
John Graham Holdings Limited
Report and Financial Statements
31 March 2025

Directors

Michael E J Graham
Andrew K Bill
Colin J Graham
Robin N Graham
David S Watters
Courtney P McCormick
Jonathan Hall (appointed 15th of May 2025)

Auditors

Ernst & Young LLP
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Bankers

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Registered Number

NI 057921

REGISTERED No. NI 057921

Strategic Report

The directors present their Strategic Report for the year ended 31 March 2025.

Principal activities and review of the business

John Graham Holdings Limited and its subsidiary undertakings (“the Group”) are engaged in building, civil engineering, interior fit-out, facilities management, development management, and investment services. The Group operates across the UK and Ireland, delivering complex infrastructure and built environment solutions through a range of specialist business units.

Business review

The financial year ended 31 March 2025 was marked by strong operational and financial performance. The Group reported revenue of £1,056 million (2024: £1,125 million) and a 71% increase in profit before tax to £25.2 million (2024: £14.8 million). This growth reflects disciplined contract selection, robust commercial management, and continued investment in strategic capabilities.

The Group secured several high-profile project wins across its construction, facilities management, and investment divisions, including:

- A £90 million D3 Deep-Water Terminal for Belfast Harbour Commissioners, the largest single capital investment in the Harbour’s history.
- A £630m framework appointment by Belfast City Council as its long-term private sector partner to deliver a pipeline of residential-led, mixed-use developments across multiple city centre sites.
- A £124.5 million student accommodation scheme at Central Quay, Glasgow, awarded by Unite Students, delivering 934 beds and targeting BREEAM “Excellent” certification.
- A £100 million mixed-use development in Leeds (Dyecoats), delivering 434 homes and public realm improvements.
- A £75 million Marine Lake Events Centre in Southport.
- A £69 million residential scheme in Stratford, East London.
- Inclusion in National Highways’ multi-billion-pound road renewals framework.
- Graham Asset Management secured a five-year strategic partnership with Solihull Metropolitan Borough Council to deliver hard facilities management services under the council’s long-standing property services and maintenance alliance.

Despite a modest reduction in revenue, profitability and cash generation improved significantly, underpinned by strong governance and a focus on value creation.

Strategic Report (continued)

Business review (continued)

Innovation is central to the Group's long-term competitiveness. We continue to invest in digital construction technologies, including:

- Building Information Modelling (BIM) for enhanced design coordination and risk reduction.
- Digital project controls to improve cost, time, and quality management.
- Data analytics to support decision-making and performance benchmarking.
- Modern Methods of Construction (MMC) to improve efficiency, reduce waste, and support sustainability goals.
- We are also exploring the use of AI-driven planning tools, digital twins, and offsite manufacturing to further enhance productivity and reduce carbon impact.

Looking ahead, the Group will continue to focus on:

- Sustainable construction, fit-out and infrastructure delivery across the UK and Ireland.
- Expanding our presence in our key markets and sectors.
- Strengthening our strategic partnerships with public and private sector clients.
- Investing in people, digital capability, and ESG leadership to drive long-term value.

With a record order book, a robust pipeline of opportunities, and a strong financial position, the Group is well placed to deliver controlled growth and lasting impact.

Financial performance

The directors have determined that the following financial indicators are the most effective measures of progress towards achieving the Group's objectives.

	2025	2024
	£000	£000
Group turnover	1,055,932	1,124,651
Profit before taxation	25,234	14,771
Cash at bank and in hand	<u>192,480</u>	<u>150,843</u>

The Group's financial results for FY2025 reflects a resilient performance. While turnover decreased by 6% year-on-year, profitability improved substantially, with gross profit rising to £73 million (2024: £62 million) and profit before tax increasing to £25.2 million (2024: £14.8 million).

The Group's strong cash position of £192.5m (2024: £150.8m) and balance sheet provide a solid foundation for future investment and strategic development.

The directors regard the results as satisfactory.

Strategic Report (continued)

Principal risks and uncertainties

There are many risks that can adversely affect the Group and if not adequately managed they have the potential to seriously damage both our financial performance and reputation. The directors recognise that consistent and effective risk management is vital to the delivery of our business strategy. The Board has overall responsibility for risk management and for ensuring that appropriate controls and audit systems are in place. Through the GRAHAM Risk Management System, it is responsible for ensuring sufficient internal controls and the timely identification, evaluation, and management of risks.

The Board of Directors has established a Risk Management Group with delegated responsibility for promoting and embedding a culture of risk awareness and assisting the Board in implementing the Risk Management System and associated policies and procedures. The Risk Management Group meets bi-annually to assess the current risk landscape of the Group. The key risks which management face are detailed as follows:

Health, Safety and Environment

The Group's activities are significant and complex which require the continuous monitoring and management of health, safety, and environmental risks. Failure to manage these risks could result in serious harm to employees, subcontractors, the public or the environment and could expose the Group to significant potential liabilities and reputational damage.

The Group is committed to ensuring a safe working environment. These risks are managed by the Group through the strong promotion of a health and safety culture and well-defined health and safety policies and procedures. Additionally, each operating Company has experienced Health and Safety professionals who provide support and advice and undertake regular onsite audits.

Markets

The Group's business plan is based upon securing and delivering revenues from both public and private sector clients across the UK and Ireland. The viability of this model is inherently sensitive to political developments, shifts in government policy, and evolving market dynamics. Any such changes may result in the deferral, reduction, or cancellation of current or prospective projects by our clients.

In addition to domestic factors, the Group remains alert to broader geopolitical developments. The reintroduction of US tariffs and the escalation of global trade tensions have the potential to disrupt international supply chains, increase the cost of imported materials, and create volatility in commodity pricing. These pressures, combined with ongoing uncertainty in global markets, may adversely affect the UK construction industry, particularly in terms of procurement and project cost management.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Markets (continued)

Market fluctuations may also impact the financial resilience of our supply chain, increasing the risk of supplier insolvency or performance failure. Such outcomes could compromise our ability to deliver projects on time and within budget.

To mitigate these risks, the Group continues to diversify its operations across a broad range of sectors and geographies within the UK and Ireland. This approach is designed to reduce reliance on any single market segment and to enhance resilience against sector-specific downturns. We remain focused on maintaining a balanced portfolio of public and private sector work, with a strategic emphasis on markets demonstrating long-term stability and growth potential.

Inflation

Following the inflationary surge that accompanied the post-pandemic recovery and the geopolitical shock of the Russian invasion of Ukraine, inflationary pressures in the UK have largely moderated, supported by falling energy prices and improved supply chains. The Bank of England has begun lowering interest rates, with the base rate at 4.5% as of early 2025, down from its 2023 peak of 5.25%.

Despite this broader stabilisation, inflationary risk persists in specific areas. Tender price inflation continues to be driven primarily by labour cost pressures and ongoing skills shortages. While material price volatility has eased, energy-intensive products such as cement and steel remain susceptible to global energy market fluctuations. To manage these risks the Group works with clients through a two-stage tendering process to establish design certainty. This allows for a significant level of procurement to be completed alongside the contract signing.

Construction companies operate on low margins, making them particularly sensitive to both inflation and borrowing costs. The Group is well positioned to manage these risks through its strong cash reserves, built up through retained earnings and prudent working capital management. This financial resilience reduces reliance on external borrowing and mitigates the direct impact of interest rate fluctuations.

Inflationary risk is actively monitored by the Group's operating companies as part of the tender adjudication process. In addition, robust financial due diligence is undertaken for both clients and key supply chain partners to ensure early identification of potential vulnerabilities.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Environmental, Social and Governance (ESG)

A company's true impact is reflected in what it delivers, how it manages its environmental responsibilities, the way it recruits and develops people, its respect for rights and values and its investment in the wider community. ESG considerations are playing an increasingly central role in shaping the expectations of clients and employees. Stakeholders are placing greater emphasis on ethical conduct, environmental responsibility, and social value, and expect organisations to demonstrate clear and measurable progress in these areas.

The ability to attract and retain skilled talent is now closely linked to a company's ESG performance. Today's workforce is drawn to employers with a clear purpose and a commitment to making a positive impact. The Group recognises this shift and is embedding ESG principles across its operations to remain competitive and future-focused.

In line with its vision of *Delivering Lasting Impact*, the Group is expanding its ESG Strategic Programme, strengthening governance, improving environmental performance, and deepening community engagement. In May 2025, the Group enhanced its ESG leadership by appointing a Group Director of ESG, reflecting its commitment to embedding ESG principles at the highest level of strategic decision-making. More than ever, we are committed to truly sustainable business practices, where the design, coordination, and control of our operations, and those of our trusted supply chain partners, make a positive impact on the environment, society, and the economy.

Achieving Net Zero

As GRAHAM continues its transition towards low-carbon materials, technologies, products, and services in pursuit of its ambitious net zero targets, the following risk areas emerge:

- **Evolving policy and regulation:** Climate-related legislation is becoming increasingly stringent, potentially restricting activities with higher carbon impacts and requiring continuous adaptation to remain compliant.
- **Skills and capability gaps:** The deployment of low-emission technologies and sustainable construction methods may require upskilling of existing staff and recruitment of new talent with specialist expertise.
- **Capital investment requirements:** Transitioning to low-emission plant and equipment may necessitate higher upfront capital expenditure than traditional alternatives.
 - Market positioning: A growing demand from clients for Net Zero construction sites, buildings, and infrastructure means that failure to align with these expectations could result in missed opportunities and reduced competitiveness.
- **Cost pressures:** The adoption of lower-carbon materials and technologies can involve increased initial costs, which may impact project margins if not carefully managed.

The Group has set ambitious net zero targets and is committed to achieving these. The Group employs a team of subject matter experts who work collaboratively with senior management and operational teams to manage these risks and drive forward the net zero agenda.

Strategic Report (continued)

Work Winning

The Group's operating companies seek to win profitable work through a large number of bids each year. Often the work that is tendered is complex and over a long term with significant risks. There is a risk that the tender assumptions are incorrect or that the risks of the tender have not been fully considered. If tenders are under-priced and successful, this will lead to poor financial performance and potential reputational damage. If tenders are over-priced this could lead to a low volume of wins which will have a negative impact on the order book. To manage this risk the Group has moved towards two-stage tendering which allows for the price to be developed with the design so that both contractor and client get a greater level of certainty before signing the contract. For many opportunities GRAHAM will enter into a pre-contact service agreement with customers to help develop the project.

The Group has set out its appetite for the amount of exposure it is willing to accept in regions and sectors through business planning sessions. The commercial expectations in respect of margin, risk, contract terms etc. also form part of the business planning process and are discussed at business unit management board meetings. All bids are subject to rigorous estimating and tendering 'Go/No Go' gateway procedures within a defined framework.

Delivery

The Group is engaged in a wide number of complex construction, facilities management, and interior fit-out projects at any one time across the UK and Ireland. Given the diverse nature of the Group, it is exposed to a variety of projects which are reliant on effective operational and commercial procedures and controls being implemented and maintained. The business is reliant on its staff to make complex, technical, and commercial judgements and estimates regarding, cost, value, progress, and outcomes. If these risks are not managed effectively, the Group may suffer losses, delays, and potential reputational damage.

Each Operating Company has an operating structure, policies and procedures designed to address the risks inherent in project delivery. Each project undertaken is subject to regular management review, this includes rigorous and regular review of the forecast revenue and costs to complete, with progress monitored and steps put in place to address specific risks identified on those projects. Comprehensive management review, the risk management system, independent internal audits, and customer feedback are all key controls in ensuring successful project delivery.

Supply Chain

As a business, our success depends heavily on our ability to appropriately manage our supply chain. Failure to do this could result in project delivery issues, compliance issues and strained customer relationships, ultimately leading to damage to the Group reputation and financial penalties.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Supply Chain (continued)

Global supply chains remain under pressure due to ongoing geopolitical instability, including the continuing impacts of the Russia–Ukraine conflict and the Israel–Gaza crisis. In addition, recent changes to US trade policy and tariffs have introduced further uncertainty. These factors, combined with residual post-Brexit trade complexities, have contributed to material cost volatility, extended lead times, and increased administrative burdens. Despite these global factors the Group has been able to manage its supplies through early procurement and placing sub-contracts at the time of contract award to manage these risks.

Robust supply chain management procedures ensure the Group is aware of potential issues on a timely basis and can put in place mitigating measures to minimise the impact on our projects. The Group seeks to develop long-term relationships with its key subcontractors whilst at the same time not becoming over-reliant on any particular one for the delivery of certain services. As part of its selection criteria, the Group seeks to work with subcontractors /suppliers who share its values. The evolution of supply chain management policy and procedures remains a priority in all Operating Companies.

Finance

The Group is able to operate through the cash reserves which have been built up through retained profits and management of working capital. Given the growth within the Group, it is important that strong finances are in place and that key financial risks are managed. If the business does not have sufficient working capital, then it will be unable to meet its contractual obligations to make payments. The Group depends on appropriate, accurate and timely financial information to manage the business effectively; if there is lack of visibility then poor decisions can be made.

The Group continually reviews its financial position to ensure there are sufficient resources to meet current and potential future operational demands. Investment in financial reporting systems has improved the visibility and speed at which information is made available.

Systems

The efficient operation of the Group is increasingly dependent on the proper operation, performance, and development of its IT systems. Failure to manage, integrate or successfully implement changes in IT systems could result in a loss of control over critical business information and/or systems. This in turn could impact the Group's ability to fulfil its contractual obligations.

Cybercrime continues to pose a significant threat to the Group, with risks ranging from targeted attacks by hackers seeking to steal data or disrupt operations, to unintentional incidents such as employee error, lost devices, or falling victim to phishing attempts. These threats vary in form and severity but share the potential to compromise sensitive information. A breach of information security could result in reputational damage, regulatory scrutiny, financial loss, and potential legal claims.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Systems (continued)

Robust controls and procedures are in place to effectively monitor our systems for ongoing performance and external threats. The Group has in place a comprehensive IT Disaster Recovery Plan, which is routinely tested to ensure it remains fit for purpose. Robust data protection policies and procedures are in place which comply with the Data Protection Act 2018. All staff have been provided with appropriate training on information and personal data security.

Compliance

As a major employer and contractor, we must comply with the complex and developing legal and regulatory frameworks in areas such as:

- Health and safety
- Building Safety Act
- The Companies Act
- Taxation
- Fraud, bribery, and corruption
- Modern Slavery Act
- Criminal Finances Act
- Payment Practices and Performance Reporting
- Gender Pay Gap Reporting
- Data Protection Act

It is essential that we can evidence our compliance to avoid the material financial and reputational impacts associated with non-compliance.

The Group monitors and responds to legal and regulatory developments applicable to the markets in which it operates. Detailed policies and procedures exist to minimise risks and are subject to review and monitoring by Operating Companies and Group. Where considered appropriate, staff will be provided with training on such regulatory requirements, to ensure policies procedures and expected behaviours are clearly understood.

Financial instruments

The Group's principal financial instruments comprise cash, trade debtors and creditors, bank loans and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below:

– *Foreign currency risk*

The Group is not materially exposed to significant foreign currency risk on retranslating the balance sheet of its foreign subsidiaries.

Part of the Group's activities purchases are made from overseas suppliers.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Financial instruments (continued)

– *Credit risk*

Credit risk arises principally on third party derived revenues. Group policy is aimed at minimising such risk and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures or who pay in advance of transfer of title or supply an appropriate letter of credit

– *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's liquidity risk is managed by Group directors through a tightly controlled cash management process. Regular reviews of available facilities are carried out along with long term cash projections to ensure sufficient liquidity is available.

– *Interest rate risk*

The Group is exposed to movements on interest rates through the external bank loans with variable interest rates upon which interest is charged at the relevant banks base rate plus a margin. The directors monitor the interest rate forecast and fixed interest options available.

– *Market price risk*

Market price risk arises when changes in market prices have an adverse effect on financial instruments. Due to the nature of their principal activity the directors believe the Group is not exposed to significant market price risk.

Strategic Report (continued)

Section 172 Companies Act 2006 Statement

In the decisions taken during the year ended 31 March 2025, the Board of Directors of John Graham Holdings Limited believe they have acted in the way they consider, in good faith, and most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006).

This statement sets out how the Directors comply with the requirements of Section 172 of the Companies Act 2006.

Role of the Board

The Board are the custodians of the business, with a responsibility to create and sustain long-term value for our shareholders and stakeholders by directing its affairs and meeting their legitimate interests. The Board clearly understands the correlation between good corporate governance, healthy stakeholder relations, effective communication and the alignment of corporate goals with stakeholders' expectations and aspirations.

Dedicated to the protection of the environment, our work connects communities, builds a better future and transforms and maintains the places where we live, work and relax - it delivers lasting impact. Underpinning this guiding principle, the Board are committed to ensuring that our values of performance, transparency, collaboration, respect and innovation are upheld, thereby maintaining our competitive advantage and protecting long term value.

In fulfilling the Boards principal responsibility, our business strategy is reviewed on an annual five-year rolling basis, with half-yearly reviews as part of the business planning process. Prior to the commencement of each new financial year, the Group business units will establish their own business plans which will be reviewed and approved by the Board, ensuring they align to the strategic vision, aims and objectives of the Group.

These plans keep the business focused on both the upcoming year and the outer following four years, and is a key part of developing future needs and driving business improvements.

External impacts

The Board fully understands that the impact of our operations is measured not just in the quality of the project delivered but in the longer-term impact on the environment, communities and people. At GRAHAM we are committed to working in support of the UN "United Nations" Sustainable Development Goals (SDGs) – a global blueprint to achieve a better and more sustainable future for all. Our focus is on positively influencing the SDGs most applicable to us in our role as a leading national contractor.

Strategic Report (continued)

Section 172 Companies Act 2006 Statement (continued)

Our Employees

The Board understands the importance of our employees to the long-term success and sustainability of the business. As the first Group with a company to simultaneously achieve Investors in People (IiP) Platinum and Wellbeing accreditations, we invest in our people, develop the whole person, and provide a platform for everyone to excel using the IiP framework for effective communication with our workforce.

At GRAHAM we understand that wellbeing is pivotal to effective personal performance. Using our award winning CONNECT programme as the cornerstone of wellbeing the Board believe we have an innovative whole person development programme designed to help our workforce take control and shape their personal career path. The Board regularly communicates with employees, this includes annual staff briefings, which allows us to update the workforce on the Group's performance and on our plans and objectives for the year ahead. These briefings are organised on a divisional basis in group sizes that afford opportunity for two-way engagement and dialogue.

An internal intranet provides a source of information and news for the workforce collated in one place. This is supplemented with the introduction of software tools which further facilitates collaboration and two-way communication.

Our Clients and Supply Chain

The Board believe that working in partnership with our clients, community stakeholders and supply chain in a more sustainable way enables us to find practical, safer methods of operating, which deliver improved performance and best value for clients.

For our clients this means well-resourced Framework and Project Teams, understanding our clients' own strategic objectives and working collaboratively to deliver best value outcomes.

For supply chain partners this means a continual development of our Supply Chain Management Programmes, promoting and creating business opportunity through Regional "Meet the Buyer" events, SME business mentoring and resource support in the development of Regional and Project Skills Academies.

Strategic Report (continued)

Section 172 Companies Act 2006 Statement (continued)

Local Communities

The Board are cognisant of the effect our operations have upon local communities, and we aim to reduce the impact our operations have on local communities and make a positive contribution to the communities within which we work. This includes minimising disruption; fostering local involvement and enterprise using local labour, equipment, materials, and supply chain partners; engaging effectively with the local community by proactively communicating and encouraging feedback about our operations; supporting educational initiatives and encouraging staff to share knowledge and skills within the wider community.

On behalf of the Board on the 30th of June 2025



Courtney McCormick
Director

REGISTERED No. NI 057921

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2025.

Results and dividends

The Group demonstrated a satisfactory performance for the year ended 31 March 2025. The Group profit for the year after taxation amounted to £19.1m (2024 – profit of £11.3m). The Directors do not recommend a final dividend (2024 – £nil). Retained earnings carried forward are £98.0m (2024 – £83.7m). During the year dividends of £5.643m were proposed and paid (2024 – £6.275m).

Future developments

The Group maintains robust performance, prioritising quality delivery. Despite economic challenges due to inflationary pressures, our core markets in the UK remain strong. We adhere to a policy of selective bidding, focusing on strategic partnerships and framework development. Our divisional strength, sectoral expertise, and regional presence contribute to a well-balanced service offering. These efforts are supported by a healthy forward order book.

Moving forward, the Group will diligently collaborate with clients to ensure high-quality projects while maintaining cost-effective solutions. Our focus on operational efficiency will drive controlled growth.

Going concern

The group is in a strong financial position with net current assets of £106m and cash of £192m at 31 March 2025 and significant opportunities for growth in the future.

The directors have considered the effect of the high inflationary pressures in the short and medium term on the group and company as part of the budgeting and forecasting cycle of the business, and a corresponding base case cashflow forecast has been prepared and reviewed. This base case forecast has been sensitised to consider plausible downside scenarios as a result of any major event that would lead to a reduction in revenues.

After making enquiries and carrying out a review of these forecasts, the directors are satisfied that the group and company has sufficient cash and liquidity headroom to enable it to meet its obligations as they fall due for the period to 30 September 2026 and therefore a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors' Report (continued)

Directors

The directors who served the Group during the year were as follows:

Michael E J Graham
Andrew K Bill
Courtney P McCormick
Colin J Graham
Robin N Graham
David S Watters
Jonathan Hall (appointed 15th of May 2025)

Directors' Indemnity

John Graham Holdings Limited maintains directors' and officers' liability insurance which provides appropriate coverage for any legal action brought against the directors and officers of the group.

Political and charitable contributions

During the year the Group made no political contributions.

The Group believes in contributing to the well-being of communities in which we operate and as part of this commitment we assist employees undertaking sponsored activities and we encourage business units to run charitable fundraising events that are important to the area or to the individuals concerned.

Employee involvement

Information concerning employees and their remuneration is given in the notes to the financial statements.

During the year the Group has maintained the practice of advising employees about current activities and progress by various methods including Group wide staff briefings on the Group strategy and in-house publications.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Special attention is given to training, health and safety and the employment of disabled persons including where existing employees become disabled.

Directors' Report (continued)

CLIMATE RELATED FINANCIAL DISCLOSURES

GRAHAM is a strong advocate of Climate-related Financial Disclosures (CFD) reporting, recognising its potential to create a positive impact against the backdrop of the climate crisis.

In this report we detail our climate-related financial disclosures consistent with all the CFD disclosures and recommendations. The report details GRAHAM's governance arrangements with respect to climate related risk and opportunity and outlines how these are incorporated into our business strategy and risk management processes.

This disclosure takes account of Department for Business, Energy and Industrial Strategy (BEIS) guidance set out in the February 2022 "Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs" publication.

This is GRAHAM's second year reporting under the requirements, we expect the content of subsequent CFD reports to continue to evolve in line with the availability of climate-related data and the transition momentum.

A summary table aligned to both Taskforce for Climate-Related Financial Disclosures (TCFD) recommendations and UK CFD requirements has been provided below to help signpost where compliance has been demonstrated within this report.

Directors' Report (continued)

CFD Requirements	TCFD Recommended disclosures	Page
<p>GOVERNANCE</p> <ul style="list-style-type: none"> A description of the governance arrangements in relation to assessing and managing climate related risks and opportunities. 	<ul style="list-style-type: none"> Describe the Board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities. 	<p>Page 18-20</p>
<p>RISK MANAGEMENT</p> <ul style="list-style-type: none"> A description of how the company identifies, assesses, and manages climate related risks and opportunities. A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process. 	<ul style="list-style-type: none"> Describe the organisation's processes for identifying and assessing climate-related risks. Describe the organisation's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. 	<p>Page 21-23</p>
<p>STRATEGY</p> <ul style="list-style-type: none"> A description of (i) the principal climate-related risks and opportunities arising in connection with the operations of the company (ii) the time periods by reference to which those risks and opportunities are assessed. A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy. An analysis of the resilience of the business model and strategy of the company, taking into consideration different climate-related scenarios. 	<ul style="list-style-type: none"> Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. Describe the impact of climate-related risks and opportunities on the organisations' business, strategy and financial planning. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 	<p>Page 24-33</p>
<p>METRICS AND TARGETS</p> <ul style="list-style-type: none"> A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and performance against those targets. The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate related opportunities and a description of the calculations on which those key performance indicators are based. 	<ul style="list-style-type: none"> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose scope 1, scope 2, and if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. 	<p>Page 34-35</p>

Directors' Report (continued)

GOVERNANCE

This section describes the governance arrangements within GRAHAM to ensure climate-related risks and opportunities are correctly assessed and managed.

(a) Board oversight

The GRAHAM Board of Directors (the Board) sets the strategic vision and approach for sustainability, including climate action, across the GRAHAM group. The Board holds ultimate oversight and accountability for the action areas, metrics and targets, defined within our Environmental Sustainability Strategy, "Constructing a Sustainable Future". Additionally, the Board is responsible for the overall management of climate-related risks and opportunities.

The Board oversees the identification and management of climate-related risks and opportunities, integrating these considerations into the group's risk management and business strategy.

In May 2025, GRAHAM appointed a Group Director of ESG, whose primary objective is to lead the development and implementation of GRAHAM's ESG strategy. The Group Director of ESG will work closely with the Head of Environmental Sustainability to ensure GRAHAM is positioned to meet its climate commitments.

This marks a pivotal shift in GRAHAM's commitment to ESG at Board level—strengthening governance, improving collaboration to drive the delivery of our SBTi-approved net zero targets.

An ESG Committee, meeting quarterly, supports the Board by overseeing climate risks, opportunities, and broader sustainability actions throughout the business. This committee ensures that sustainable practices and actions are embedded in our business decisions and strategic objectives. The Board reviews quarterly reports from the ESG Committee and provides direction on climate-related priorities and actions.

(b) Management's Role

At management level, day-to-day oversight of climate-related risks and opportunities is led by the GRAHAM Head of Environmental Sustainability, supported by the broader Environmental Sustainability team.

An Environmental Sustainability Working Group, which meets quarterly, includes the Head of Environmental Sustainability, Environmental Sustainability Managers, and operational managers from across the Group. Its purpose is to evaluate climate-related risks and opportunities and to track progress toward the Group's net zero targets. The group's findings are reported to the ESG Committee to inform decision-making and support ongoing improvement.

Directors' Report (continued)

(b) Management's Role (continued)

The GRAHAM Head of Environmental Sustainability monitors and assesses GRAHAM performance against its net zero commitments and targets on an ongoing basis. Reports outlining progress towards achievement of GRAHAM's environmental commitments are provided to the Board and each of the operational divisions / regions monthly, with quarterly updates presented to the ESG Committee.

If a target is at risk, the Head of Environmental Sustainability will escalate this to the ESG Committee and the Board. This allows for timely review and the development of alternative approaches to help ensure the Group remains aligned with its overall climate objectives.

Full details of climate related governance arrangements in place within GRAHAM are included overleaf.

Governance

GRAHAM has embedded a robust Environmental, Social Governance Framework at the centre of our operations.



BOARD OF DIRECTORS

The Board of Directors have overall responsibility for all climate related and environmental sustainability matters.

Key Responsibilities

- Review environmental and climate related risks and opportunities as part of its risk management and business strategy considerations
- Review environmental sustainability and climate related reports from the ESG Committee
- Provide direction in ESG priorities and action



ESG COMMITTEE

A board-level committee that meets quarterly to oversee environmental sustainability across the Group. The committee receives regular updates from the Group Director of ESG, providing insight into progress against targets and alignment of strategic plans.

Key Responsibilities

- Monitor progress against set environmental sustainability and climate related ambitions, plans and targets
- Review and approve environmental sustainability proposals
- Assist in promoting environmental sustainability and climate action throughout all facets of the organisation
- Provide input for identification of TCFD risks and opportunities
- Review and assist in mitigation of climate related risks
- Review and assist in delivery of climate related opportunities
- Oversee and provide direction to the Environmental Team and working groups

ESG Committee Members

- Group Chief Financial Officer
- Group Chief Operating Officer
- Group Director of ESG
- SHE Director
- Group Director of Human Resources
- Director of IT Services
- National Frameworks Director

WORKING GROUPS

The role of the Environmental Sustainability Working Group is to support the delivery of GRAHAM's Environmental Sustainability Strategy by embedding environmental objectives into day-to-day operations and monitoring progress against key targets. All ESG working groups, which are now chaired by the Group Director of ESG, provide regular updates to the ESG Committee on performance metrics, emerging risks and opportunities.

Environmental Sustainability Working Group Members

- Procurement
- HR
- Business Development
- Marketing
- Social Value
- Environment
- Health and Safety



ENVIRONMENTAL TEAM

Key Responsibilities

- Identify and deliver environmental sustainability proposals and initiatives
- Identify and mitigate climate related risks
- Identify and deliver climate related opportunities
- Develop and update environmental sustainability risks and opportunities
- Develop and update TCFD risks and opportunities

Business Unit Governance

An Environmental Sustainability Manager is dedicated toward each operational division and is responsible for providing direction and innovation at all levels within their business unit. Each Environmental Sustainability Manager reports to the leadership team within their business unit, ensuring alignment with organisational priorities and ambitions.



Directors' Report (continued)

RISK MANAGEMENT

This section describes how GRAHAM identifies, assesses, and manages climate related risks and opportunities.

Responsibility for managing climate-related risks at GRAHAM is shared across all levels of the organisation. The Board of Directors holds overall accountability, setting the strategic direction and overseeing performance through regular review of climate-related risks and opportunities.

Operational oversight is led by the Head of Environmental Sustainability, who monitors progress against targets, reports to the ESG Committee and senior leadership, and escalates risks where necessary.

Responsibility also extends across the wider business. All employees are expected to be aware of climate-related risks relevant to their roles, supported by training and project-level tools such as Environmental Sustainability Action Plans and Energy and Carbon Management Plans.

This integrated approach ensures that climate risks are identified early, addressed effectively, and embedded in decision-making throughout the organisation.

(a) Processes for identifying and assessing climate related risks

We recognise that by integrating the consideration of climate-related risks into our overall risk management framework, we will be better equipped to handle longer-term uncertainties.

Our processes for identifying and assessing climate related risks across our business operations includes:

- The GRAHAM Risk Management Group convenes a specific workshop on climate risk at least once per annum.
- During each workshop, climate-related risks and opportunities across our value chain are identified. To assist with the risk identification, a range of different time horizons and physical and transitional climate related scenarios are considered.
- Once risks have been identified, they are prioritised through an impact-likelihood rating
- Consideration is given to how each potential risk may impact financially and upon business activities and strategy.

Directors' Report (continued)

(a) Processes for identifying and assessing climate related risks (continued)

The following time horizons have been defined for the purpose of outlining our climate-related risks and opportunities.

Short Term	Medium Term	Long Term
Less than 12 Months	1 to 5 years	5 to 10 years

Aligned with the GRAHAM risk scoring matrix, the risk likelihood descriptors used to assess the likelihood of climate related risks are as follows:

Unlikely	Remote	Possible	Probable	Almost Certain
Highly unlikely	Not expected	Might occur	Strong possibility of occurrence	Very likely

GRAHAM have quantified the potential financial impact of climate related risk and opportunity on the business using the following categories.

Minor	Moderate	Significant	Major	Critical
Negligible Financial loss	Minor Financial loss	Significant Financial loss	Major Financial loss	Severe Financial loss

The following outputs are recorded within the GRAHAM Climate related risk register

- i. Description of the risk
- ii. Time horizon
- iii. Impact-likelihood rating
- iv. Potential financial impact rating
- v. Mitigation
- vi. Risk Owner

(b) Processes for managing climate related risks

Our comprehensive process of managing climate related risks centres on being risk aware and making decisions to mitigate, transfer, accept or control the identified risks. We ensure that appropriate responses to our key climate-related risks and opportunities are formulated and that risk owners are identified to ensure that appropriate risk management action is followed through.

GRAHAM integrates climate risk management into project delivery through structured planning, targeted actions, and continuous monitoring:

Directors' Report (continued)

(b) Processes for managing climate related risks (continued)

- Site-Specific Planning: Each project begins with a tailored Environmental Sustainability Action Plan (ESAP) and an Energy and Carbon Management Plan. These identify opportunities for emissions reduction and outline specific mitigation measures.
- Carbon Reduction Measures: Projects contribute to GRAHAM's 12.5% annual GHG reduction target through:
 - Early grid connections to reduce generator use.
 - Deployment of solar PV, battery storage, and low-emission plant.
 - Use of alternative fuels like HVO.
 - Load profiling, energy-efficient cabins, and low-carbon lighting.
- Digital Monitoring: Digital tools are used to track site energy use, automate energy-saving actions, and benchmark performance against targets.
- Training and Guidance: Staff in key roles receive climate and decarbonisation training to ensure effective implementation of low-carbon practices.
- Standards and Frameworks: Projects align with PAS 2080, ensuring carbon is considered across the asset lifecycle and embedded in procurement and delivery processes.
- Supply Chain Engagement: GRAHAM works closely with suppliers to promote low-carbon materials and methods, providing training and tools to support emissions tracking and reduction.

This approach ensures that climate-related risks are actively managed at the project level and that each contract contributes meaningfully to GRAHAM's net zero ambitions.

(c) How processes for identifying, assessing and managing climate related risks are integrated into the organisations overall risk management

Climate-related risks and opportunities that could impact upon GRAHAM under different climate scenarios are integrated as part of the wider GRAHAM risk management processes. Identified time horizons, the risk scoring matrix and the quantification of the financial impact of each risk and opportunity aligns and integrates with the overall risk management framework within GRAHAM. In this way we have been able to determine the relative significance of climate risk in relation to other Group risks.

Climate change is included on the GRAHAM Risk Register as a standalone principal risk, reflecting its significance to both our business and our customers. We define principal risks as those with substantive financial or strategic impact on the business, high likelihood of occurrence and medium/high potential impact on our performance. As a principal risk category, climate change risks are logged within our corporate risk register and reviewed regularly by the GRAHAM Risk Management Group.

Directors’ Report (continued)

STRATEGY

This section describes the climate-related risks and opportunities that GRAHAM has identified over the short, medium and long term.

Risks

Risk 01: Regulatory					
Likelihood:	Almost Certain	Potential Financial Impact:	Minor	Time Horizon:	Short to Medium Term
Actual and potential Impacts to the business (Risks)	<ul style="list-style-type: none"> Enhanced reporting and disclosure requirements and potential for exposure to fines/ liability. An increase in carbon prices and a wider scope of industries covered by carbon taxes is expected, creating increased direct costs and increased costs through our supply chains. Changes to Building Regulations to adapt to climate change leading to enhanced specification requirements for materials and techniques and increased costs. 				
Responding to our key risks	<ul style="list-style-type: none"> Continue to keep abreast of emerging legislation and policy changes relating to Climate Change. Continued application of robust due diligence during the work winning process to ensure tenders are adequately priced, considering current and projected carbon-related costs. Maintain close collaboration with our supply chain to identify low-carbon alternatives and optimise project delivery. Ensure compliance to current corporate regulatory requirements including: Climate Related Financial Disclosures (disclosure within annual financial report), Streamlined Energy and Carbon Reporting, the Energy Saving opportunities Scheme Regulations and the cabinet office PPN06/21 carbon reduction plan. 				
Risk 02: Market Risk					
Likelihood:	Almost Certain	Potential Financial Impact:	Moderate <i>(Lost revenue, higher costs associated with energy and raw materials)</i>	Time Horizon:	Short to Medium Term
Actual and potential Impacts to the business (Risks)	<ul style="list-style-type: none"> Stakeholder shift in demand for Net Zero construction sites Net Zero Buildings and Infrastructure could lead to missed opportunities for work winning, affecting future business growth. Increased costs of energy prices and costs of raw materials. 				
Responding to our key risks	<ul style="list-style-type: none"> Application of robust tendering due diligence and maintain market awareness to secure the most cost-effective energy tariffs and material options, supported by close collaboration with the supply chain. Delivery of GRAHAM Environmental Sustainability and climate action targets as a strategic priority for the group, distilled down to each region and division Maintain external verification to PAS 2080 and ISO 14064 Investment in climate/ carbon awareness training amongst staff - particularly key job roles including procurement, design managers, commercial and estimators Enhanced collaboration and dialogue with suppliers regarding new low carbon technologies, low carbon materials, low carbon designs and low emission technologies and techniques Ensure that there is demonstrable evidence of GRAHAM’s capability in delivering net zero schemes. 				

Directors' Report (continued)

Risk 03: Reputation Risk					
Likelihood:	Probable	Potential Financial Impact:	Moderate (Lost revenue)	Time Horizon:	Short to Medium Term
Actual and potential Impacts to the business (Risks)	<ul style="list-style-type: none"> Potential for reputational risk brought about by changing client/ community perceptions and perceived ability to transition to a low carbon business. 				
Responding to our key risks	<ul style="list-style-type: none"> Delivery of GRAHAM Environmental Sustainability and climate action targets as a strategic priority for the group, distilled down to each region and division Maintain external verification to PAS 2080 and ISO 14064 Retain validation to the SBTi Continue to showcase our commitment to sustainable, low carbon action via effective communication with our key stakeholders Ensure there are effective resources and expertise in place to manage decarbonisation within GRAHAM Investment in climate/ carbon awareness training amongst staff - particularly key job roles including procurement, design managers, commercial and estimators Enhanced collaboration and dialogue with suppliers regarding new low carbon technologies, low carbon materials, low carbon designs and low emission technologies and techniques 				
Risk 04: Technology					
Likelihood:	Probable	Potential Financial Impact:	Moderate (<i>Higher costs associated with plant replacement and investment</i>)	Time Horizon:	Medium to Long Term
Actual and potential Impacts to the business (Risks)	<ul style="list-style-type: none"> Plant replacement/ Investment in low-emission technologies may mandate more capital investment than would otherwise be required Purchase of new technologies could be unviable for a particular requirement leading to stranded assets Additional training may be needed for staff to deploy low emission technologies If more cost effective, low carbon alternative plant and machinery does not emerge, this could impact GRAHAM ability to achieve Net Zero Carbon. 				
Responding to our key risks	<ul style="list-style-type: none"> Implementation of a strategic internal plant replacement plan that balances timely investment in low-emission technologies with financial planning, ensuring carbon targets are met without incurring disproportionate cost. Minimum emissions standards for hired plant to support achievement of carbon targets, enhancing our credentials in low-carbon delivery and strengthening future work-winning potential, thereby contributing to long-term financial performance. Seek R&D opportunities to trial low-emission technologies, supporting carbon goals while unlocking tax relief and enhancing competitiveness in future tenders. 				

Directors' Report (continued)

Risk 05: Acute and Chronic Physical					
Likelihood:	Probable	Potential Financial Impact:	Moderate <i>(Direct damage to assets, supply chain & transport disruption, ensuring employee safety).</i>	Time Horizon:	Medium to Long Term
Actual and potential Impacts to the business (Risks)	<ul style="list-style-type: none"> The construction industry is vulnerable to the impacts of increased extreme weather events such as flooding, storms and temperature changes. When these events occur, it may mean that GRAHAM assets and construction sites are at risk of damage and/ or disruption. It may also impact upon the safety of our employees and stakeholders. In the longer term, shifts in climate patterns such as sustained higher temperatures may create disruption and lower capacity to deliver projects on time/ budget. 				
Responding to our key risks	<ul style="list-style-type: none"> Acute Physical - Sites located within medium and high probability flood zones to closely monitor weather conditions and maintain and, where necessary, implement an emergency plan. Chronic Physical - Strengthen supply chain resilience by engaging suppliers on climate preparedness, promoting low-carbon practices, and diversifying sourcing to reduce exposure to climate-related disruptions. This includes supporting suppliers through training and tools and embedding climate considerations into procurement to ensure continuity under changing conditions. 				

Opportunities

Opportunity 01: Resource Efficiency					
Likelihood:	Probable	Potential Financial Impact:	Decreased costs	Time Horizon:	Medium to Long Term
Actual and potential Impacts to the business (Opportunities)	<ul style="list-style-type: none"> There is potential to achieve operational efficiencies and cost savings by eliminating/ reducing fuel consumption. There is potential to generate less waste by embracing modern methods of construction. Potential to save money by using more recycled raw materials. 				
Responding to our key opportunities	<ul style="list-style-type: none"> Adopt the principles of circularity across our projects (reusing materials for their highest value purpose and treating "waste" as a resource). Use of rainwater/ greywater infrastructure to facilitate the reuse of water. Measurement against targets and KPIs for reduction of virgin materials and reuse of recycled materials. Implementation of efficient data collection and reporting systems to facilitate environmentally responsible sourcing and circular economy outcomes. Prioritise products with circular economy certifications and services with a circular business model such as take back schemes, leasing models and products as a service. 				

Directors’ Report (continued)

Opportunity 02: Energy Savings					
Likelihood:	Probable	Potential Financial Impact:	Decreased costs	Time Horizon:	Medium to Long Term
Actual and potential Impacts to the business (Opportunities)	<ul style="list-style-type: none"> Reducing energy consumption across our operations presents a clear opportunity to lower greenhouse gas emissions and achieve our annual carbon reduction targets. It also delivers direct financial benefits through reduced energy costs and lowers exposure to future carbon pricing, supporting both environmental and commercial performance. 				
Responding to our key opportunities	<ul style="list-style-type: none"> Shift towards decentralised energy generation Use of technologies and systems to reduce energy including energy management systems, battery energy storage systems, eco specification site accommodation, LED lighting, solar PV, energy efficient heating technologies, drying room dehumidifiers. Investment in education and awareness of energy efficiency amongst our employees Encouraging and incentivising energy efficient behaviours amongst staff and subcontractors, such as our anti-idling campaign. 				

Opportunity 03: Market Growth/ Business Development					
Likelihood:	Almost Certain	Potential Financial Impact:	Increased Sales	Time Horizon:	Short to medium term
Actual and potential Impacts to the business (Opportunities)	<ul style="list-style-type: none"> By pro-actively engaging in the transition to a low carbon economy, opportunities to access new low carbon markets may open up. Potential for reputation enhancement as a low carbon organisation. Potential to develop staff to have a range of skills toward delivering low carbon projects – potential to increase client satisfaction. Potential R&D opportunities and associated benefits in Tax relief and PR 				
Responding to our key opportunities	<ul style="list-style-type: none"> Capital investment in Net Zero Initiatives, programmes and technologies. Align with industry best practice and undertake horizon scanning to stay ahead of upcoming standards and regulatory requirements. Delivery of GRAHAM environmental sustainability and climate action targets as a strategic priority for the group, distilled down to each region and division. Maintain external verification to PAS 2080 and ISO 14064 and SBTi. Whole Life Carbon modelling on each project Investment in climate/ carbon awareness training amongst staff - particularly key job roles including procurement, design managers, commercial, estimators. Enhanced collaboration and dialogue with suppliers regarding new low carbon tech, low carbon materials, low carbon designs and low emission technologies and techniques. Ensure that there is demonstrable evidence of GRAHAM capability in delivering net zero schemes. 				

Directors' Report (continued)

Impacts of climate-related risks and opportunities on GRAHAM business, strategy and financial planning

GRAHAM have adopted the position that we will focus on developing our resilience strategies to reduce our climate risk and leverage climate opportunities. Our business and financial strategies recognise that both transitional and physical climate risks have the potential to significantly elevate expenditure and create a need for increased capital costs. This includes additional expenditure for low carbon technologies, increased resources and enhanced reporting requirements. Similarly, we recognise that climate change issues create potential for disruption within our supply chain, with knock-on effects relating to our ability to deliver work on time and within budget. However, we also recognise that the transition to a net zero economy provides many new market opportunities. We continue to diligently plan and prepare for climate-related risks and also to identify those new low carbon markets that may enhance revenue.

To support this, potential climate-related costs are considered during project planning, tender development and capital budgeting. This ensures that anticipated investments, such as those required for low-emission technologies, energy efficiency measures or supply chain adaptation, are factored into financial forecasts and commercial decision-making. In this way, we aim to balance our environmental commitments with sound financial planning.

This section describes the resilience of GRAHAM strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

To assess the resilience of our business strategy, we have analysed how each of our climate related risks and opportunities behaves under distinct scenarios. Actions have been devised in response to each of the implications identified to ensure GRAHAM can be resilient under each scenario. In this way we have captured a range of potential climate outcomes to allow us to prepare for future challenges associated with conducting our business against the backdrop of the climate crisis.

Both current and long-term exposure of GRAHAM to climate change has been assessed across several timescales – 2030, 2050 or 2100.

The data has been categorised according to different representative concentration pathways (RCP) and socio-economic pathways (SSP) scenarios as shown below.

Physical climate scenarios (based on the Representative Concentration Pathways)

Representative Concentration Pathways (RCP's) are the globally recognised scientific scenarios produced by the IPCC that link different emissions pathways to future atmospheric heating.

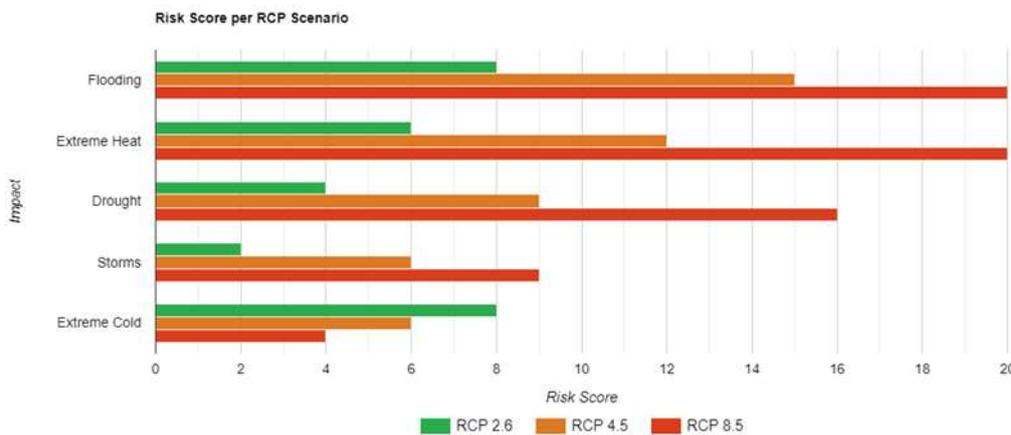
The RCPs used in this analysis are:

Directors' Report (continued)

RCP 2.6	A scenario where global average temperatures increase by 0.3-1.7°C
RCP 4.5	A scenario where global average temperatures increase by 1.1-2.6°C
RCP 8.5	A scenario where global average temperatures increase by 2.6-4.8°C

Using the above listed representative concentration pathways (RCPs) across several timescales – 2030, 2050 or 2100, GRAHAM have attributed a risk score to each impact based on potential severity and likelihood of occurrence.

Aggregate results of the analysis are illustrated below:



The results indicate that:

- Under RCP 2.6, physical risks remain relatively low and manageable. Existing site-level mitigation measures, such as flood preparedness and emergency planning, are considered sufficient.
- RCP 4.5 presents a moderate increase in risk, with more frequent and intense weather events likely to disrupt operations and increase costs. Additional investment in adaptive infrastructure may be required.
- RCP 8.5 reflects a high-risk scenario, with severe and widespread physical impacts. These include significant disruption to construction activities, increased health and safety risks, and potential damage to assets and supply chains.

The analysis confirms that while GRAHAM's current resilience measures are appropriate for lower-emissions scenarios, more extreme outcomes would necessitate enhanced planning and investment. The findings reinforce the importance of ongoing scenario monitoring and the integration of climate resilience into project design and delivery. We will continue to monitor developments in climate science and policy and adapt our risk management strategies accordingly to ensure our operations remain resilient across a range of future conditions.

Directors’ Report (continued)

Transition Risk Climate Scenarios

Transition scenarios focus on plausible assumptions about the development of climate policies and climate-friendly technologies to limit greenhouse gas (GHG) emissions. Transition scenarios may have material consequences for GRAHAM in the short, medium and long term. The publicly available SSP scenarios have been used to provide a contextual starting point in developing GRAHAM specific transition scenarios. SSPs define narratives of future directions of societal and technological development, setting the societal backdrop for climate impacts and society’s response. The SSPs reviewed as part of this analysis are:

- SSP1 – Sustainability - Low challenges to mitigation and adaptation
- SSP2 – Middle of the Road - Medium challenges to mitigation and adaptation
- SSP3 – Regional Rivalry – High challenges to mitigation and adaptation
- SSP4 – Inequality – Low challenges to mitigation, high challenges to adaptation
- SSP5 – Fossil-fuelled Development– High challenges to mitigation, low challenges to adaptation

Summary of SSP narratives

SSP1	Sustainability - Low challenges to mitigation and adaptation	The world shifts gradually toward a more sustainable path, emphasising development that respects sustainable development. Management of the global issues such as education and health slowly improves. The emphasis on economic growth shifts toward a broader emphasis on human well-being. Inequality is reduced both across and within countries. Consumption is oriented toward less use of virgin materials and lower resource and energy intensity.
SSP2	Middle of the Road - Medium challenges to mitigation and adaptation	The world follows a path in which social, economic, and technological trends do not shift markedly from historical patterns. Development and income growth proceeds unevenly. Global and national institutions work toward but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements and overall, the intensity of resource and energy use declines. Global population growth is moderate. Income inequality persists or improves only slowly.

Directors' Report (continued)

Summary of SSP narratives (continued)

SSP3	Regional Rivalry – High challenges to mitigation and adaptation	Concerns about competitiveness and security, and regional conflicts push countries to increasingly focus on domestic issues. Policies shift over time to become increasingly oriented toward national and regional security issues. Countries focus on achieving energy and food security goals within their own regions at the expense of broader-based development. Investments in education and technological development decline. Economic development is slow, consumption is material-intensive, and inequalities persist or worsen over time. A low international priority for addressing environmental concerns leads to strong environmental degradation in some regions.
SSP4	Inequality – Low challenges to mitigation, high challenges to adaptation	Increasing disparities in economic opportunity and political power. Over time, a gap widens between an internationally connected society that contributes to knowledge, and a fragmented collection of lower-income, poorly educated societies that work in a labour intensive, low-tech economy. Conflict and unrest become increasingly common. Technology development is high in the high-tech economy and sectors. Investments in both carbon-intensive fuels like coal and unconventional oil, but also low-carbon energy sources. Environmental policies focus on local issues around middle and high income areas.
SSP5	Fossil-fuelled Development– High challenges to mitigation, low challenges to adaptation	Reduced public support for carbon taxation and taxes to finance green transformation of infrastructure, lead to continued demand for cheaper and more readily available fossil fuels. This world places increasing faith in competitive markets, innovation and participatory societies to produce rapid technological progress as the path to sustainable development. Global markets are increasingly integrated. There are also strong investments in health, education, and institutions to enhance human and social capital. Adoption of resource and energy intensive lifestyles around the world. All these factors lead to rapid growth of the global economy. Large-scale environmental degradation is initially masked using technological solutions. However, environmental tipping points are reached by the end of the century, ultimately leading to food shortages.

Acknowledging that SSPs do not explore conditions about the status of global and national climate policy, three addition scenarios have been outlined below. These scenarios have been developed by GRAHAM to help consider potential future outcomes with specific emphasis on technology development and regulation.

Directors' Report (continued)

Summary of SSP narratives (continued)

Scenario 1 – A co-ordinated low carbon transition: In this scenario, global temperatures are limited to below 20C. Governmental policies are dominated by low carbon, clean energy outcomes. There is vast market growth for low carbon solutions and products coupled with high carbon taxes. Transitional challenges are high.

Scenario 2 – Business as usual: In this scenario, global temperatures rise by 40C. Governmental policies towards low carbon and clean energy outcomes grow and carbon taxes and regulations continue to be introduced. However, this scenario is characterised by a delayed influx of additional regulatory requirements. There is steady market growth in low carbon solutions and products

Scenario 3 – Repercussions of climate change: In this scenario, global temperatures rise by 80C. Transitional risks are initially very low, but the delayed response leads to extreme/ significant policy requirements as the physical impacts of global elevated temperatures and extreme weather events play out.

The transition risk scenarios reviewed indicate that GRAHAM's current strategy is well aligned with a low-carbon economy, particularly under pathways that involve early and coordinated climate action. These scenarios present opportunities for growth, innovation, and enhanced market positioning.

However, under scenarios involving delayed or fragmented policy responses, the business may face increased exposure to regulatory uncertainty, compliance costs, and reputational pressures. These risks highlight the importance of maintaining flexibility in investment planning and continuing to build internal capacity to respond to evolving requirements.

Overall, the analysis supports the view that GRAHAM's governance structures, early action on emissions reduction, and investment in low-carbon capabilities provide a strong foundation for resilience. Continued monitoring and scenario-based planning will be essential to ensure the business remains responsive to future developments.

Actions to improve resilience

With increasing risks being realised from climate and nature related challenges, actions have been put in place across GRAHAM Group to improve resilience. This includes:

- Maximising asset resilience through management of all sources of flood risk within site boundaries
- Future proofing sites to withstand extreme weather and social risks associated with climate change
- Key carbon targets distilled down from group level to regions, divisions and projects to ensure that carbon performance is measured against our Net Zero ambitions at all levels

Directors' Report (continued)

Actions to improve resilience (continued)

Taking into consideration the potential climate outcomes (as outlined within this report) and our actions to improve resilience, we are content that our current risk mitigation strategies make our business resilient to climate change. We will continue to prepare for future challenges associated with climate change and the transition to a net zero economy and will consider new data and research as it becomes available. We will also continue to refine our identification, assessment and management of climate risks and opportunities to ensure they remain robust. We will also remain poised to harness climate related opportunities. These actions will be carried out through our governance structure, our ESG committee and our Risk Management Group.

Directors' Report (continued)

METRICS AND TARGETS

This section describes the targets used by GRAHAM to manage climate-related risks and to realise climate-related opportunities and of performance against those targets

GRAHAM is pursuing a long-term strategy to achieve net zero carbon across scope 1, 2 and 3 by 2040, ten years ahead of the Paris agreement.

In 2020 GRAHAM set out our strategic aspiration to be Net Zero by 2040 across scopes 1,2 and 3. The following Scope 3 emission categories are currently applicable to GRAHAM operations and are included within our Net Zero target.

Scope 3 Emission Categories Applicable to GRAHAM Group

Purchased goods and services	Waste generated in operations
Capital goods	Business travel
Fuel- and energy-related activities	Employee commuting
Upstream transportation and distribution	

In the years since establishing our net zero ambitions, industry technical guidance has evolved and best practice in target setting has been enhanced and improved. In response to this, we have sought to strengthen the credibility of our ambitions and in August 2024 achieved validation to the Science Based Targets Initiative (SBTi). Ensuring our ambitions align with the latest science necessary to meet the goals of the Paris Agreement.

Directors' Report (continued)

Key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities

Metric	Unit
Absolute scope 1, scope 2 (Market based) and scope 3 emissions*	9,748tCO ₂ e
% reduction of scope 1 and 2 emissions from the base-year (FY 21/22)	32%
Emissions intensity*	9.23tCO ₂ e/ £1M
Construction waste intensity	21.26t/£1M
Construction waste diversion from landfill	99%
Renewable energy use	87%
% Electric or PHEV vehicles in fleet	95%
<i>*Partial scope 3 emissions as per SECR scope - energy use and associated emissions from business travel in rental cars and employee-owned vehicles where GRAHAM is responsible for purchasing the fuel</i>	

In addition, the business is currently internally consulting on the introduction of the following metrics to enhance the assessment of climate-related risks and opportunities.

- Incorporation of climate related performance measures into remuneration policies.
- Internal carbon pricing – a monetary value on GHG emissions to guide decision-making processes in relation to climate change impacts, risks and opportunities.

Directors' Report (continued)

STREAMLINED ENERGY AND CARBON REPORT

Changes in emissions since previous year

FY24/25 was another year of good progress in emissions reduction. We reduced our scope 1 and 2 (market based) GHG emissions this year in absolute terms by 497tCO₂e which equates to a 6% reduction. Overall, this means that to date we have achieved a 32% reduction from our base year (FY21/22). We have also reduced our emissions intensity for scope 1, 2 and partial scope 3 emissions as follows:

Year	GHG Emissions Intensity
FY2024/25	9.23 tCO ₂ e/£1M
FY2023/24	9.21 tCO ₂ e/£1M
FY2022/23	11.06 tCO ₂ e/£1M
FY2021/22	14.02 tCO ₂ e/£1M

Whilst it is positive to record a demonstrable absolute carbon reductions since FY21/22, the emissions intensity is a useful measure to benchmark annual performance. This year's result indicates a flattening of the curve in terms of our progress and stark reminder of the urgency of the climate challenge. As an organisation, we are resolute in our resolve to meet our Net Zero targets, with an action plan in place to drive this year's improvements.

Assurance

For the last four years our carbon emissions data has been externally verified and has met the requirements of Achilles Carbon Reduce Certification. Our FY24/25 emission data has been quantified and reported in line with the requirements of ISO 14064-1:2018 and will be audited in accordance with ISO 14064-3:2019 in July 2025.

Restatement of prior year emissions data

Following the publication of GRAHAM's 2023/24 Streamlined Energy and Carbon Report (SECR), an Achilles Carbon Reduce audit was conducted. As a result of this audit the emissions data for the financial year 2023/24 was reviewed, with Scope 1 Gas Oil, Scope 2 and Scope 3 emissions subsequently restated. This resulted in an upward change of 251 tCO₂e to absolute Scope 1, Scope 2 (market-based) and Scope 3 emissions (10,107 tCO₂e to 10,358 tCO₂e). These adjustments were made to enhance the accuracy and reliability of our reported data, reflecting improved methodologies and updated information identified during the audit process. The restated 2023/24 figures are now used as the baseline for comparison with the 2024/25 reporting year.

Directors' Report (continued)

Energy use

GRAHAM GROUP ENERGY USE

Energy Source	2023-2024 (Restated)				2024 - 2025			
	Quantity	Unit	Estimated data (%)	% of overall energy	Quantity	Unit	Estimated data (%)	% of overall energy
Electricity ¹	5,245	MWh	<0.5% ⁴	10%	3,985	MWh	<0.5% ⁴	8%
Transport Fuel ²	17,567	MWh	0	35%	16,382	MWh	0	33%
Process Fuel ³	28,284	MWh	0	55%	29,477	MWh	0	59%
Total	51,096	MWh			49,844	MWh		

¹Energy associated with the purchase of electricity

²Energy associated with transport fuel

³Energy associated with the combustion of fuel in equipment such as boilers, generators, and mobile plant

⁴Estimates made where invoices spanned date ranges outside the reporting period

Quantification and reporting methodology

In order to calculate the required information, we have used:

- The 2019 UK Government environmental reporting guidance
- The GHG Reporting Protocol - Corporate Standard (revised edition)
- ISO 14064-1:2018 Specification with Guidance at the Organisational Level for Quantification and Reporting of GHG Emissions and Removals
- UK Government's GHG Conversion Factors for Company Reporting 2024

We have reported on all of the emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

Reporting boundary

The operational control boundary has been used to determine our energy use and associated greenhouse gas emissions.

Directors' Report (continued)

Greenhouse gas emissions

Includes emissions arising from all group operations across the UK and Republic of Ireland:

GRAHAM GROUP SCOPE 1,2 AND PARTIAL SCOPE 3 EMISSIONS

		2023-2024 (Restated)		2024-2025	
Scope	Energy Source	Quantity (tCO ₂ e)	Overall (%)	Quantity (tCO ₂ e)	Overall (%)
Scope 1	Gas Oil	5,243	50.6%	5,348	54.8%
	Company Vans	2,185	21.1%	1,982	20.3%
	Company Cars	148	1.4%	157	1.6%
	Kerosene	331	3.2%	242	2.5%
	Natural Gas	21	0.2%	35	0.4%
	HVO	24	0.2%	28	0.3%
Scope 2	Purchased electricity (location based)	1,160	N/A	868	N/A
	*Purchased electricity (market based)	588	5.7%	250	2.6%
Scope 3**	Business travel - Employee vehicles	1,702	16.5%	1,585	16.4%
	Business travel - Rental cars	116	1.1%	121	1.2%
Total	Scope 1&2 - Location based	9,112		8,660	
Total	Scope 1 &2 - Market Based	8,539		8,042	
Total	Scope 1,2 & 3 - Location based	10,930		10,366	
Total	Scope 1,2 & 3 - Market based	10,358		9,748	
	Intensity Ratio (Market based) (tCO₂e/£1M)	9.21		9.23	

*Optional for reporting under SECR

** Although GRAHAM has systems in place to capture all relevant Scope 3 emissions (as outlined on page 34), we have not reported the full range due to current data reliability issues. Inconsistent data quality may affect accuracy and comparability, but as supplier reporting improves and standards evolve, we expect to enhance data quality over time.

Energy efficiency action

In March 2025, GRAHAM published our Energy Savings Opportunity Scheme (ESOS) Action Plan, as per Energy Savings Opportunities Scheme (Amendment) Regulations 2023. The ESOS Assessment Report outlined several opportunities to reduce energy usage within GRAHAM, based on energy audits completed across a range of divisions, regions and energy-using-activities. On a cost/benefit analysis basis the Construction (Plant) category was identified as having the most advantageous energy reduction opportunities and this formed the basis of our Action Plan. In addition, some of some of the energy efficiency action taken within GRAHAM this year are outlined in the table overleaf.

Directors' Report (continued)

Assurance / Management Systems	<ul style="list-style-type: none"> • Appointment of a new ESG Group Director to ensure alignment between the Environmental Sustainability strategy and business objectives, improved governance and accountability whilst fostering increased collaboration. • We continue to embed and evolve our carbon management system. In April 2025 we successfully achieved re-verification to PAS 2080 the carbon management standard for buildings and infrastructure. • Our greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative (SBTi), confirming that our approach aligns with the latest climate science and globally recognized standards. • We met the requirements of Achilles Carbon Reduce Certification having measured our greenhouse gas emissions in accordance with ISO 14064-1:2018 and having committed to managing and reducing our emissions in respect of the operational activities of our organisation. • We published an updated Carbon Reduction Plan to illustrate our carbon performance and set out details of our low carbon initiatives. • Business Unit carbon targets for key emission sources are set out, supported by provision of monthly carbon data. This assisted the leadership teams in reviewing progress against the targets set.
Transport and Fleet	<ul style="list-style-type: none"> • Working with our fleet provider to accelerate our transition to low and zero carbon company cars. 95% of all company cars are now fully electric or plug-in hybrid (67% are fully electric).
Transitioning towards Zero Diesel Sites	<ul style="list-style-type: none"> • Following our green hydrogen generator trial, we hosted a Hydrogen Conference in our Head Office, bringing together experts and professionals from across the construction sector, sharing insights and discussing future opportunities. • Joined ConcreteZero and completed our first reporting year. 29.89% of concrete procured in 24/25 ranked LCCG 2 or below and therefore classed as low carbon, meeting our the ConcreteZero target of procuring 30% low emission concrete by 2025. • We worked with our energy management consultancy to procure new electricity connections for sites and offices. In the period covered by the report, we increased the percentage of renewable energy, backed by Renewable Energy Guarantees of Origin (REGO's) procured by 12%. • We distributed machine idling data to all sites, incentivising "switch off". • We continued to invest in new technologies to gain understanding of the advantages, benefits and potential barriers to low or zero carbon technologies and alternative sources of energy.
Supply Chain	<ul style="list-style-type: none"> • We launched our Green Action Network- a collaborative platform designed to bring together our supply chain partners to drive meaningful environmental progress across the construction industry. From events, online communications and learning pathways, the Green Action Network will help us build a stronger, more sustainable value chain. • Reviewing alignment with ISO 20400, guidance for organisations to improve their social responsibility within procurement processes. We have identified a pilot project to apply the framework and share learnings with the business.
Communication, Education and Awareness	<ul style="list-style-type: none"> • We rolled out a refreshed Environmental Sustainability Learning Pathway for our supply chain. • We continued to train our people in Carbon Literacy Training for Construction in order to give them the support and training they need to help us achieve our net zero ambitions. In tandem we have also designed and delivered Climate Awareness Training to capture more of our employees and supply chain members. • We continued to run net zero working groups to provide support and to deliver against specific objectives. The working groups assist in building case study evidence and focus our activities on areas where we can make the most substantial reductions.

Directors' Report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with s485 of the Companies Act 2006 a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Andrew Bill

Director

30th of June 2025

Directors Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, and 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.

Independent auditor's report

to the members of John Graham Holdings Limited

Opinion

We have audited the financial statements of John Graham Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the group Profit and Loss Account, the group and parent company Balance Sheet, group Statement of cash flows, the group Statement of comprehensive income, the group and parent company Statement of changes in equity and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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 30 September 2026.

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.

Independent auditor's report (continued)

to the members of John Graham Holdings Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 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, 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.

Independent auditor's report (continued)

to the members of John Graham Holdings Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 41, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 entity and management.

Independent auditor's report (continued)

to the members of John Graham Holdings Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Bribery Act 2010, Money Laundering Regulations and UK Tax Legislation
- We understood how John Grahams Holdings Limited is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures;
 - obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls; and
 - review of board meeting minutes in the year and to date of signing;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included
 - identification of related parties, including circumstances related to the existence of a related party with dominant influence;
 - understanding the company's business and entity-level controls and considering the influence of the control environment; and
 - considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to Identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

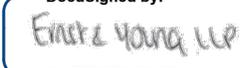
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report (continued)

to the members of John Graham Holdings Limited

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.

DocuSigned by:

344963578542450...

Victoria Venning

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

Date: 02 July 2025

Group Profit and Loss Account

for the year ended 31 March 2025

	<i>Notes</i>	<i>2025</i> £000	<i>2024</i> £000
<i>Turnover</i>			
Group Turnover	2	1,055,932	1,124,651
Cost of sales		(982,973)	(1,062,559)
		<hr/>	<hr/>
<i>Gross Profit</i>		72,959	62,092
Administrative expenses		(53,684)	(51,913)
Other operating income	3(b)	1,125	884
		<hr/>	<hr/>
<i>Group operating profit</i>	3(a)	20,400	11,063
Interest receivable and similar income	7	5,100	3,972
Interest payable and similar charges	6	(266)	(264)
		<hr/>	<hr/>
<i>Profit before taxation</i>		25,234	14,771
Taxation	8	(6,087)	(3,486)
		<hr/>	<hr/>
<i>Profit for the financial year</i>		19,147	11,285
		<hr/> <hr/>	<hr/> <hr/>

Group Statement of Comprehensive Income

for the year ended 31 March 2025

	<i>Notes</i>	<i>2025</i> £000	<i>2024</i> £000
Profit for the financial year		19,147	11,285
Net actuarial loss recognised in respect of pension scheme	26(d)	(37)	(3,618)
Deferred tax liability on net actuarial loss		9	904
Currency adjustments on retranslation of foreign subsidiaries		(151)	(176)
<i>Total comprehensive income relating to the year</i>		18,968	8,395

Group Balance Sheet

at 31 March 2025

	Notes	2025 £000	Restated (Note 1) 2024 £000
Fixed assets			
Intangible assets	10	1,190	1,364
Tangible fixed assets	11	15,377	16,405
		<u>16,567</u>	<u>17,769</u>
Current assets			
Stocks	13	3,750	3,397
Debtors: amounts receivable in less than one year	14	196,032	200,346
Debtors: amounts receivable greater than one year	14	23,586	26,366
		<u>223,368</u>	<u>230,109</u>
Cash at bank and in hand	15	192,480	150,843
		415,848	380,952
Creditors: amounts falling due within one year	16	(309,531)	(292,403)
Net current assets		<u>106,317</u>	<u>88,549</u>
Total assets less current liabilities		122,884	106,318
Creditors: amounts falling due after more than one year	17	(15,066)	(16,289)
Deferred income	22	(219)	(335)
Deferred tax	21	(1,558)	(1,493)
Provisions for liabilities	20	<u>(8,036)</u>	<u>(3,476)</u>
Net Assets		<u>98,005</u>	<u>84,725</u>
Capital and reserves			
Called up share capital	24	50	50
Revaluation reserve		925	925
Capital redemption reserve		50	50
Profit and loss account		96,980	83,700
Shareholders' funds		<u>98,005</u>	<u>84,725</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on their behalf on the 30th of June 2025.



Courtney McCormick
Director

Company Balance Sheet

at 31 March 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Investments	12	44,184	44,184
Current assets			
Debtors	14	–	1
Cash at bank and in hand		111	111
Total current assets		111	112
Creditors	16	–	(1)
Net current assets		111	111
Total assets less current liabilities		44,295	44,295
Net assets		44,295	44,295
Capital and reserves			
Called up share capital	24	50	50
Merger reserve		35,945	35,945
Capital redemption		5	5
Profit and loss account		8,295	8,295
Shareholders' funds		44,295	44,295

No Profit and Loss account is presented for John Graham Holdings Limited as permitted by section 408 of the Companies Act 2006.

The Parent undertaking's profit after tax for the financial year amounted to £5.6m (2024 – profit of £6.3m).

The financial statements were approved and authorised for issue by the board of directors and were signed on their behalf on the 30th of June 2025.



Andrew Bill
Director

Group Statement of Changes in Equity

for the year ended 31 March 2025

	<i>Called up Share Capital</i> £000	<i>Revaluation Reserve</i> £000	<i>Capital Redemption Reserve</i> £000	<i>Profit and Loss Account</i> £000	<i>Total Equity</i> £000
At 1 April 2024	50	925	50	83,700	84,725
<i>Comprehensive income for the year</i>					
Profit for the year	–	–	–	19,147	19,147
Net actuarial (loss)/gain	–	–	–	(98)	(98)
Deferred tax on actuarial (loss)/gain	–	–	–	25	25
Retranslation of foreign subsidiary	–	–	–	(151)	(151)
<i>Total comprehensive income for the year</i>	50	925	50	102,623	103,648
<i>Transactions with owners</i>					
Dividends paid	–	–	–	(5,643)	(5,643)
<i>At 31 March 2025</i>	50	925	50	96,980	98,005

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Revaluation reserve

Revaluation reserve represents the surplus arising on the revaluation of assets held by the group.

Capital redemption reserve

Capital redemption reserve represents the nominal value of share capital cancelled arising from the redemption of shares.

Profit and loss account

Profit and loss account includes all current year and prior period retained profits and losses net of dividends paid.

Group Statement of Changes in Equity

for the year ended 31 March 2024

	<i>Called up Share Capital</i> £000	<i>Revaluation Reserve</i> £000	<i>Capital Redemption Reserve</i> £000	<i>Profit and Loss Account</i> £000	<i>Total Equity</i> £000
At 1 April 2023	50	925	50	81,580	82,605
<i>Comprehensive income for the year</i>					
Profit for the year	–	–	–	11,285	11,285
Net actuarial (loss)/gain	–	–	–	(3,618)	(3,618)
Deferred tax on actuarial (loss)/gain	–	–	–	904	904
Retranslation of foreign subsidiary	–	–	–	(176)	(176)
<i>Total comprehensive income for the year</i>	50	925	50	89,975	91,000
<i>Transactions with owners</i>					
Dividends paid	–	–	–	(6,275)	(6,275)
<i>At 31 March 2024</i>	50	925	50	83,700	84,725

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Revaluation reserve

Revaluation reserve represents the surplus arising on the revaluation of assets held by the group.

Capital redemption reserve

Capital redemption reserve represents the nominal value of share capital cancelled arising from the redemption of shares.

Profit and loss account

Profit and loss account includes all current year and prior period retained profits and losses net of dividends paid.

Company Statement of Changes in Equity**for the year ended 31 March 2025**

	<i>Called up Share Capital £000</i>	<i>Merger Reserve £000</i>	<i>Capital Redemption £000</i>	<i>Profit and Loss Account £000</i>	<i>Total Equity £000</i>
At 1 April 2024	50	35,945	5	8,295	44,295
<i>Comprehensive income for the year</i>					
Profit for the year	-	-	-	5,643	5,643
<i>Total comprehensive income for the year</i>	50	35,945	5	13,938	49,938
<i>Transactions with owners</i>					
Dividends paid				(5,643)	(5,643)
<i>At 31 March 2025</i>	50	35,945	5	8,295	44,295

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Merger reserve

Merger reserve represents the difference between the nominal value of shares issued and the related consideration.

Profit and loss account

Profit and loss account includes all current year and prior period retained profits and losses net of dividends paid.

Company Statement of Changes in Equity

for the year ended 31 March 2024

	<i>Called up Share Capital £000</i>	<i>Merger Reserve £000</i>	<i>Capital Redemption £000</i>	<i>Profit and Loss Account £000</i>	<i>Total Equity £000</i>
At 1 April 2023	50	35,945	5	8,295	44,295
<i>Comprehensive income for the year</i>					
Profit for the year	-	-	-	6,275	6,275
<i>Total comprehensive income for the year</i>	50	35,945	5	14,570	50,570
<i>Transactions with owners</i>					
Dividends paid				(6,275)	(6,275)
<i>At 31 March 2024</i>	50	35,945	5	8,295	44,295

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Merger reserve

Merger reserve represents the difference between the nominal value of shares issued and the related consideration.

Profit and loss account

Profit and loss account includes all current year and prior period retained profits and losses net of dividends paid.

2025**Group Statement of Cash Flows****for the year ended 31 March 2025**

	2025	2024
Note	£000	£000
Net cash inflow from operating activities	25(a) 45,724	(19,787)
Investing activities		
Interest received	5,100	3,972
Receipts from sale of fixed assets	547	609
Payments to acquire tangible and intangible fixed assets	(2,530)	(3,462)
	<u>3,117</u>	<u>1,119</u>
Financing activities		
Interest element of finance lease payments	(93)	(66)
Interest paid	(173)	(198)
	<u>(266)</u>	<u>(264)</u>
Equity dividends paid	(5,643)	(6,275)
Net movement on loans	(399)	(347)
Capital element of hire purchase rental	(706)	(604)
Net cash flow from financing activities	<u>(7,014)</u>	<u>(7,490)</u>
Net cash from operating activities and before use of liquid resources	41,827	(26,158)
Effect of exchange rates on cash and cash equivalents	(190)	(115)
Cash and Cash equivalents at 01 April 2024	<u>150,843</u>	<u>177,116</u>
Cash and Cash equivalents at 31 March 2025	<u>192,480</u>	<u>150,843</u>

Notes to the Financial Statements

at 31 March 2025

1. Accounting policies

Going concern

The group is in a strong financial position with net current assets of £106m and cash of £192m at 31 March 2025 and significant opportunities for growth in the future.

The directors have considered the effect of the high inflationary pressures in the short and medium term on the group and company as part of the budgeting and forecasting cycle of the business, and a corresponding base case cashflow forecast has been prepared and reviewed. This base case forecast has been sensitised to consider plausible downside scenarios as a result of any major event that would lead to a reduction in revenues.

After making enquiries and carrying out a review of these forecasts, the directors are satisfied that the group and company has sufficient cash and liquidity headroom to enable it to meet its obligations as they fall due for the period to 30 September 2026 and therefore a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Statement of compliance

John Graham Holdings Limited is a private company limited by shares incorporated in the United Kingdom and registered in Northern Ireland. The registered office is 5 Ballygowan Road, Hillsborough, Co. Down, BT26 6HX. These financial statements have been prepared in compliance with FRS 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" as it applies to the financial statements of the group for the year ended 31 March 2025.

Basis of preparation

The financial statements were authorised for issue by the Directors on the 30th of June 2025. The financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies are set out below.

The financial statements for the parent and group are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Basis of preparation (continued)

No Profit and Loss Account is presented for John Graham Holdings Limited as permitted by section 408 of the Companies Act 2006

The parent company has taken advantage of the section 408 exemption not to present its individual profit and loss account as it has prepared Group accounts.

The Group has taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the Group.

The parent company is a qualifying entity as defined by FRS 102 and has taken advantage of the following exemptions available to qualifying entities which are relevant to its financial statements:

- The requirement to prepare a cash flow statement;
- The requirement to disclose information about key management personnel compensation; and;
- The disclosure requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) in respect of financial instruments of the parent (as equivalent disclosures are included in respect of the consolidated financial statements).

Prior year adjustment

During the preparation of the Group financial statements for the year ended 31 March 2025, the Directors reviewed the previous presentation of their onerous contract provisions and retentions balances, as disclosed in the prior year Group financial statements.

The directors concluded that the following were incorrectly presented in the Group Balance Sheet for the year ended 31 March 2024:

- Onerous contract provisions were incorrectly presented within creditors due within one year in the Group Balance Sheet, and within the accruals balance in the creditors due within one year note to the financial statements for the year ended 31 March 2024.
- Long term retentions were incorrectly presented as current in the Group Balance Sheet for the year ended 31 March 2024.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)**Prior year adjustment (continued)**

The impact of the above required the Group to restate the 2024 comparatives to reclassify the onerous contract provision from creditors due within one year to provisions. The retentions payable due in more than one year have been reclassified from current liabilities to non-current liabilities in line with the expected timing of payments. Retentions included within amounts recoverable on long term contracts due in more than one year, have been reclassified from current to non-current debtors. There was no impact on net assets, profit for the year or cashflows.

Extract from Group Balance Sheet

	<i>Onerous contract Adjustments</i>	<i>Retentions Adjustments</i>	<i>Restated (Note 1)</i>
	<i>2024</i>	<i>2024</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets			
Intangible assets	1,364	-	1,364
Tangible fixed assets	16,405	-	16,405
	<u>17,769</u>	<u>-</u>	<u>17,769</u>
Current assets			
Stocks	3,397	-	3,397
Debtors: amounts receivable in less than one year	224,719	-	200,346
Debtors: amounts receivable greater than one year	1,993	-	26,366
Cash at bank and in hand	150,843	-	150,843
	<u>380,952</u>	<u>-</u>	<u>380,952</u>
Creditors: amounts falling due within one year	<u>(307,640)</u>	<u>2,446</u>	<u>(292,403)</u>
Net current assets	<u>73,312</u>	<u>2,446</u>	<u>88,549</u>
Total assets less current liabilities	<u>91,081</u>	<u>2,446</u>	<u>106,318</u>
Creditors: amounts falling due after more than one year	<u>(3,498)</u>	<u>-</u>	<u>(16,289)</u>
Deferred income	(335)	-	(335)
Deferred tax	(1,493)	-	(1,493)
Provisions for liabilities	<u>(1,030)</u>	<u>(2,446)</u>	<u>(3,476)</u>
Net Assets	<u>84,725</u>	<u>-</u>	<u>84,725</u>

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Group financial statements

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2025. No Profit and Loss account is presented for John Graham Holdings Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investments in subsidiaries, joint venture and associates are accounted for at cost less impairment.

Entities in which the Group holds an interest on a long-term basis and are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

The Group has certain contractual arrangements with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The Company includes its share of the assets and liabilities in such joint arrangements measured in accordance with the terms of each arrangement, which is pro-rata to the Group's interest in the joint arrangement.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities and the amounts reported for revenues and expenses during the year that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Judgements:

Turnover and profit recognition on construction contracts

When the outcome of individual contracts can be estimated reliably, contract turnover is recognised by reference to the measure of progress at the reporting date using the input method.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Turnover and profit recognition on construction contracts (continued)

Costs are recognised as incurred, and turnover is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract. Estimates of the final out-turn on each contract may include cost contingencies to take account of the specific risks within each contract that have been identified during the early stages of the contract. The cost contingencies are reviewed on a regular basis through the contract life and are adjusted where appropriate. However, the nature of the risks on contract are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the project. The estimated final out-turns on contracts are continuously reviewed on a consistent basis.

No margin is recognised until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once known.

Turnover in respect of variations to contracts is recognised when there is an enforceable right to payment and it is assessed as reasonably certain that it will be agreed by the customer. Variable consideration is assessed on a contract-by-contract basis according to the facts, circumstances and terms of each project and only recognised to the extent that it is reasonably certain not to significantly reverse in the future. Turnover in respect of claims is recognised only if it is reasonably certain not to reverse in future periods. Profit in the year includes the benefit of claims settled in the year to the extent not previously recognised on contracts completed in previous years.

Defined benefit Pension Scheme Valuation

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 26.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Intangible assets

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible fixed assets (including purchased goodwill) are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives.

The rate at present in use is as follows:

Purchased goodwill	20% straight line
Goodwill on consolidation	5% straight line
Computer Software	10% to 33⅓% straight line

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation of fixed assets is provided on a basis calculated to write off the cost of the assets, less estimated residual value over their estimated useful lives. Judgements are made on the estimated useful life of the assets which are regularly reviewed to reflect the changing environment.

The rates at present in use are as follows:

Buildings	–	0% to 25% straight line
Plant and machinery	–	10% to 33⅓% straight line
Office equipment and computer equipment	–	10% to 33⅓% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Investments

Equity investments are recognised initially at fair value which is normally the transaction price.

Subsequently, they are measured at fair value through profit or loss.

Subsidiary investments held as fixed assets are stated at cost less provision for any impairment.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the Group's ordinary activities after deduction of value added tax.

Turnover is recognised on construction contracts over time as the benefit is transferred to the customer. The Group uses an input method to measure progress. The percentage of completion is measured using cost incurred to date as a proportion of the estimated full costs of completing the contract and is applied to the total expected contract turnover to determine the revenue to be recognised to date.

Revenue also represents the value of services performed in operating the educational facility during the year, exclusive of VAT, and is recognised to the extent that the company obtains the right to consideration in exchange for services performed. Revenue is recognised on a straight-line basis throughout the contract term, being equally divided over the life of the PFI project.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates, and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

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. All differences are taken to the Profit and Loss account.

The assets and liabilities of the foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the average rates of exchange during the period. The exchange difference arising on the retranslation of opening net assets are reported in the other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Profit and Loss Account in other operating expenses.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over the shorter of the lease term and the assets useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the Balance Sheet.

The interest elements of the rental obligations are charged in the Profit and Loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Operating Leases

Operating lease rentals are charged to the Profit and Loss account in equal annual amounts over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Long-term contracts

Long-term contract balances in stock are stated at net cost, less foreseeable losses and payments on account. The excess of recorded turnover over payments on account for the same contracts are included in debtors as amounts recoverable on contracts. The excess of payments on account over both turnover and long term contract balances is reflected in creditors as payments on account.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Pensions

The Group operates two defined benefit pension schemes, both of which require contributions to be made to separately administered funds. The John Graham (Dromore) Limited Pension and Life Assurance Scheme became a closed scheme in 1999 from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the Profit and Loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

The difference between the expected return on plan assets and the interest cost is recognised in the Profit and Loss account as other finance income or expense.

Actuarial gains and losses are recognised in full in Other Comprehensive Income in the period in which they occur.

The defined benefit pension asset or liability in the Balance Sheet comprises the total of the present value of the defined benefit obligation, less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Pensions (continued)

Retirement benefits to employees in the Company are also provided by a defined contribution pension scheme, whereby the assets of the scheme are held separately from those of the Company in an independently administered fund.

Contributions to defined contribution schemes are recognised in the Profit and Loss account in the period in which they become payable.

The John Graham (Dromore) Limited Pension and Life Assurance Scheme entered into a buy-in policy with Legal & General on the 5th of March 2024. The buy-in policy includes all current pensioner and deferred members of the scheme.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Bad debt provision

Trade debtors are assessed for impairment at each balance sheet date and a specific impairment provision is recognised if the expected cash flow is less than the carrying amount. This is charged to the profit or loss account.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Goodwill

Positive Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Negative goodwill arising on acquisitions is recognised on the balance sheet and amortised on a straight-line basis over its useful economic life up of 20 years.

Provisions for liabilities

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the profit and loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in the profit and loss in the period it arises.

Provisions for the expected costs of maintenance under PFI project agreements are charged against profits each year in order to build up the costs of the contracted repairs. The effect of the time value of money is not material and therefore the provisions are not discounted.

Financial Instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Dividends

Final dividends are recorded in the period which shareholders' approval is obtained. Interim dividends are recorded in the period in which they are paid.

Capitalisation of interest

Interest on borrowings to finance the construction of properties held as tangible fixed assets is capitalised. Interest is capitalised from the date work starts on the property to the date when substantially all the activities that are necessary to get the property ready for use are complete. Where construction is completed in parts, each part is considered separately when capitalising interest.

Interest is capitalised before any allowances for tax relief.

Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements (continued)

at 31 March 2025

1. Accounting policies (continued)

Onerous contracts

In accordance with FRS 102 Section 21 - Provisions and Contingencies, the Group has reviewed its portfolio of facilities management contracts to assess whether any are considered onerous. An onerous contract arises when the unavoidable costs of fulfilling contractual obligations exceed the economic benefits expected to be derived from the contract.

Given the nature of the Group's operations in delivering complex, long-term facilities management services across multiple sectors - contract performance is subject to ongoing operational, commercial, and compliance risks. These risks are actively managed through robust contract governance, including formal bid approval processes, detailed contract mobilisation planning, and regular financial, commercial and operational reviews.

At each reporting date, the Group evaluates all significant contracts for indicators of potential loss-making positions. Where a contract is deemed onerous, a provision is recognised for the lower of the cost of fulfilling the contract and any penalties arising from non-fulfilment. Provisions are based on the best estimate of unavoidable costs, discounted where material.

As at the reporting date, the Group recognised provisions totalling £7.035m in respect of onerous contracts. This reflects the outcome of the Group's detailed commercial and contract review processes alongside its commitment to prudent financial management. The provision relates to a small number of contracts where the forecasted costs of fulfilment exceed the expected economic benefits, and appropriate mitigation strategies are being implemented to manage these exposures.

New standards, amendments and interpretations issued but not yet effective

On 27 March 2024 the Financial Reporting Council published Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Periodic review 2024 (FRS 102). The key changes impact revenue recognition and accounting for leases effective from 1 January 2026. The group is currently assessing the impact on the financial statements, with the amendments applicable to the group from the financial year beginning 1 April 2026. There are no other applicable new standards, amendments and interpretations issued but not yet effective which have a material impact on the group and company financial statements.

Notes to the Financial Statements (continued)

at 31 March 2025

2. Turnover

Turnover represents the amount derived from the provision of goods and services falling within the Group's ordinary activities after deduction of value added tax. The Group operates in four principal areas of activity, that of construction, facilities management, investment projects, and property and land development.

The Group operates within two geographical markets, the United Kingdom and the Republic of Ireland. Group turnover within the Republic of Ireland for the year ended 31 March 2025 amounted to £15.4m (2024 – £11.1m).

90% of the Group turnover is contract revenue (2024: 89%).

	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>
Turnover by Business Unit		
Construction	949,096	999,532
Facilities Management	104,354	122,793
Investment Projects	2,482	2,326
Total	1,055,932	1,124,651

Notes to the Financial Statements (continued)**at 31 March 2025****3. Group operating profit**

(a) This is stated after charging:

	2025	2024
	£000	£000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	11	9
Fees payable to the company's auditor and its associates for other services:		
– The audit of the company's subsidiaries, pursuant to legislation	144	140
Fees in respect of the Graham Asset Management Limited pension scheme:		
– Audit	5	5
Depreciation of owned fixed assets	2,959	2,880
Depreciation of assets held under finance leases and hire purchase contracts	539	481
Operating leases – land and buildings	682	642
Other operating leases	2,564	1,991
Rental income, net of outgoings (note 3(b))	(26)	(26)
Training Grants receivable (note 3(b))	(344)	(305)
Research and Development expenditure credit (note 3(b))	(755)	(553)
Amortisation of intangible assets, included within administrative expenses	398	464
Foreign exchange losses/(gains)	188	(24)
Profit on sale of fixed assets	(323)	(537)

(b) Other operating Income

	2025	2024
	£000	£000
Rental Income	26	26
Training Grants receivable	344	305
Research and Development expenditure credit	755	553
Total Other operating income	1,125	884

Notes to the Financial Statements (continued)

at 31 March 2025

4. Directors' remuneration

	2025 £000	2024 £000
Remuneration	1,494	1,402
Company contributions to money purchase pension scheme	59	18
Amounts paid to third parties for services as directors	48	48
	<u>1,601</u>	<u>1,468</u>

<i>The number of directors who:</i>	<i>No.</i>	<i>No.</i>
Are members of defined benefit pension scheme	4	4
Are members of a defined contribution scheme	<u>5</u>	<u>5</u>

	2025 £000	2024 £000
Amounts attributable to the highest paid director:		
Remuneration for service as executive	<u>668</u>	<u>608</u>

5. Staff costs

	<i>Group</i>		<i>Company</i>	
	2025 £000	2024 £000	2025 £000	2024 £000
Wages and salaries	121,653	119,853	–	–
Social security costs	13,398	13,115	–	–
Pension costs – defined contribution	12,984	12,092	–	–
Pension costs – defined benefit	18	21	–	–
	<u>148,053</u>	<u>145,081</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements (continued)**at 31 March 2025****5. Staff costs (continued)**

The average monthly number of persons employed by the Group (including directors) during the year was as follows:

	2025	2024
Administrative	808	840
Operational	1,489	1,512
	<u>2,297</u>	<u>2,352</u>

The parent company has no employees other than the Directors, who did not receive any remuneration from the company (2024 - £NIL).

6. Interest payable and similar charges

	2025 £000	2024 £000
Bank loans and overdrafts	173	197
Finance charges under finance leases and hire purchase contacts	93	67
	<u>266</u>	<u>264</u>

7. Interest receivable and similar income

	2025 £000	2024 £000
Bank interest	5,004	3,708
Expected return on pension scheme assets (note 26)	814	929
Interest on pension scheme liability (note 26)	(718)	(665)
	<u>5,100</u>	<u>3,972</u>

Notes to the Financial Statements (continued)**at 31 March 2025**

8. Tax

(a) Tax on profit

The tax charge is made up as follows:

	2025	2024
	<i>£000</i>	<i>£000</i>
Current tax:		
UK corporation tax on profit for the year	5,464	2,811
Adjustments in respect of previous years	205	44
ROI adjustments in respect of prior years	9	(2)
Foreign (Republic of Ireland) tax on profit of the current year	335	144
Total current tax	<u>6,013</u>	<u>2,997</u>
Deferred tax:		
Origination and reversal of timing differences	276	677
Adjustment in respect of previous years	(202)	(188)
Total deferred tax	<u>74</u>	<u>489</u>
Tax on profit (note 8(b))	<u>6,087</u>	<u>3,486</u>

Notes to the Financial Statements (continued)**at 31 March 2025****8. Tax (continued)**

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2024 – 25%). The differences are explained below:

	2025 £000	2024 £000
Group profit before tax	25,234	14,771
Profit multiplied by standard rate of corporation tax in the UK of 25% (2024 – 25%)	6,309	3,693
<i>Effects of:</i>		
Expenses not deductible net of income not chargeable for tax purposes	45	51
Surcharges, income and withholding taxes	6	–
Fixed assets differences	30	33
Goodwill amortisation	(1)	(1)
Lower rates on overseas earnings	(313)	(143)
Other timing differences	(1)	–
ROI adjustments in respect of prior years	9	(2)
Adjustments in respect of previous periods	3	(145)
Total tax for the year (note 8(a))	6,087	3,486

Notes to the Financial Statements (continued)

at 31 March 2025

8. Tax (continued)

(c) Factors affecting the current tax charge for the year (continued)

The Group and its subsidiaries are based predominantly in the UK and are subject to UK corporation tax. They do not have an aggressive tax policy and have not entered into any tax avoidance schemes that were or should have been notified under the Disclosure of Tax Avoidance Scheme ("DOTAS") rules. The Group abides by tax law and practice in all the jurisdictions in which it operates; the Board believe that it is equally important to comply with the spirit as well as the letter of the law.

The Group tax charge of £6.1m (2024: £3.5m) equates to an effective tax rate of 24.3% (2024: 23.6%) on profit. This effective tax rate is different from the standard rate of corporation tax of 25% (2024: 25%) due to items shown in the tax within note 8(b). The net tax credit of £nil (2024: £0.1m) in respect of prior years' results arise from difference between the estimates of taxation included in the previous year's financial statements and the actual tax liabilities calculated in the tax returns submitted to HMRC.

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules. Pillar Two legislation has been enacted in the UK and Ireland introducing a global minimum effective rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax.

The UK Group have a GloBE effective tax rate that exceeds 15%; the GloBE effective tax rate in Ireland is 13.41%. The Group's Irish operations are not material, resulting in a domestic top-up tax due in Ireland of £0.04m.

Notes to the Financial Statements (continued)**at 31 March 2025****8. Tax (continued)**

(d) Deferred tax

	2025	2024
	£000	£000
Decelerated capital allowances	1,453	1,343
Deferred tax arising in relation to retirement benefit obligations	471	499
Tax losses available	(14)	(15)
Other timing differences	(352)	(334)
Deferred tax liability	<u>1,558</u>	<u>1,493</u>
<i>Group</i>		<i>£000</i>
At 1 April 2024		1,493
Charged to Profit and Loss Account		74
Charged to OCI - other timing differences		(9)
At 31 March 2025		<u>1,558</u>

(e) Factors that may affect future tax charges

As a result of the Organisation for Economic Co-operation and Development's (OECD) Anti-Base Erosion Shifting project issuing Pillar Two Model Rules, many jurisdictions have enacted legislation and adopted policies introducing a new global minimum tax of 15%.

Amendments to IAS 12 "Income Taxes", due to the introduction of the Pillar Two Model Rules, made by the IASB in May 2023, introduced a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities. As a consequence, no deferred tax assets or liabilities related to top-up income taxes are recognised in the Consolidated Financial Statements as at 31 March 2025.

Considering the Group does not have material operations in jurisdictions with tax rates lower than the Pillar Two 15% minimum, the enactment of Pillar Two legislation in the UK and in the other jurisdiction that the Group operates in, together with the adoption of this amendment, are not expected to significantly impact the Group's consolidated financial statements nor materially change our global tax costs.

(f) The company is a close company for tax purposes.

Notes to the Financial Statements (continued)

at 31 March 2025

9. Dividends

	2025	2024
	£000	£000
Equity dividends on ordinary shares:		
1st interim dividend for 2025 – £32.85 per share (2024 – £45.50 per share)	1,560	2,161
2nd interim dividend for 2025 – £40 per share (2024 – £40 per share)	1,900	1,900
Final dividend for 2025 – £40 per share (2024 – £40 per share)	1,900	1,900
Equity dividends on 'A' ordinary shares:		
1st interim dividend for 2025 – £1.66 per share (2024 – £2.28 per share)	83	114
2nd interim dividend for 2025 – £2 per share (2024 – £2 per share)	100	100
Final dividend for 2025 – £2 per share (2024 – £2 per share)	100	100
	<u>5,643</u>	<u>6,275</u>

10. Intangible fixed assets

Group	Computer Software £000	Purchased goodwill £000	Goodwill on consolidation £000	Total £000
Cost:				
At 1 April 2024	5,949	85	(100)	5,934
Additions	393	–	–	393
Disposals	(714)	–	–	(714)
At 31 March 2025	<u>5,628</u>	<u>85</u>	<u>(100)</u>	<u>5,613</u>
Amortisation:				
At 1 April 2024	4,575	85	(90)	4,570
Disposals	(545)	–	–	(545)
Charge for the year	403	–	(5)	398
At 31 March 2025	<u>4,433</u>	<u>85</u>	<u>(95)</u>	<u>4,423</u>
Net book value:				
At 31 March 2025	<u>1,195</u>	<u>–</u>	<u>(5)</u>	<u>1,190</u>
At 1 April 2024	<u>1,374</u>	<u>–</u>	<u>(10)</u>	<u>1,364</u>

Within computer software, assets which are material to the financial statements are:

	Carrying Amount 2025 £000	Carrying Amount 2024 £000	Remaining Amortisation 2025 Years	Remaining Amortisation 2024 Years
Payroll Software	402	3	3	–
Finance Software	<u>622</u>	<u>983</u>	<u>4</u>	<u>5</u>

Notes to the Financial Statements (continued)

at 31 March 2025

11. Tangible fixed assets

<i>Group</i>	<i>Land and buildings (Freehold)</i>	<i>Plant and machinery</i>	<i>Office equipment and I.T. Equipment</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:				
At 1 April 2024	16,781	27,349	5,915	50,045
Additions	–	2,136	386	2,522
Disposals	–	(2,061)	(446)	(2,507)
At 31 March 2025	16,781	27,424	5,855	50,060
Depreciation:				
At 1 April 2024	8,204	21,060	4,376	33,640
Charge for the year	297	2,376	825	3,498
Disposals	–	(2,011)	(444)	(2,455)
At 31 March 2025	8,501	21,425	4,757	34,683
Net book value:				
At 31 March 2025	8,280	5,999	1,098	15,377
At 1 April 2024	8,577	6,289	1,539	16,405

Included within land and buildings is £143k (2024 – £143k) of interest capitalised at a rate of 6.2%. The net book value of fixed assets includes £1.9m (2024 – £2.2m) in respect of assets held under hire purchase contracts.

12. Investments

(a) <i>Company</i>	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>
Subsidiaries	<u>44,184</u>	<u>44,184</u>
Company		<i>£000</i>
<i>Shares in subsidiaries – cost and net book value:</i>		
At 1 April 2024 and 31 March 2025		<u>44,184</u>

Notes to the Financial Statements (continued)

at 31 March 2025

12. Investments (continued)**Subsidiaries**

At the balance sheet date, the Group have the following subsidiaries:

Subsidiary	Principal activity	Country of registration
John Graham Construction Limited ⁶	Building and civil engineering works	Northern Ireland
John Graham Property Investments Limited ⁶	Property management	Northern Ireland
John Graham Developments Limited ⁶	Parent undertaking non-trading	Northern Ireland
Graham Asset Management Limited ⁶	Facilities management services	Northern Ireland
Graham Investment Projects Limited ⁶	Management of PFI investments	Northern Ireland
JGD (Lagan Mills) Limited ^{1 6}	Property development	Northern Ireland
JGD (Market Square) Limited ^{1 6}	Property development	Northern Ireland
JGD (Mossvale) Limited ^{1 6}	Property development	Northern Ireland
Graham Projects Limited ^{2 7}	Building and civil engineering works	Republic of Ireland
John Graham Construction (Healthcare) Limited ^{2 6}	Healthcare Projects	Northern Ireland
Irish Waterways Limited ^{2 6}	Dormant – exempt from audit	Northern Ireland
Northwin Holdings (Belfast) Limited ^{2 6}	Parent undertaking non-trading – exempt from audit	Northern Ireland
Graham Asset Management (Ireland) Limited ^{4 7}	Facilities management services	Republic of Ireland
GIP Management Services Limited ^{5 6}	Management of PFI investments	Northern Ireland
GGF Developments Limited ^{5 6}	Dormant – exempt from audit	Northern Ireland
Northwin Developments (Belfast) Limited ^{3 6}	Dormant – exempt from audit	Northern Ireland
Northwin (Balmoral and Wellington) Limited ^{5 6}	Provision of an educational facility under PFI	Northern Ireland
Moss Lane Developments Limited ^{1 6}	Property development	Northern Ireland
Community Investment Projects Limited ⁶	Non trading – exempt from audit	Northern Ireland

¹ held by John Graham Developments Limited² held by John Graham Construction Limited³ held by Northwin Holdings (Belfast) Limited⁴ held by Graham Asset Management Limited⁵ held by Graham Investment Projects Limited⁶ Registered Office: 5 Ballygowan Road, Hillsborough, Co. Down, BT26 6HX⁷ Registered Office: Block B, The Crescent Building, Northwood Crescent, Northwood, Santry, Dublin 9

Notes to the Financial Statements (continued)

at 31 March 2025

12. Investments (continued)**Joint Ventures***Group*

Joint Venture	Principal activity	Direct or indirect holding	Equity holding
Kier Graham Defence Limited	Non - Trading	Indirect	50% ¹

¹ held by John Graham Construction Limited

Kier Graham Defence Limited (KGDL) is a joint venture between Kier Construction Limited and John Graham Construction Limited, established for the purpose of delivering works contracts under the Ministry Of Defence's Next Generation Estates Contracts (NGEC) National and Regional Construction Frameworks.

Kier Graham Defence Limited is a contractual mechanism for Kier Construction Limited and John Graham Construction Limited to trade with the Defence Infrastructure Organisation as one joint venture. Under the joint venture arrangements, Kier Construction Limited will undertake projects in England and Wales, John Graham Construction Limited will carry out work in Northern Ireland and the two partners will share projects in Scotland unless otherwise agreed by the two controlling parties of the Company.

Kier Graham Defence Limited is considered to be an agent and there is a subcontract agreement in place with the Joint Venture partners which is a pass-through agreement whereby Kier Graham Defence Limited is the billing vehicle only and all risk and rewards sit with the Joint Venture partners (which are the principals). Consequently all Profit and Loss account activity is passed through to the Joint Venture partners, with no profit or loss being recorded in the joint venture itself.

At the year end John Graham Construction Limited had the full risks and rewards of the following assets and liabilities within Kier Graham Defence Limited:

	<i>Group</i>	<i>Group</i>
	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>
Share of Gross Assets	176	—
Share of Gross Liabilities	(176)	—
	<u>—</u>	<u>—</u>

Notes to the Financial Statements (continued)

at 31 March 2025

13. Stocks*Group*

	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	357	358
Development land stock	3,393	3,039
	<u>3,750</u>	<u>3,397</u>

Stocks recognised as an expense in the period were Nil (2024: Nil) for the group and Nil for the parent company (2024: Nil).

14. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>Restated (Note 1) £000</i>	<i>£000</i>	<i>£000</i>
<i>Amounts receivable in less than one year:</i>				
Trade debtors	86,083	90,334	–	–
Amounts owed by group undertakings	–	–	–	1
Amounts recoverable on long term contracts	89,389	83,674	–	–
Other debtors	32	23	–	–
Corporation tax	–	190	–	–
VAT	43	51	–	–
Prepayments and accrued income	20,485	26,074	–	–
	<u>196,032</u>	<u>200,346</u>	<u>–</u>	<u>1</u>

Notes to the Financial Statements (continued)**at 31 March 2025****14. Debtors (continued)**

Amounts owed by group undertakings are interest free and repayable on demand.

	<i>Group</i>	<i>Group</i>	<i>Company</i>	<i>Company</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>(Note 1)</i>	<i>£000</i>	<i>£000</i>
		<i>Restated</i>		
		<i>£000</i>		
Due after more than one year				
Amounts recoverable on long term	21,703	24,373	–	–
Defined Benefit pension asset (Note 26)	1,883	1,993	–	–
	<u>23,586</u>	<u>26,366</u>	–	–

15. Cash at bank and in hand

A balance of £192m (2024: £151m) is included within cash at bank and in hand.

A balance of £760,271 (2024: £813,441) is included within cash at bank and in hand over which a fixed charge is held.

Included within the above balance of £760,271 are deposits totalling £523,208 (2024: £550,000) in relation to payments in advance by a customer. These deposits are held in the relevant group undertakings name and can only be used subject to customer agreement

Notes to the Financial Statements (continued)

at 31 March 2025

16. Creditors: amounts falling due within one year

	2025	Group 2024 <i>Restated</i> (Note 1)	2025	Company 2024
	£000	£000	£000	£000
Bank loans and overdrafts (note 18)	436	312	–	–
Trade creditors	57,839	57,030	–	–
Amounts owed to group undertakings	–	–	–	1
Accruals	195,205	163,907	–	–
Deferred Income	2,947	2,022	–	–
Corporation tax	731	–	–	–
VAT	14,081	17,139	–	–
Other creditors	5,855	5,600	–	–
Payments on account	31,840	45,795	–	–
Hire purchase and finance lease creditors (note 19)	597	647	–	–
	<u>309,531</u>	<u>292,452</u>	<u>–</u>	<u>1</u>

Amounts owed to group undertakings are interest free and repayable on demand.

17. Creditors: amounts falling due after more than one year

<i>Group</i>	2025	2024 <i>Restated</i> (Note 1)
	£000	£000
Obligations under hire purchase contracts (note 19)	685	955
Accruals	12,361	12,791
Bank loans (note 18)	2,020	2,543
	<u>15,066</u>	<u>16,289</u>

Notes to the Financial Statements (continued)

at 31 March 2025

18. Loans

<i>Group</i>	<i>2025</i> <i>£000</i>	<i>2024</i> <i>£000</i>
<i>Amounts payable:</i>		
Within one year or on demand	436	312
In one to two years	462	332
In two to five years	1,558	1,137
Over five years	–	1,074
	<u>2,456</u>	<u>2,855</u>
Less: amounts due within one year or on demand	(436)	(312)
	<u>2,020</u>	<u>2,543</u>

Loans payable in more than five years

Interest on variable rate loans is charged at Danske Bank base rate plus 1% or EURIBOR plus 1%.
Loans are repayable in monthly instalments.

Security

Bank borrowings are secured by way of fixed and floating charges over the assets of the group. Bank overdrafts are repayable on demand.

19. Obligations under finance leases and hire purchase contracts

The Group uses finance leases and hire purchase contracts to acquire plant and machinery. The finance leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases and hire purchase contracts:

	<i>Plant and Machinery</i> <i>2025</i> <i>£000</i>	<i>Plant and Machinery</i> <i>2024</i> <i>£000</i>
<i>Amounts payable:</i>		
Within one year	598	647
In one to five years	685	955
	<u>1,283</u>	<u>1,602</u>

Notes to the Financial Statements (continued)**at 31 March 2025****20. Provisions for liabilities**

<i>Group</i>	<i>Onerous contracts</i>	<i>Lifecycle</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 April 2024 (as restated)	2,446	1,030	3,476
Movement in provision	4,589	334	4,923
Utilisation	–	(363)	(363)
At 31 March 2025	<u>7,035</u>	<u>1,001</u>	<u>8,036</u>

Onerous contracts

As at the reporting date, the Group recognised provisions totalling £7.035m in respect of onerous contracts. This reflects the outcome of the Company's detailed commercial and contract review processes. The provision relates to contracts where the forecasted costs of fulfilment exceed the expected economic benefits, and appropriate mitigation strategies are being implemented to manage these exposures. The onerous contracts provision is expected to be utilised within 24 months of the balance sheet date.

Lifecycle Provision

A provision is recognised for the costs incurred in relation to the contracted ongoing renewal requirements for PFI premises. The projected expenditure upon which this provision is based is reviewed annually.

PFI lifecycle costs are estimated to take place as planned and at the values included in the operator's financial model as adjusted for indexation. This includes estimated repairs/maintenance as well as replacement of assets and an estimated indexation rate.

The timing of resultant payments is not fixed, and these are made as works are completed throughout the PFI project.

21. Deferred tax

<i>Group</i>	<i>£000</i>
At 1 April 2024	1,493
Charged to Profit and Loss Account	74
Charged to OCI - other timing differences	(9)
At 31 March 2025 (note 8 (c))	<u>1,558</u>

Notes to the Financial Statements (continued)

at 31 March 2025

22. Deferred income: amounts falling due after more than one year

<i>Group</i>	<i>£000</i>
At 1 April 2024	335
Release to profit and loss	(116)
At 31 March 2025	<u>219</u>

23. Financial Instruments

	<i>Group</i>		<i>Company</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Financial assets			
Financial assets measured at fair value through profit or loss	192,480	150,843	111
Financial assets that are debt instruments measured at amortised cost	86,063	90,219	–
	<u>278,543</u>	<u>241,062</u>	<u>111</u>
Financial liabilities			
Financial liabilities that are debt instruments measured at amortised cost	82,246	84,226	–
	<u>82,246</u>	<u>84,226</u>	<u>1</u>

24. Issued share capital

<i>Group and company</i>		<i>2025</i>		<i>2024</i>
Allotted, called up and fully paid	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	47,500	48	47,500	48
'A' ordinary shares of 5p each	50,005	2	50,005	2
		<u>50</u>		<u>50</u>

'A' ordinary shareholders receive 5% of the ordinary share dividend for each of their shares. In all other respects the shares rank 'pari passu'.

Notes to the Financial Statements (continued)**at 31 March 2025****25. Notes to the statement of cash flows**

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2025	2024
	£000	£000
Operating Profit	20,400	11,064
Depreciation	3,497	3,359
Profit on sale of fixed assets	(323)	(537)
Amortisation of intangible assets	398	465
Decrease/(Increase) in stock	(353)	(2,323)
(Increase)/Decrease in debtors	6,729	23,784
Increase/(Decrease) in creditors	14,987	(53,079)
Deferred income movement	858	52
Movement in provisions	4,560	(205)
Foreign exchange	(12)	(13)
Difference between pension charge and cash contributions	73	46
Net cash inflow from operating activities	50,814	(17,387)
Taxation paid	(5,090)	(2,400)
Total	<u>45,724</u>	<u>(19,787)</u>

(b) Analysis of net funds

	At 31 March 2024 £000	Cash flow £000	Other non- cash changes £000	Exchange movement £000	At 31 March 2025 £000
Cash at bank and in hand	150,843	41,827	–	(190)	192,480
Hire purchase agreements	(1,602)	706	(386)	–	(1,282)
Short-term loans	(312)	–	–	–	(312)
Long-term loans	(2,543)	399	–	–	(2,144)
	<u>146,386</u>	<u>42,932</u>	<u>(386)</u>	<u>(190)</u>	<u>188,742</u>

Notes to the Financial Statements (continued)

at 31 March 2025

26. Pensions

The Group operates two defined benefit pension schemes, the John Graham (Dromore) Limited Pension and Life Assurance Scheme (which is a closed scheme) and the Graham Asset Management Limited Pension and Life Assurance Scheme. The assets of each scheme are held in a separate trustee-administered fund. The contributions to the schemes are determined with the advice of independent qualified actuaries on the basis of triennial valuations.

Actuarial valuation

John Graham (Dromore) Limited Pension and Life Assurance Scheme

The valuation used for FRS 102 purposes has been based on the most recent actuarial valuations at 5 April 2022 and has been updated by independent qualified actuaries to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 March 2025; the present value of the defined benefit obligation was measured using the projected unit credit method. Scheme assets are stated at their market value at 31 March 2025. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the schemes for FRS 102 purposes were:

(a) Financial assumptions

	2025 (% p.a.)	2024 (% p.a.)
Retail price inflation (RPI) assumption	2.80	3.05
Consumer price index (CPI) assumption	2.15	2.30
Rate of increases of pensions in payment:		
prior to 6 April 1997	3.00	3.00
after 5 April 1997	3.60	3.70
Discount rate for scheme liabilities	5.65	5.00

There was no adjustment to the valuation due to expected rate of salary increase.

The valuation under FRS 102 at 31 March 2025 shows a net pension asset (before deferred tax) of £1,317k (2024 – £1,520k).

The John Graham (Dromore) Limited Pension and Life Assurance Scheme entered into a buy-in policy with Legal & General on the 5th of March 2024. The buy-in policy includes all current pensioner and deferred members of the scheme.

Notes to the Financial Statements (continued)

at 31 March 2025

26. Pensions (continued)

(a) Financial assumptions (continued)

Graham Asset Management Limited Pension and Life Assurance Scheme

The valuation used for FRS 102 purposes has been based on a full actuarial valuation carried out at 31 March 2025 and has been updated by an independent qualified actuary to take account of the requirements of FRS 102 in order to assess the liabilities of the schemes at 31 March 2025; the present value of the defined benefit obligation was measured using the projected unit method. The liabilities of the scheme have been based on the most recent triennial valuation, as at 31 March 2022. Scheme assets are stated at their market value at 31 March 2025. The principal assumptions used by the independent qualified actuary in updating the latest valuation of the schemes for FRS 102 purposes were:

	2025 (% p.a.)	2024 (% p.a.)
Rate of increase in salaries	4.00	4.05
Retail price inflation (RPI) assumption	3.00	3.05
Rate of increase of pensions in payment	2.85	2.85
Discount rate for scheme liabilities	5.65	4.85
Life expectancy		
- At age 65 today	21.2/23.7	22.0/24.4
- At age 45 today	22.1/24.8	23.3/25.8
Mortality	100% of SAPS S3 Pensioner tables CMI 2023 projections with 1.0% long-term trend, 0% initial improvements and non-Core w parameters (w2020 = w2021 = 0%, w2022 = w2023 = 25%)	100% of SAPS S3 Pensioner tables CMI 2022 projections with 1.0% long-term trend, 0.5% initial improvements and Core w parameters (w2020 = w2021 = 0% and w2022 = 25%)

The long-term expected return on bonds and cash is determined by reference to UK long dated government bond yields at the balance sheet date netted down for fund management charges. The long-term expected rate of return on equities is based on the net rate of return on UK long dated government bonds with an allowance for our performance.

The valuation under FRS 102 at 31 March 2025 shows a net pension surplus (before deferred tax) of £566k (2024: net pension surplus of £473k).

Notes to the Financial Statements (continued)

at 31 March 2025

26. Pensions (continued)

(b) Scheme assets at fair value

	<i>Value at 31 March 2025 £000</i>	<i>Value at 31 March 2024 £000</i>
Equities	306	290
Corporate bonds	497	539
Gilts	658	643
Buy in policy	12,211	13,484
Cash and other	1,571	1,809
Total fair value of scheme assets	15,243	16,765
Present value of scheme liabilities	(13,360)	(14,772)
	<u>1,883</u>	<u>1,993</u>

(c) Analysis of the amounts recognised in the Profit and Loss account

<i>Group</i>	<i>2025 £000</i>	<i>2024 £000</i>
Current service cost	177	316
Administration costs	10	15
Net interest (credited) on pension scheme liability	(96)	(264)
Total cost recognised in the profit and loss	<u>91</u>	<u>67</u>

(d) Analysis of the amount recognised in the Statement of comprehensive income

<i>Group</i>	<i>2025 £000</i>	<i>2024 £000</i>
Actual return less expected return on pension scheme assets	(1,397)	(3,026)
Actuarial (loss)/gain arising on changes in demographic assumption	23	17
Experience gains and losses arising on the scheme liability	(1)	(1)
Changes in assumptions underlying the present value of the scheme liability	1,338	(608)
Actuarial (loss)/gain recognised in the statement of Comprehensive Income	<u>(37)</u>	<u>(3,618)</u>

Notes to the Financial Statements (continued)**at 31 March 2025****26. Pensions (continued)**

(e) Changes in the present value of the defined benefit obligations

	2025	2024
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Opening defined benefit obligation	14,772	14,168
Past service cost	–	–
Current service cost	10	15
Member contributions	2	2
Interest on liabilities	718	665
Benefits paid	(782)	(670)
Actuarial (gains)	(1,360)	592
Closing defined benefit obligation	<u>13,360</u>	<u>14,772</u>

The pension plans have not invested in any of the Group's own financial instruments nor in properties or other assets used by the Group.

(f) Changes in the fair value of scheme assets

	2025	2024
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Opening value of assets	16,765	19,825
Expected return on plan assets	814	929
Benefits paid	(782)	(670)
Member contributions	2	2
Employer contributions	18	21
Administration expenses	(177)	(316)
Actuarial (losses)	(1,397)	(3,026)
Value of assets	<u>15,243</u>	<u>16,765</u>

Notes to the Financial Statements (continued)**at 31 March 2025****26. Pensions (continued)**

(g) Analysis of movement in surplus during the year

<i>Group</i>	<i>2025</i> <i>£000</i>	<i>2024</i> <i>£000</i>
Surplus in scheme at beginning of the year	1,993	5,657
Past service cost	–	–
Current service cost	(177)	(316)
Contributions	18	21
Net interest income	96	264
Administration expenses	(10)	(15)
Actuarial (loss)/gain	(37)	(3,618)
Surplus in scheme at end of the year	<u>1,883</u>	<u>1,993</u>

Contributions to the Graham Asset Management Limited Pension and Life Assurance Scheme are payable at the rate of 39.5% of pensionable salaries. This amounted to £18k during the year ended 31 March 2025 (2024: £21k). Regular employer contributions during the year ended 31 March 2026 are estimated to be £18k (2025: £18k).

Contributions to the John Graham (Dromore) Limited Pension and Life Assurance Scheme were £Nil (2024: £ Nil) per month. Regular employer contributions during year ended 31 March 2026 are estimated to be £Nil (2025: £ Nil).

(h) Other pension arrangements in Graham Asset Management

In addition, as a result of a number of contracts and related TUPE arrangements the Company participates in a number of other defined benefit pensions schemes. The arrangements are such that the Company's liability is in effect limited to its contribution set out in the relevant contracts and hence these are accounted for as Defined Contribution schemes. The company made contributions of £1,572,774 (2024: £1,548,589) to these schemes during the year and there were £183,081 contributions outstanding at the year end (2024: £190,251).

Notes to the Financial Statements (continued)**at 31 March 2025**

26. Pensions (continued)

- (i) Sensitivity analysis

John Graham Construction

At 31 March 2025, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation by the amounts shown below:

	2025	2024
	<i>Change in</i>	<i>Change in</i>
	<i>DBO</i>	<i>DBO</i>
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Discount rate +0.50%	(614)	410
Inflation (RPI and CPI) +0.50%	45	(35)
Life Expectancy +1 year	366	455

Graham Asset Management

At 31 March 2025, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation (DBO) by the amounts shown below:

	2025	2024
	<i>Change in</i>	<i>Change in</i>
	<i>DBO</i>	<i>DBO</i>
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Discount rate +0.50% (2024: -0.25%)	(43)	27
Inflation (RPI and CPI) +0.50% (2024: -0.25%)	34	(15)
Life Expectancy +1 year (2024: +1 year)	25	(32)

Notes to the Financial Statements (continued)**at 31 March 2025****27. Other financial commitments**

At 31 March 2025 the company had future minimum lease payments payable under non-cancellable operating leases as set out below:

	<i>Property</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Property</i>	<i>Office equipment</i>	<i>Motor vehicles</i>
	<i>2025</i>	<i>2025</i>	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases:						
Within one year	698	105	2,293	757	54	1,411
In one to five years	451	23	3,142	699	10	2,272
Over five years						
	<u>1,149</u>	<u>128</u>	<u>5,435</u>	<u>1,456</u>	<u>64</u>	<u>3,683</u>

At 31 March 2025 the Group had the following capital commitments:

	<i>2025</i>	<i>2024</i>
	<i>£000</i>	<i>£000</i>
Intangible Assets	<u>142</u>	<u>–</u>

28. Contingent liabilities

Contingencies exist in respect of guarantees and undertakings of a trading nature including, for instance, obligations accepted in entering contract joint ventures and entering into guaranteed bonds. While the amount of any claim may be greater the directors have made appropriate provisions in assessing amounts recoverable. Appropriate provisions are made in assessing amounts recoverable on contracts when any liabilities are deemed to exist in relation to these guarantees and undertakings.

In June 2025 John Graham Construction Limited was served with a HSE NI summons commencing a prosecution of the company for a Health and Safety offence arising out of the fatality of an employee of a subcontractor on 26th January 2022. John Graham Construction Limited believes it has strong grounds on which to defend the single charge laid against it. This matter is expected to be resolved within the next two years.

Notes to the Financial Statements (continued)

at 31 March 2025

29. Off-balance sheet arrangements

The group and parent company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost-efficient way of obtaining the short-term benefits of these assets. The group lease rental expense for the year is disclosed in Note 3 and the group and company commitments under these arrangements are disclosed in Note 27. There are no other material off-balance sheet arrangements.

30. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102, whereby it has not disclosed transaction with any wholly owned subsidiary undertakings of the group.

In the normal course of business, Graham Asset Management Limited provides facilities management and management services on an arms-length basis to Joint Ventures. No services were provided during the year to 31st March 2025 (2024: £nil). Amounts due from the Joint Ventures at the year-end were nil (2024: £nil).

In the normal course of business, John Graham Construction Limited provides construction services on an arms-length basis to Joint Ventures. In the current financial year £1,027k (2024: £11,124k) of revenue was passed through from Kier Graham Defence Limited to John Graham Construction Limited. Amounts in Trade Receivables due from the Joint Venture at the year end were £nil (2024: £6K).

The Group has intercompany cross guarantees in favour of John Graham Holdings Limited.

31. Ultimate parent undertaking and controlling party

There is no ultimate controlling party of the Company.