Defined contribution pension schemes

A defined contribution scheme is a post-employment benefit scheme under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised in expense in the profit and loss account in the periods during which services are rendered by employees.

Share based payments

The accounting policy applied by the Company for share based payments is the same as the policy applied by the Group, which is set out in Note 1.xxi Share based payments to the consolidated financial statements.

(x) Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

B Profit and loss account

The audit fee charged within the profit and loss account amounted to £320,000 (2023: £227,000).

C Employee numbers and remuneration

	2024 Number	2023 Number
The average monthly number of employees, all of whom were administrative staff including Executive Directors, employed in continuing activities during the year was:	32	29
At 30 September:	32	29

Cost of staff, including Executive Directors, during the year amounted to:

	£000	£000
Wages and salaries	5,440	4,283
Social security costs	865	844
Other pension costs	253	187
Share based payments	707	669
	7,265	5,983

Directors' emoluments

The accounting disclosure for Directors' emoluments by the Company is the same as applied by the Group, and details of aggregate employment costs together with individual Directors' emoluments and pension contributions can be found in Note 6 to the consolidated financial statements.

D Dividends

Details of dividends are set out in Note 8 of the Group's consolidated financial statements.

NOTES TO THE COMPANY ACCOUNTS CONTINUED

E Tangible fixed assets

	Plant, vehicles & equipment £000	Total £000
Cost:		
At 1 October 2023	266	266
Additions	471	471
At 30 September 2024	737	737
Depreciation:		
At 1 October 2023	232	232
Charge for year	36	36
At 30 September 2023	268	268
Net book value:		
At 30 September 2024	469	469
At 30 September 2023	34	34

F Investments

	Subsidiary undertakings £000
Shares at cost:	
At 1 October 2023	392,400
Additions	30,173
Disposals	(4,843)
At 30 September 2024	417,730
Provisions:	
At 1 October 2023	125,488
Provided during the year	—
At 30 September 2024	125,488
Net book value:	
At 30 September 2024	292,242
At 30 September 2023	266,912

Details of the acquisition of Enisca Group Ltd, TIS (Cumbria) Ltd, Route One Holdings (Wakefield) Ltd, and Excalon Holdings Ltd can be found in Note 33 of the Group's consolidated accounts.

During the prior financial year the Group carried out an inter-company loan simplification exercise. Subsidiaries which owed the Company had their balances eliminated through a deemed capital contribution.

Details of subsidiary undertakings are included in Note R.

G Debtors due after one year

	2024 £000	2023 £000
Pension scheme asset (see Note Q)	2,446	2,456
Due within one year:		
Trade debtors	—	1
Due from subsidiary undertakings	7,003	9,240
Corporation tax	17,308	11,629
Other debtors	71	61
Deferred tax (see below)	921	893
Prepayments and accrued income	461	507
	25,764	22,331
	28,210	24,787

Deferred tax

The movement in the deferred tax asset is as follows

	2024 £000	2023 £000
At 1 October	893	1,136
Charged to the profit and loss account	(23)	(207)
Charged to the statement of comprehensive income	51	(36)
At 30 September	921	893

Deferred tax asset

	2024 £000	2023 £000
Defined benefit pension scheme	(858)	(862)
Accelerated capital allowances	17	20
Provisions	1,418	1,418
Share options	344	317
	921	893

H Creditors: amounts falling due within one year

	2024 £000	2023 £000
Bank loans and overdraft (secured)	81,564	86,748
Trade creditors	581	769
Other taxation and social security	1,261	1,469
Due to subsidiary undertakings	29,356	14,928
Corporation tax	—	101
Other creditors	496	248
Accruals	5,796	2,860
	119,054	107,123

The bank loan disclosed above is one of the accounts included in the composite banking arrangement the Group has with HSBC. This arrangement gives the Group a legally enforceable right to set off the balances in these accounts. Furthermore, there is an intention that the Group will settle the year-end balances net, and therefore amounts in these accounts are offset in the Group balance sheet.

NOTES TO THE COMPANY ACCOUNTS CONTINUED

I Provisions for liabilities and charges

	Property obligations £000	Contractors' all risk insurance provision £000	Discontinued operations provision £000	Total £000
At 1 October 2023	338	5,121	7,488	12,947
Additional provision	—	(179)	3,466	3,287
Utilised in the year	—	(247)	(938)	(1,185)
At 30 September 2024	338	4,695	10,016	15,049
Creditors due within one year	—	4,695	10,016	14,711
Creditors due after one year	338	—	—	338
At 30 September 2024	338	4,695	10,016	15,049

The accounting disclosure for provisions for liabilities and charges is the same as that applied by the Group and details can be found in Note 22 to the consolidated financial statements.

Under the terms of the Renew Holdings plc's Group banking agreement, security has been granted over the Company's assets.

J Derivatives and other financial instruments

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Company's financial assets and liabilities.

K Share capital

Details of share capital are set out in Note 24 of the Group's consolidated financial statements.

Details of the share option scheme are set out in Note 25 of the Group's consolidated financial statements.

L Share based payments reserve

Details of the share based payment reserves are set out in Note 25 of the Group's consolidated financial statements.

M Capital and leasing commitments

	Land and buildings £000	Other £000	Total 2024 £000	Total 2023 £000
Annual commitments under non-cancellable operating leases expiring in:				
Under one year	205	23	228	97
Two to five years	1,457	7	1,464	267
	1,662	30	1,692	364

During the year £110,000 (2023: £146,000) was recognised as an expense in the profit and loss account in respect of operating leases.

The Company had no capital commitments at 30 September 2024 (2023: £nil).

N Contingent liabilities

The Company has guaranteed performance bonds in respect of certain contracts and leasing arrangements in the normal course of business of its subsidiary undertakings.

Under the terms of the Group's banking agreement, security over the Company's assets has been granted to the Group's bankers.

The Company is a participant together with a number of subsidiary undertakings in the Group's banking arrangements, and as a result has risks associated with the financial status and performance of the other companies within the Group.

The Company has contingent liabilities regarding discontinued operations which are set out in Note 35 of the Group's consolidated financial statements.

O Defined contribution pension scheme

The Company operates a defined contribution pension scheme with individual stakeholder pension plans for its employees.

The Company made contributions of £251,000 (2023: £187,000) into these plans during the year. There are also £19,000 (2023: £17,000) of accruals relating to these plans.

P Related parties

The Company has a related party relationship with its key management personnel who were Directors of the Company during the year: P Scott, AP Liebenberg, SC Wyndham-Quin, DA Brown, SD Dasani, SA Hazell and E Barber, whose total compensation amounted to £3,360,000 (2023: £4,254,000) all of which was represented by short-term employment benefits, including £822,000 (2023: £1,757,000) relating to share options exercised during the year. An analysis of this compensation is given in Note 6 of the consolidated accounts.

There were no other transactions with key management personnel in the year.

Q Employee benefits: retirement benefit obligations

Details of the Lovell defined benefit scheme are set out in Note 28 of the Group's consolidated accounts.

R Subsidiary undertakings

Renew Holdings plc acts as the holding company of the Group. The principal activity of the Group during the year was as contractors in Engineering Services. The subsidiary undertakings and joint ventures are listed below.

Subsidiary undertakings and joint ventures		Incorporation and principal place of business	Proportion of Ordinary Shares held by the Company
Audited trading subsidiaries			
Clarke Telecom Ltd	Owned by Renew Holdings plc	England and Wales	100%
Involve Infrastructure Ltd	Owned by Renew Holdings plc	England and Wales	100%
QTS Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Fleet Management Ltd	Owned by Renew Holdings plc	England and Wales	100%
Shepley Engineers Ltd	Owned by Renew Holdings plc	England and Wales	100%
V.H.E. Construction PLC	Owned by Renew Holdings plc	England and Wales	100%
Amalgamated Construction Ltd	Owned by subsidiary	England and Wales	100%
Britannia Construction Ltd	Owned by subsidiary	England and Wales	100%
Carnell Support Services Ltd	Owned by subsidiary	England and Wales	100%
Enisca Ltd	Owned by subsidiary	Northern Ireland	100%
Enisca Browne Ltd	Owned by subsidiaries*	Northern Ireland	100%
Excalon Ltd	Owned by subsidiary	England and Wales	100%
J Browne Construction Ltd	Owned by subsidiary	England and Wales	100%
J Browne Plant Ltd	Owned by subsidiary	England and Wales	100%
Kemada Ltd	Owned by subsidiary	England and Wales	100%
Motrol Ltd	Owned by subsidiary	Northern Ireland	100%
Pine Plant Ltd	Owned by subsidiary	England and Wales	100%
Profitec Solutions Ltd	Owned by subsidiary	Northern Ireland	100%
P.P.S. Electrical Ltd	Owned by subsidiary	England and Wales	100%
QTS Training Ltd	Owned by subsidiary	Scotland	100%
Rail Electrification Ltd	Owned by subsidiary	Scotland	100%
Route One Infrastructure Ltd	Owned by subsidiary	England and Wales	100%
Route One Holdings (Wakefield) Ltd	Owned by subsidiary	England and Wales	100%
Seymour (Civil Engineering Contractors) Ltd	Owned by subsidiary	England and Wales	100%
TIS (Cumbria) Ltd	Owned by subsidiary	England and Wales	100%
West Cumberland Engineering Ltd	Owned by subsidiary	England and Wales	100%
Trading subsidiaries exempt from audit under Section 479A of the Companies Act 2006			
Amco Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Amco Group Ltd	Owned by subsidiary	England and Wales	100%
Carnell Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Enisca Group Ltd	Owned by Renew Holdings plc	Northern Ireland	100%
Enisca Site Services Ltd	Owned by subsidiary	Northern Ireland	100%
Excalon Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
'Hire One' Ltd	Owned by subsidiary	England and Wales	100%
J Browne Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Seymour (C.E.C.) Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Homes Ltd	Owned by Renew Holdings plc	England and Wales	100%
Giffen Holdings Ltd	Owned by subsidiary	England and Wales	100%
Giffen Group Ltd	Owned by subsidiary	England and Wales	100%
J Browne Developer Services Ltd	Owned by subsidiary	England and Wales	100%

NOTES TO THE COMPANY ACCOUNTS CONTINUED

R Subsidiary undertakings continued

Subsidiary undertakings and joint ventures		Incorporation and principal place of business	Proportion of Ordinary Shares held by the Company
Trading subsidiaries exempt from audit under Section 479A of the Companies Act 2006 continued			
KMD Holdings Ltd	Owned by subsidiary	England and Wales	100%
Kemada Project & Contract Services Ltd	Owned by subsidiary	England and Wales	100%
Dormant subsidiary undertakings			
Britannia Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Clarke EV Ltd	Owned by Renew Holdings plc	England and Wales	100%
Inhoco 3520 Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Civil Engineering Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Corporate Director Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Nominees Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Pension Trustee Company Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Property Developments Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Group Services	Owned by Renew Holdings plc	England and Wales	100%
YJL Pension Scheme Trustee Company Ltd	Owned by Renew Holdings plc	England and Wales	100%
Amco Giffen Ltd	Owned by subsidiary	England and Wales	100%
Cloanex Ltd	Owned by subsidiary	England and Wales	100%
Geodur UK Ltd	Owned by subsidiary	England and Wales	100%
Nuclear Decontamination Services Ltd	Owned by subsidiary	England and Wales	100%
QTS Rail Ltd	Owned by subsidiary	Scotland	100%
QTS Specialist Plant Services Ltd	Owned by subsidiary	Scotland	100%
Renew Construction Ltd	Owned by subsidiary	England and Wales	100%
Renew Specialist Services Ltd	Owned by subsidiary	England and Wales	100%
RouteOne Highways Ltd	Owned by subsidiary	England and Wales	100%
Route One Rail Ltd	Owned by subsidiary	England and Wales	100%
VHE (Civil Engineering) Ltd	Owned by subsidiary	England and Wales	100%
VHE Technology Ltd	Owned by subsidiary	England and Wales	100%
Inject-O-Matic Guarantee Ltd	Owned by subsidiary	England and Wales	29%
Trading audited joint ventures			
Blackwater Plant Hire Ltd	Owned by subsidiary	England and Wales	50%
Cappagh Browne Utilities Ltd	Owned by subsidiary	England and Wales	50%
Cappagh Browne Ltd	Owned by subsidiary	England and Wales	50%

Walter Lilly & Co Ltd was sold on 4 October 2024 (see Note 14 for further details).

DIRECTORS, OFFICERS AND ADVISORS

Directors

D A Brown	(Non-executive Chairman)
P Scott	(Chief Executive Officer)
S C Wyndham-Quin	(Chief Financial Officer)
S D Dasani	(Independent non-executive)
S A Hazell	(Independent non-executive)
L Barber	(Independent non-executive)
A P Liebenberg	(Executive Director)

Registrars

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditor

Ernst & Young LLP
12 Wellington Place
Leeds
LS1 4AP

Financial PR

FTI Consulting
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Nominated advisor and broker

Deutsche Numis
45 Gresham Street
London
EC2V 7BF

Peel Hunt LLP
100 Liverpool Street
London
EC2M 2AT

Company Secretary

S Wyndham-Quin

Company number

650447

Registered address

3125 Century Way
Thorpe Park
Leeds
LS15 8ZB

Website address

www.renewholdings.com

SHAREHOLDER INFORMATION

Annual General Meeting	27 January 2025
Results	Announcement of interim results – May 2025 Preliminary announcement of full year results – December 2025

Signal Shares

Signal Shares is a secure online site where you can manage your shareholding quickly and easily. To register for Signal Shares just visit www.signalshares.com.

Dividend Re-investment Plan

Link's Dividend Re-investment Plan offers a convenient way for shareholders to build up their shareholding by using dividend money to purchase additional shares. For more information please call +44 (0)371 664 0381 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email shareholderenquiries@linkgroup.co.uk or log on to www.signalshares.com.

Donate your shares to charity

If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 1052686). Find out more at www.sharegift.org or by telephoning 020 7930 3737.

Share fraud warning

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls typically come from fraudsters operating in "boiler rooms" that are mostly based abroad. If you are offered unsolicited investment advice you should:

- Check the Financial Services Register at www.fca.org.uk to ensure they are authorised.
- Call the FCA Consumer Helpline on 0800 111 6768 or use the share fraud reporting form at www.fca.org.uk/scams.

If you use an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme ("FSCS").

Link's customer support centre

By phone +44 (0)371 664 0300 (calls are charged at the standard geographical rate and will vary by provider). Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. By email Shareholderenquiries@linkgroup.co.uk.

OUR SUBSIDIARY BUSINESSES

AmcoGiffen

Whaley Road
Barugh
Barnsley
South Yorkshire
S75 1HT
Tel: 01226 243 413

Clarke Telecom

Unit E
Madison Place
Northampton Road
Manchester
M40 5AG
Tel: 0161 785 4500

Envolve Infrastructure

Mwyndy Cross Industries
Cardiff Road
Pontyclun
Rhondda Cynon Taff
CF72 8PN
Tel: 01443 449 200

QTS

Rench Farm
Drumclog
Strathaven
South Lanarkshire
ML10 6QJ
Tel: 01357 440 222

Seymour Civil Engineering

Seymour House
Harbour Walk
Hartlepool
TS24 0UX
Tel: 01429 233 521

Shepley Engineers

The Old Town Hall
Duke Street
Whitehaven
Cumbria
CA28 7NU
Tel: 01946 599022

Carnell

Gothic House
Market Place
Penkridge
Staffordshire
ST19 5DJ
Tel: 01785 715 472

Browne

Meelin House
Unit 1–2 Pavilion Business Centre
6 Kinetic Crescent
Enfield
EN3 7FJ
Tel: 020 3300 0033

Full Circle

Heliumweg 38
3812 RE Amersfoort
The Netherlands
Tel: 0845 5280255

Excalon

Duncan Street Depot
Duncan Street
Salford
England
M5 3SQ
Tel: 0161 877 1300

Renew Holdings plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Indigo Arena Extra White Smooth, an FSC® certified material. This document was printed by Pureprint Group using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment. The printer is a CarbonNeutral® company.

Both the printer and the paper mill are registered to ISO 14001.

Renew Holdings plc
3125 Century Way
Thorpe Park
Leeds
LS15 8ZB
tel: 0113 281 4200
fax: 0113 281 4210
web: www.renewholdings.com
Company Number: 650447
Registered in England & Wales

