
John Graham Holdings Limited

Report and Financial Statements

31 March 2026

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Strategic Report

The directors present their Strategic Report for the year ended 31 March 2026.

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 2026 was marked by strong operational and financial performance. The Group reported revenue of £1,229 million (2025: £1,056 million) and a 42% increase in profit before tax to £35.8 million (2025: £25.2 million). This growth reflects disciplined contract selection, robust commercial management, and continued investment in strategic capabilities.

The Group secured a number of significant project and framework wins across its building, civil engineering, interior fit-out, facilities management and investment divisions during the year, including:

- The £286 million redevelopment of Cambridge Halls for UNITE and Manchester Metropolitan University, delivering over 2,300 student bedrooms and targeting BREEAM “Excellent” standards.
- Appointment to the Department for Education’s £15 billion CF25 Construction Framework, reinforcing the Group’s leading position in UK education delivery.
- A series of education and public sector project wins, including schemes for the University of East London, Loughborough University, and multiple school redevelopments, alongside participation in the Hospital 2.0 Alliance framework supporting the UK’s next generation of healthcare infrastructure.
- The £71 million Central Docks infrastructure scheme at Liverpool Waters, supporting major regeneration and public realm investment.
- Inclusion in National Highways’ £968 million Legacy Concrete Roads Reconstruction framework, strengthening the Group’s position in strategic infrastructure delivery.
- Award of the BusConnects Core Bus Corridor Scheme in Dublin, including the establishment of a new GRAHAM presence in the city to support long-term growth.
- Continued growth in Interior Fit-Out, delivering over £100 million of projects in the period and securing key commissions with both existing clients and new clients including Nike and HSBC.

Strategic Report (continued)

Principal activities and review of the business (continued)

- Expansion of GRAHAM Asset Management, including a major partnership with the Royal Borough of Kensington and Chelsea and continued growth across healthcare, local authority and utilities sectors.
- Planning approved on the 446 PBSA scheme development at Hydepark Street Glasgow.

Innovation remains central to the Group's long-term competitiveness. During the year, the Group has advanced its digital capability through initiatives such as:

- The rollout of a group-wide project performance platform improving visibility of safety, quality, collaboration and performance metrics across the business.
- Continued investment in Building Information Modelling and digital project controls to enhance delivery certainty.
- Increased use of data analytics and AI to support decision-making and continuous improvement.
- Ongoing development of Modern Methods of Construction and large-scale Passivhaus delivery, reinforcing leadership in sustainable construction.

The Group is also progressing the adoption of AI-enabled tools and offsite manufacturing solutions to further enhance productivity and reduce carbon impact.

Looking ahead, the Group will continue to focus on:

- Sustainable construction, infrastructure and asset management delivery across the UK and Ireland.
- Scaling its presence in key sectors including student accommodation, infrastructure, health, education and regeneration.
- Deepening long-term strategic partnerships with public and private sector clients.
- Investing in people, digital capability and ESG, supported by the Constructing with Purpose (2026–2030) strategy.

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

Strategic Report (continued)

Financial performance

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

	2026	2025
	£000	£000
Group turnover	1,228,982	1,055,932
Profit before taxation	35,810	25,234
Cash at bank and in hand	<u>260,740</u>	<u>192,480</u>

Principal risks and uncertainties

The Group's financial results for FY2026 reflects a resilient performance. Turnover increased by 16.4% year-on-year and profitability improved substantially, with gross profit rising to £89 million (2025: £73 million) and profit before tax increasing to £35.8 million (2025: £25.2 million).

The Group's strong cash position of £261m (2025: £192.5m) and balance sheet provide a solid foundation for future investment and strategic development.

The directors regard the results as satisfactory.

The Group is exposed to a range of risks and uncertainties which, if not effectively managed, could adversely impact its financial performance, operational delivery or reputation. The Board recognises that effective risk management is integral to the successful delivery of the Group's strategy and overall business performance. The Board retains overall responsibility for the Group's system of risk management and internal control, including ensuring that appropriate processes are in place to identify, evaluate and manage risks across the business.

The Board is supported by the Risk Committee, which oversees the operation of the Group's Risk Management System. The Committee reviews principal and emerging risks on an ongoing basis, ensures that risks are assessed and managed in line with the Group's risk appetite, and provides challenge and oversight of management's risk mitigation activities. This governance structure supports the consistent identification, assessment and management of principal risks across the Group.

Strategic Report (continued)

Principal risks and uncertainties (continued)

The principal risks and uncertainties facing the Group are set out below:

Health, Safety and Environment

The Group's activities are significant and complex, exposing it to a range 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 may give rise to significant liabilities and reputational damage.

The Group is committed to maintaining a safe and environmentally responsible operating environment. These risks are managed through the promotion of a strong health, safety and environmental culture, supported by clearly defined policies, procedures and management systems. Each operating company is supported by experienced Health, Safety and Environmental professionals who provide guidance, ensure compliance with regulatory requirements, and undertake regular site monitoring, inspections and audits. Environmental risks are further managed through control measures focused on areas such as emissions, waste, resource use and pollution prevention.

Markets

The Group's business plan is based on securing and delivering revenues from both public and private sector clients across the UK and Ireland and is therefore exposed to changes in market conditions. Economic uncertainty and ongoing geopolitical instability, including conflict in the Middle East, may influence client investment decisions and reduce demand for construction and associated services.

The Group seeks to mitigate these risks through maintaining a diversified portfolio of work across sectors and geographies, together with a focus on disciplined contract selection.

Inflation

The Group is exposed to inflationary pressures, including volatility in labour, material and energy costs. While overall inflation has moderated, it remains above target and cost pressures persist across the construction sector, particularly in relation to labour and energy-intensive materials. Ongoing geopolitical instability, including conflict in the Middle East, continues to contribute to volatility in energy markets and wider input costs.

These factors may result in increased input costs and place pressure on margins, particularly where such increases cannot be fully recovered. Sustained cost pressures may also impact the financial resilience of the Group's supply chain and affect project viability.

Strategic Report (continued)

Principal risks and uncertainties (continued)

The Group manages this risk through robust commercial controls, cost management processes and ongoing monitoring as part of the tender adjudication process. Financial due diligence is also undertaken on clients and key supply chain partners to identify potential vulnerabilities at an early stage.

Supply Chain

The Group relies on a stable and capable supply chain to support the successful delivery of its projects and is therefore exposed to risks relating to supplier performance, availability and financial resilience. Failure to effectively manage these risks could result in project delays, increased costs, compliance issues and damage to customer relationships and the Group's reputation.

Supply chains continue to be affected by ongoing geopolitical instability, together with broader market uncertainty. These factors may contribute to disruption, extended lead times and changes in supplier behaviour, affecting the Group's ability to deliver projects as planned.

The Group manages these risks through established supply chain management processes, including robust selection and onboarding procedures and ongoing performance monitoring. The Group seeks to maintain strong relationships with key subcontractors while avoiding over-reliance on individual suppliers and undertakes financial and regulatory due diligence to identify potential risks at an early stage.

Climate Transition

The Group is exposed to risks associated with the transition to a low-carbon economy, including evolving environmental regulation, changing client expectations and the need to adapt to new technologies and ways of working. Failure to respond effectively may result in increased costs, reduced competitiveness and potential non-compliance with applicable legislation and standards.

The transition to lower-carbon materials, technologies and construction methods may require additional investment, changes to established processes and the development of new skills and capabilities across the workforce. These factors may impact project delivery and margins if not effectively managed.

The Group manages these risks through its ESG framework and governance structure (see page 14), which provides oversight of environmental sustainability priorities and performance. This includes dedicated subject matter expertise, ongoing monitoring of regulatory developments and close engagement between central teams and operating companies to support implementation.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Contract Award and Pricing

The Group's operating companies seek to secure profitable work through a high volume of bids each year, often involving complex and long-term projects. There is a risk that tender assumptions are inaccurate or that risks are not fully identified and appropriately priced.

If contracts are secured at insufficient margin, this may result in poor financial performance and reputational damage. Conversely, overly conservative pricing may reduce the volume of successful bids and adversely impact the Group's order book and future revenue.

The Group manages these risks through a defined business planning process, which sets its risk appetite across sectors and geographies and establishes commercial expectations in relation to margin and contract terms. All bids are subject to structured estimating and tendering controls, including formal 'Go/No Go' gateway procedures.

Project Delivery

The Group delivers a wide range of complex construction, facilities management and interior fit-out projects across the UK and Ireland. It is therefore exposed to risks associated with the effective delivery of these projects, including the need for robust operational and commercial controls and accurate judgement in relation to cost, value, progress and outcomes. Failure to manage these risks effectively may result in project delays, cost overruns, financial loss and reputational damage.

The Group manages these risks through established operating structures, policies and procedures within each operating company. Projects are subject to regular management review, including ongoing assessment of forecast revenue, costs to complete and overall performance. These processes are supported by the Group's risk management framework, together with internal and external audit and customer feedback.

Strategic Report (continued)

Principal risks and uncertainties (continued)

IT Systems and Cyber Security

The Group is increasingly reliant on the effective operation, performance and development of its IT systems and is therefore exposed to risks relating to system failure, cyber security threats and data integrity. Failure to effectively manage these risks may result in disruption to business operations, loss of critical information and an inability to meet contractual obligations.

Cyber threats continue to evolve, ranging from targeted attacks such as ransomware and data breaches to unintentional incidents, including employee error or phishing. These risks have the potential to compromise sensitive information and result in reputational damage, regulatory scrutiny and financial loss.

The Group manages these risks through established IT controls and monitoring processes, supported by a comprehensive disaster recovery framework and ongoing investment in system resilience. Data protection policies and procedures are in place, supported by staff training and awareness programmes to reduce the likelihood of security breaches.

Compliance

As a major employer and contractor, the Group operates within a complex and evolving legal and regulatory environment, across areas such as health and safety, financial reporting, and broader regulatory compliance. Failure to comply with these requirements could result in material financial penalties and significant reputational damage. It is therefore essential that the Group can clearly evidence its compliance.

The Group actively monitors regulatory developments across the markets in which it operates and maintains a framework of policies and procedures to support compliance. Responsibility for implementation and oversight is shared between Operating Companies and Group functions, with controls subject to periodic review. Targeted training is provided where appropriate to ensure that employees understand the relevant requirements, associated risks, and expected standards of behaviour.

Strategic Report (continued)

Principal risks and uncertainties (continued)

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. The directors assess the risk from each major procurement and hedge with forward exchange contracts when appropriate.

– *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 2026, the Board of Directors of John Graham Holdings Limited considers that it has acted in good faith in a manner most likely to promote the success of the Group for the benefit of its members as a whole. In doing so, the Board has had regard to the matters set out in section 172(1)(a–f) of the Companies Act 2006, including the interests of our stakeholders and the long-term consequences of its decisions.

This statement explains how the Directors have discharged their duties under section 172.

Role of the Board

The Board is responsible for setting the Group's strategic direction and ensuring that the business is managed in a way that creates sustainable long-term value. In doing so, the Board recognises the importance of maintaining high standards of corporate governance, fostering strong stakeholder relationships and ensuring that decision-making reflects both commercial priorities and wider environmental and social considerations.

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 across all areas of the Group's operations. These values are supported by the Group's Code of Conduct, which sets clear expectations for responsible and ethical behaviour and reinforces the Group's commitment to maintaining high standards of business conduct.

In fulfilling the Board's 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 are a key part of developing future needs and driving business improvements.

External impacts

The Board recognises that the Group's activities have a direct and lasting impact on the environment, communities and wider society. In its decision-making, the Board considers the long-term consequences of operations, including environmental impact, resource use, social value delivery and the Group's role in supporting the transition to a lower-carbon economy.

The Group continues to develop its approach to environmental and social impact through its ESG strategy, *Constructing with Purpose 2026–2030*, which sets out clear commitments across areas such as carbon reduction, responsible sourcing and the delivery of social value. These commitments support the integration of environmental and social considerations into operational and investment decisions, ensuring that the Group's activities deliver positive and lasting outcomes.

Strategic Report (continued)

Section 172 Companies Act 2006 Statement (continued)

External impacts (continued)

The Board monitors progress against these commitments and receives regular updates on performance, enabling it to oversee delivery and respond to emerging risks and opportunities. The Group also continues to support the United Nations Sustainable Development Goals, focusing on those most relevant to its activities.

Our Employees

The Board recognises that the Group's employees are fundamental to its long-term success and sustainability, and is committed to creating an environment in which people are supported, engaged and able to develop and perform at their best.

The Group's achievement of Investors in People Platinum and Wellbeing accreditations reflects a sustained and embedded focus on workforce development and employee wellbeing. Initiatives such as the CONNECT programme continue to support employees in managing their wellbeing and personal development, contributing to a positive and high-performing working environment.

The Board maintains regular engagement with employees through a range of channels, including annual staff briefings and digital communication platforms, which provide clear visibility of business performance and priorities while enabling meaningful two-way dialogue across the organisation.

Feedback from these engagement channels is reported to and considered by the Board. Workforce engagement, wellbeing and capability remain standing areas of focus within Board discussions, ensuring that employee insight informs decision-making and supports the continued development of the Group.

Our Clients and Supply Chain

The Board recognises the importance of maintaining strong, collaborative relationships with clients and supply chain partners in delivering high-quality outcomes and supporting the long-term success of the Group.

For clients, this includes ensuring that projects are delivered safely, efficiently and in a manner aligned with their strategic objectives, with a focus on delivering sustainable, long-term value. The Group places particular emphasis on building trusted relationships and working in partnership to develop practical and effective solutions.

For the supply chain, the Board supports the continued development of responsible and sustainable procurement practices, supporting the Group's commitment to maintaining high standards of business conduct. This includes promoting fair and timely payment, supporting supply chain resilience, and creating opportunities for SMEs through engagement, mentoring and participation in initiatives such as regional "Meet the Buyer" events and Skills Academies.

Strategic Report (continued)

Section 172 Companies Act 2006 Statement (continued)

Our Clients and Supply Chain (continued)

The Board, supported by the Supply Chain Committee, monitors supply chain performance, resilience and engagement, ensuring that these relationships are managed effectively and that supply chain insight is considered as part of wider business decision-making.

Local Communities

The Board recognises the importance of the Group's role within the communities in which it operates and is committed to ensuring that its activities deliver positive and lasting social outcomes.

The Group seeks to minimise disruption arising from its operations while actively contributing to local communities through employment, skills development and the use of local supply chain partners. This includes engagement with local stakeholders, supporting education and training initiatives, and encouraging employees to share knowledge and skills within the wider community.

The Group's approach to social value provides a structured framework for delivering measurable benefits across its projects and operations. This supports the creation of opportunities for local people and businesses and enhances the broader impact of the Group's activities.

The Board receives updates on community engagement and social value delivery and considers these as part of its oversight of operational performance and wider stakeholder impact.

Strategic Report (continued)

Non-Financial and Sustainability Information Statement

This Non-Financial and Sustainability Information Statement has been prepared in accordance with sections 414CA and 414CB of the Companies Act 2006 and associated climate-related financial disclosure regulations.

The disclosures presented reflect GRAHAM's approach to managing climate-related risks and opportunities as part of its wider climate strategy, including its commitment to reducing emissions and progressing towards net zero by 2040.

This Statement sets out GRAHAM's climate-related financial disclosures, including governance, strategy and risk management in relation to climate-related risks and opportunities, and how these are integrated into the Group's overall operating and risk management processes.

A summary table aligned with the regulatory requirements is included below to signpost where relevant disclosures are addressed within this Statement.

Climate-related Financial Disclosure Requirements	Page
GOVERNANCE	
<ul style="list-style-type: none"> A description of the governance arrangements in relation to assessing and managing climate related risks and opportunities. 	Page 15
RISK MANAGEMENT	
<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. 	Page 18
STRATEGY	
<ul style="list-style-type: none"> A description of: <ol style="list-style-type: none"> the principal climate-related risks and opportunities arising in connection with the operations of the company 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. 	Page 21
METRICS AND TARGETS	
<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. 	Page 33

Strategic 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 Board retains overall responsibility for the oversight of climate-related risks and opportunities, ensuring these are appropriately reflected in the Group's strategy and risk management framework.

Oversight of principal risks, including those related to climate change, is supported by the Risk Committee, which is responsible for maintaining and overseeing the Group's Risk Management System. This includes reviewing the Strategic Risk Register, assessing emerging risks, and ensuring that risk is managed within the appetite set by the Board. Climate-related risks are considered within this broader risk framework and are reviewed regularly throughout the year as part of the Committee's ongoing activities.

The ESG Committee supports the Board by providing focused oversight of environmental, social and governance matters, including climate-related risks and opportunities, and by monitoring progress against the Group's broader ESG strategy and associated objectives.

The Group Director of ESG sits on both the Risk Committee and ESG Committee, providing a direct link between ESG governance and the Group's enterprise risk management processes. The Group Chief Financial Officer and Group Chief Operating Officer are also members of both Committees, further reinforcing alignment between ESG priorities, financial oversight and operational delivery.

The Risk Committee undertakes a dedicated annual review of climate-related risks and opportunities, with input from relevant subject matter experts, including the Head of Environmental Sustainability and Protection, to ensure these risks are assessed in appropriate detail.

This structure ensures that climate-related risks and opportunities are consistently identified, assessed and escalated, and are managed alongside other principal risks within the Group's Risk Management System, supporting alignment with wider business risks and strategic decision-making.

The Board receives quarterly updates on ESG matters, including performance against climate-related targets and key performance indicators, the status of key initiatives, and progress against the Group's climate strategy. These updates inform Board oversight and support direction setting on climate-related priorities and actions.

Strategic Report (continued)

Governance (continued)

(b) Management's Role

At management level, day-to-day oversight and delivery of climate-related activities is led by the Head of Environmental Sustainability and Protection, supported by the Environmental Sustainability team. This role is responsible for driving performance against the Group's climate-related targets and commitments, including the ongoing monitoring of key metrics, the delivery of environmental initiatives, and the identification of climate-related risks and opportunities at an operational level.

The Environmental Focus Group, which meets quarterly, provides a cross-functional forum for the review of performance, risks and opportunities, and for the coordination of climate-related activity. The Group is chaired by the Group Director of ESG, with the Head of Environmental Sustainability and Protection playing a central role in contributing operational insight and performance oversight. The Group Director of ESG is responsible for reporting its outputs to the ESG Committee, ensuring a consistent link between operational activity and management oversight.

The Head of Environmental Sustainability and Protection monitors performance against the Group's climate-related targets and commitments on an ongoing basis, supported by the review and challenge provided through the Environmental Focus Group. Performance information is reported to operational divisions on a monthly basis, supporting local ownership and delivery, with consolidated updates provided to the ESG Committee on a quarterly basis.

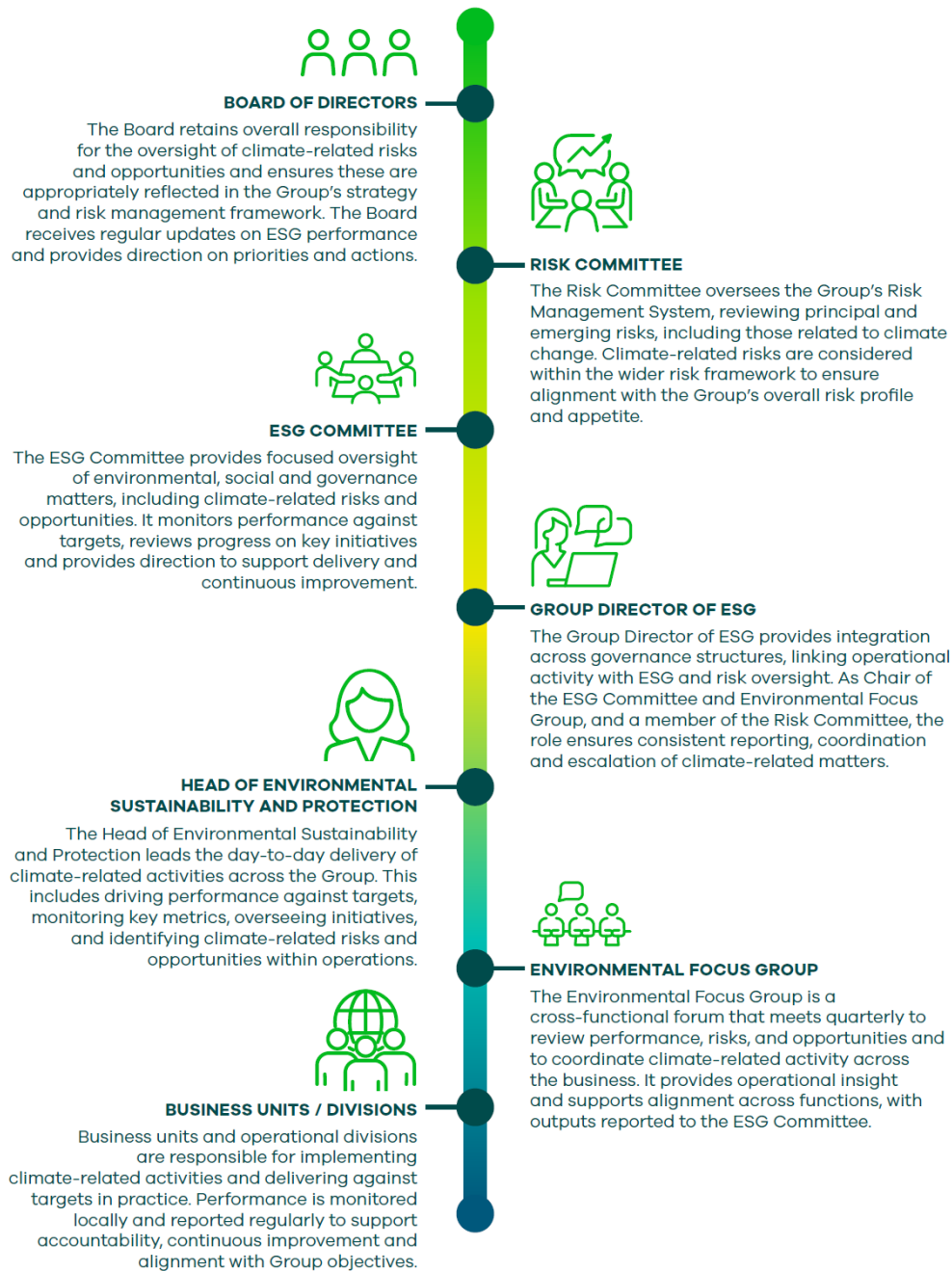
Where performance against targets indicates a potential risk to delivery, this is escalated by the Head of Environmental Sustainability and Protection through the established governance structure, to the ESG Committee and, where appropriate, to the Board for further review and direction.

An overview of climate related governance arrangements in place within GRAHAM is set out overleaf.

Strategic Report (continued)

Governance

GRAHAM has established a clear governance framework to oversee environmental and climate-related matters across the Group.



Strategic Report (continued)

Risk Management

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

(a) Processes for identifying and assessing climate related risks

Climate-related risks and opportunities are identified and assessed through the Group’s established risk management framework, ensuring climate considerations are integrated within the same structures and disciplines used to assess other principal risks. This approach combines top-down strategic oversight with bottom-up identification of risks arising from operational and project activity.

Risk identification begins early in the project lifecycle. At an operational level, climate-related risks and opportunities are considered during bidding and work-winning activities to support decision-making on approach, delivery planning and opportunity realisation. This is supported by ongoing identification throughout operations, with risk owners responsible for recognising emerging risks and escalating these through established reporting lines.

At a strategic level, climate-related risks and opportunities are considered as part of the Group’s annual business planning process and the ongoing maintenance of the Strategic Risk Register. This is informed by a combination of internal inputs, including project and operational risk information and outputs from the Group’s risk management processes, with input from relevant subject matter experts across the business, alongside external developments such as changes in regulation, client requirements and wider market expectations, as well as climate-related scenario analysis. The Risk Committee oversees the Group’s risk profile, including climate-related risks, and undertakes a dedicated annual review to provide focused challenge and validation.

In identifying and assessing climate-related risks, the Group considers both physical risks (such as extreme weather events and longer-term climate change impacts) and transition risks (including changes in regulation, market conditions and technology). These are assessed across defined time horizons, reflecting the periods over which climate-related risks and opportunities may materialise and impact the Group’s operations, financial performance and strategic decision-making. The time horizons applied, together with the rationale for their selection, are set out below:

Short Term	Medium Term	Long Term
Up to 1 year	1 to 5 years	Greater than 5 years
<i>Aligned to current operations and financial reporting, focusing on risks affecting active projects, delivery and near-term performance.</i>	<i>Aligned to business planning and project lifecycles, capturing emerging regulatory, market and client-driven changes.</i>	<i>Aligned to strategic planning, reflecting longer-term transition and physical climate impacts on the business.</i>

Climate-related risks are assessed using the Group’s risk scoring matrix, which evaluates likelihood and potential financial impact.

Strategic Report (continued)

Risk Management (continued)

The descriptors used to assess the likelihood of risks are as follows:

Unlikely	Remote	Possible	Probable	Almost Certain
≤10% Probability	11-30% Probability	31-59% Probability	60-84% Probability	≥85% Probability

The potential financial impact of risks and opportunities is assessed based on the potential effect on the Group’s financial performance, primarily reflecting impacts on profitability, using the following categories:

Minor	Moderate	Significant	Major	Critical
Negligible Financial loss (<£10k)	Minor Financial loss (£10k - £100k)	Significant Financial loss (£100k - £1m)	Major Financial loss (£1m - £5m)	Severe Financial loss (>£5m)

These factors are combined to determine an overall risk score, enabling consistent prioritisation and comparison across the Group:

Impact ↓ / Likelihood →	Unlikely (1)	Remote (2)	Possible (3)	Probable (4)	Almost Certain (5)
Critical (5)	5	10	15	20	25
Major (4)	4	8	12	16	20
Significant (3)	3	6	9	12	15
Moderate (2)	2	4	6	8	10
Minor (1)	1	2	3	4	5

Climate-related risks scoring 9 or above are considered material to the Group and are formally captured within the strategic risk register for ongoing monitoring and review. This ensures that climate-related risks are assessed and escalated in line with the Group’s principal risk framework.

Strategic Report (continued)

Risk Management (continued)

(b) Processes for managing climate related risks

Once identified and assessed, climate-related risks are managed in line with the Group's established risk management framework. Responsibility for each risk is assigned to a designated risk owner, who is accountable for implementing and monitoring appropriate mitigation actions.

Risk responses are developed to reduce the likelihood and/or impact of identified risks to an acceptable level and are embedded within operational and project delivery activities, ensuring that climate-related risks are addressed in a practical and proportionate manner.

Progress against mitigation actions is monitored through the Group's risk management processes, with updates provided as part of regular risk reporting. Significant risks, including those related to climate change, are subject to ongoing review and challenge through the Group's governance processes, including oversight by the Risk Committee via the Strategic Risk Register.

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

The processes for identifying, assessing and managing climate-related risks are fully integrated into the Group's overall risk management framework. Climate-related risks are considered alongside other principal risks and are subject to the same governance, oversight and escalation processes.

This ensures that climate-related risks are embedded within business planning, operational decision-making and risk reporting, with visibility maintained through the Strategic Risk Register.

Through this approach, climate-related risks are managed consistently across the Group, supporting alignment with business objectives, risk appetite and long-term resilience.

Strategic Report (continued)

Strategy

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

Transition Risks

Regulatory					
<i>Risk of increased cost and compliance burden arising from evolving climate-related regulation and reporting requirements.</i>					
Likelihood:	Almost Certain	Potential Financial Impact:	Moderate <i>(Increased costs)</i>	Risk Score	10
Time Horizon:	Short to Medium Term				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> • Changes in climate-related legislation and regulation, including enhanced reporting and disclosure requirements, leading to increased compliance obligations and potential exposure to fines or liability. • Expansion of regulatory mechanisms such as carbon pricing and carbon border measures, increasing the cost of carbon-intensive materials and inputs. • Updates to Building Regulations and related standards requiring higher performance specifications, resulting in changes to design and construction requirements and associated cost increases. • Introduction of new or evolving policy measures impacting the sourcing and cost of materials. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> • Ongoing monitoring of emerging climate-related legislation and regulatory developments to ensure early identification of new requirements. • Ensuring compliance with applicable regulatory obligations, including Climate-related Financial Disclosures, SECR, ESOS and PPN06/21. • Integration of regulatory requirements, including carbon pricing and CBAM, into tendering, procurement and commercial processes to manage cost and contractual risk. • Engagement with clients and supply chain to manage the practical implications of evolving regulatory and specification requirements. 					

Strategic Report (continued)

Strategy (continued)

Market					
<i>Risk of reduced competitiveness and impact on pipeline due to increasing client demand for low-carbon delivery.</i>					
Likelihood:	Possible	Potential Financial Impact:	Significant <i>(Reduced revenue, increased costs)</i>	Risk Score	9
Time Horizon:	Medium Term				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> • The transition to a low-carbon economy is driving a shift in client demand towards net zero buildings and infrastructure. • There is a risk of reduced competitiveness in tenders, and potential exclusion from frameworks, where the Group cannot clearly demonstrate capability in delivering low-carbon solutions. • Evolving client requirements and procurement criteria may impact work winning activity, with potential consequences for pipeline strength and future revenue. • Increased adoption of low-carbon materials, technologies and construction methods may place pressure on pricing and margins where not effectively managed. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> • Delivery of the Group’s Environmental Sustainability Strategy and net zero commitments to support market positioning and maintain competitiveness. • Maintenance of external validation and certification (including PAS 2080 and ISO 14064) to evidence capability in low-carbon delivery and meet client requirements. • Investment in capability, training and tools across design, procurement and commercial functions to support consistent delivery of low-carbon solutions. • The Group benefits from established in-house sustainability expertise, enabling alignment with evolving client and market expectations and supporting delivery of low-carbon and net zero projects. • Early engagement with clients and supply chain to influence specifications, manage commercial implications and develop deliverable, cost-effective solutions. • Ongoing review of pipeline and bidding strategy to ensure alignment with evolving market demand and procurement expectations. 					

Strategic Report (continued)

Strategy (continued)

Legal <i>Risk of financial loss arising from failure to meet contractual sustainability and performance requirements.</i>					
Likelihood:	Possible	Potential Financial Impact:	Significant <i>(increased costs due to penalties and rework)</i>	Risk Score	9
Time Horizon:	Medium to Long Term				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> • Failure to meet contractual sustainability requirements, including embodied carbon targets and operational performance standards, resulting in penalties, loss of revenue or reputational impact. • Increasing use of performance-based specifications (e.g. Passivhaus, net zero in operation), creating exposure where contractual outcomes are not achieved. • Use of new or evolving low-carbon materials, technologies and construction methods introducing delivery uncertainty and potential defects, performance shortfall or warranty risk. • Limited industry track record, standards or assurance mechanisms for certain low-carbon solutions, increasing legal and commercial exposure. • Risk of contractual disputes arising from allocation of responsibility for sustainability outcomes between client, designer and contractor. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> • Consideration of sustainability and performance requirements as part of tender review and commercial assessment processes. • Engagement with clients and design teams to clarify sustainability requirements and ensure these are understood prior to contract award. • Use of existing technical and operational expertise to support delivery of sustainability-related requirements on projects. • Ongoing development of internal capability in low-carbon materials, technologies and construction methods. • Monitoring of project delivery against contractual requirements, with issues escalated where performance risks are identified. 					

Strategic Report (continued)

Strategy (continued)

Supply Chain					
Risk that suppliers are unable to meet evolving sustainability requirements or provide reliable emissions data, impacting delivery and Scope 3 targets.					
Likelihood:	Possible	Potential Financial Impact:	Major <i>(increased costs and associated margin pressure)</i>	Risk Score	12
Time Horizon:	Medium to Long				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> Increasing sustainability and carbon-related requirements being cascaded through the supply chain, creating pressure on supplier capability and capacity. Risk that subcontractors and suppliers are unable to meet evolving requirements (e.g. embodied carbon targets, emissions reporting and product-level data), impacting delivery and compliance. Limited availability and maturity of low-carbon materials, products and technologies, affecting programme, cost and specification compliance. Financial pressure on suppliers, particularly SMEs, arising from transition costs and changing requirements, increasing the risk of disruption or failure. Dependence on supply chain engagement to measure and reduce Scope 3 emissions, which represent the majority of the Group’s carbon footprint, creating exposure where supplier data availability, quality or consistency is insufficient. Risk that suppliers are unable to provide robust emissions data, limiting the Group’s ability to meet reporting requirements and deliver against Scope 3 reduction targets. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> Engagement with key suppliers and subcontractors to support understanding of evolving sustainability and carbon-related requirements. Consideration of supply chain capability and capacity as part of tendering and procurement processes. Early engagement with suppliers to identify potential constraints relating to availability, capability, cost and data requirements. Engagement with suppliers to improve the availability and quality of emissions data to support Scope 3 reporting and reduction targets. Ongoing development of data collection approaches and methodologies to enhance the accuracy and completeness of Scope 3 emissions reporting. Monitoring of supply chain performance throughout project delivery, with escalation where risks to programme, cost or compliance are identified. 					

Strategic Report (continued)

Strategy (continued)

Technology					
Risk that low-carbon technologies and supporting infrastructure are not sufficiently mature, available or cost-effective to support transition.					
Likelihood:	Probable	Potential Financial Impact:	Significant <i>(increased capital investment and operating costs)</i>	Risk Score	12
Time Horizon:	Medium to Long Term				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> Requirement to transition to low-carbon plant, equipment and technologies, increasing capital investment and impacting operating costs. Limited availability and maturity of low-carbon technologies creating uncertainty in performance, cost and suitability for different project types. Risk that emerging technologies do not perform as expected in practice, leading to inefficiencies, operational constraints or rework. Risk of stranded assets where investment is made in technologies that are subsequently superseded or become unviable. Dependence on supporting infrastructure (e.g. grid capacity, charging networks and alternative fuels), which may not develop at the pace required to enable widespread adoption. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> Ongoing review of emerging technologies to inform investment decisions and avoid premature commitment to unproven solutions. Phased approach to plant replacement and technology adoption to manage cost and reduce exposure to asset obsolescence. Use of a hire-led or flexible asset model where appropriate to limit long-term capital exposure. Monitoring of market developments, including supporting infrastructure and technology maturity, to inform operational planning and delivery. 					

Strategic Report (continued)

Strategy (continued)

Physical Risks

Acute					
<i>Risk of disruption to operations from increased frequency and severity of extreme weather events.</i>					
Likelihood:	Almost Certain	Potential Financial Impact:	Moderate <i>(damage to assets, programme disruption and associated costs)</i>	Risk Score	10
Time Horizon:	Short to Medium Term				
Actual and Potential Impacts to the Business (Risks)					
<ul style="list-style-type: none"> Increased frequency and severity of extreme weather events (including flooding, storms and heavy rainfall) impacting construction sites, assets and operations. Risk of physical damage to works, plant and site infrastructure, resulting in additional cost and programme delays. Disruption to project delivery due to site inaccessibility, transport constraints or suspension of works during severe weather events. Impact on the health and safety of employees, subcontractors and stakeholders arising from extreme weather conditions. Short-term weather events contributing to reduced productivity and disruption to planned works, impacting delivery timelines and cost certainty. 					
Responding to our Key Risks					
<ul style="list-style-type: none"> Monitoring of weather conditions and site-specific risk factors, particularly for projects in higher-risk locations (e.g. flood-prone areas). Site-level planning and controls to manage disruption, including contingency measures and emergency response procedures where required. Integration of climate considerations into project planning and delivery to improve resilience to weather-related disruption. Ongoing review of site performance and lessons learned to inform future project planning and risk management. 					

Strategic Report (continued)

Strategy (continued)

<p>Chronic <i>Risk of reduced productivity and programme performance due to longer-term changes in climate conditions.</i></p>					
Likelihood:	Probable	Potential Financial Impact:	Significant <i>(reduced productivity, increased costs)</i>	Risk Score	12
Time Horizon:	Medium to Long Term				
<p>Actual and Potential Impacts to the Business (Risks)</p> <ul style="list-style-type: none"> • Longer-term shifts in climate patterns, including sustained increases in temperature, impacting working conditions and site productivity. • Increased frequency and duration of heat events reducing the ability to carry out works safely and efficiently, particularly in exposed site environments. • Changes in weather patterns affecting programme reliability, sequencing of works and project timelines. • Increased wear and performance stress on materials, plant and infrastructure due to changing environmental conditions. • Potential for reduced labour productivity and availability during prolonged periods of adverse conditions, impacting delivery against programme and budget. 					
<p>Responding to our Key Risks</p> <ul style="list-style-type: none"> • Consideration of climate-related conditions within project planning and delivery, including sequencing of works and site management approaches. • Implementation of site-level measures to manage productivity and safety during sustained adverse weather conditions. • Integration of climate resilience considerations into design and construction approaches where appropriate. • Ongoing review of project performance and lessons learned to inform future planning and improve resilience to changing conditions. 					

Strategic Report (continued)

Strategy (continued)

Opportunities

Resource Efficiency					
<i>Opportunity to reduce costs and improve margins through more efficient use of materials, energy and resources across operations.</i>					
Likelihood:	Probable	Potential Financial Impact:	Significant (reduced operating costs and improved margins)	Opportunity Score	12
Time Horizon:	Short to Medium Term				
Actual and Potential Impacts to the Business (Opportunities)					
<ul style="list-style-type: none"> • Reduced material, energy and waste costs through more efficient design and delivery approaches. • Improved project margins through reduced material, energy and waste intensity • Increased competitiveness through ability to deliver cost-efficient low-carbon solutions. 					
Responding to our Key Opportunities					
<ul style="list-style-type: none"> • Embedding resource efficiency and whole life carbon considerations into design and delivery. • Increasing use of low-carbon and resource-efficient materials and construction methods. • Monitoring of energy, water and waste performance across projects and operations. 					

Strategic Report (continued)

Strategy (continued)

Competitive Advantage in Low-Carbon Delivery					
<i>Opportunity to strengthen market position and improve work winning through demonstrated low-carbon delivery capability.</i>					
Likelihood:	Probable	Potential Financial Impact:	Significant <i>(increased revenue opportunities and improved work winning)</i>	Opportunity Score	12
Time Horizon:	Medium Term				
Actual and Potential Impacts to the Business (Opportunities)					
<ul style="list-style-type: none"> Strengthened market position through demonstrated capability in low-carbon design, delivery and carbon management. Improved work winning outcomes as client demand for low-carbon solutions continues to increase. Improved positioning on frameworks and major programmes where sustainability performance is a key evaluation criterion. 					
Responding to our Key Opportunities					
<ul style="list-style-type: none"> Continued delivery of climate action targets and maintenance of external validation (e.g. SBTi, PAS 2080). Integration of carbon considerations into design, procurement and delivery processes. Ongoing investment in internal capability, systems and training to support low-carbon delivery. 					

Strategic Report (continued)

Strategy (continued)

<p>Client Advisory and Value-Add Services <i>Opportunity to deliver increased value to clients and capture additional and recurring revenue through sustainability expertise and lifecycle-led services.</i></p>					
Likelihood:	Possible	Potential Financial Impact:	Significant <i>(additional revenue streams and enhanced service offering)</i>	Opportunity Score	9
Time Horizon:	Medium to Long Term				
<p>Actual and Potential Impacts to the Business (Opportunities)</p> <ul style="list-style-type: none"> • Support to clients in achieving net zero outcomes through application of low-carbon design, delivery and operational expertise • Expansion of services across the asset lifecycle, including operational performance, carbon and energy management. • Development of longer-term client relationships and recurring revenue through ongoing service provision. • Increased client reliance on GRAHAM as a trusted partner in managing climate-related challenges. 					
<p>Responding to our Key Opportunities</p> <ul style="list-style-type: none"> • Leveraging design, delivery and operational expertise to support client outcomes beyond project completion. • Integration of sustainability and performance considerations into both project delivery and operational services. • Collaboration with clients to identify and implement low-carbon and resource-efficient solutions. • Continued development of internal capability across carbon management, lifecycle delivery and asset performance. 					

Strategic Report (continued)

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

GRAHAM has adopted a strategic approach focused on strengthening resilience to climate-related risks while positioning the business to benefit from emerging opportunities. Our business and financial strategies recognise that both transition and physical climate risks have the potential to increase costs and require additional capital investment. This includes expenditure on low-carbon technologies, enhanced systems and data, and increased compliance and reporting requirements. Climate-related risks also have the potential to disrupt project delivery, particularly through supply chain constraints and the impacts of extreme weather, with implications for programme and cost certainty.

At the same time, we recognise that the transition to a low-carbon economy presents opportunities to enhance revenue and improve margins. These include increased competitiveness in work winning, cost savings through more efficient use of materials and resources, and the ability to deliver additional value to clients through lifecycle-led services and operational performance.

The Group continues to plan for and respond to these risks and opportunities through its strategic planning, investment decisions and operational delivery, ensuring that the business is well positioned to adapt to changing market and regulatory conditions.

This section describes the resilience of GRAHAM strategy, taking into consideration different climate-related scenarios

To assess the resilience of its business model and strategy, GRAHAM has considered the potential impacts of climate-related risks and opportunities under a range of climate scenarios, including an orderly transition aligned with a 2°C or lower pathway and more disruptive, higher-emissions outcomes.

The analysis considers both physical and transition risks and draws on recognised climate pathways and scenario narratives to assess how external conditions may evolve over time. Risk impacts have been assessed by considering changes in likelihood and severity under each scenario, including potential financial and operational implications.

Physical Climate Scenarios

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:

Scenario	Description	Impact to GRAHAM
RCP2.6	Low-emissions scenario (approx. 0.3–1.7°C warming)	Lower physical risk impacts, but earlier and more significant transition requirements
RCP4.5	Stabilisation scenario (approx. 1.1–2.6°C warming)	Moderate physical and transition risks over the medium to long term
RCP8.5	High-emissions scenario (approx. 2.6–4.8°C warming)	Higher exposure to physical climate risks, including more frequent and severe weather events

Strategic Report (continued)

This section describes the resilience of GRAHAM strategy, taking into consideration different climate-related scenarios (continued)

Physical climate exposure has been considered across multiple timescales, including 2030, 2050 and 2100, to assess how changes in temperature and weather patterns may affect the Group's operations, assets and delivery environment over time.

Transition Risk Climate Scenarios

Transition scenarios consider how climate policies, regulation and technology may evolve to support the transition to a low-carbon economy, and the potential implications for the Group.

To inform this analysis, publicly available Shared Socioeconomic Pathways (SSPs) were used as a reference point, providing high-level narratives on how societal and economic development may influence climate outcomes and responses. The scenarios considered include:

- SSP1 – Sustainability (low challenges to mitigation and adaptation)
- SSP2 – Middle of the Road (moderate challenges)
- SSP3 – Regional Rivalry (high challenges)
- SSP4 – Inequality (low mitigation, high adaptation challenges)
- SSP5 – Fossil-fuelled development (high mitigation challenges)

These have been supplemented with three simplified transition scenarios to reflect potential future outcomes for the Group:

- Co-ordinated low carbon transition – early policy action, strong market growth in low carbon solutions and higher carbon costs
- Business as usual – gradual transition with delayed regulatory impacts
- Delayed response – limited early action leading to more significant physical impacts and abrupt policy intervention

Resilience of the Business Model

The analysis highlights how the Group's exposure to climate-related risks may change under different scenarios, including impacts on costs, project delivery, supply chain resilience and investment requirements.

Under an orderly transition scenario, the Group is well positioned to respond to evolving regulatory, market and client requirements, with opportunities to strengthen competitiveness through low-carbon delivery.

Under more disruptive or delayed transition scenarios, the Group may experience increased exposure to:

- cost pressures associated with regulation, materials and energy

Strategic Report (continued)

- supply chain constraints and volatility
- increased investment requirements to support decarbonisation

Higher emissions scenarios also increase exposure to physical risks, including disruption from more frequent and severe weather events, with potential implications for project delivery, asset performance and operational continuity.

Taking these factors into account, the Board considers that the Group’s current risk management and mitigation strategies support the resilience of its business model and strategy across a range of plausible climate scenarios. However, more disruptive transition pathways and more severe physical climate outcomes could lead to increased cost pressures, operational disruption and additional investment requirements over time.

Maintaining resilience will require continued adaptation, including developing capability across the business, investing in low-carbon solutions and strengthening engagement with clients and supply chain partners. The Group will continue to monitor developments in climate policy, technology and market conditions and refine its scenario analysis over time to reflect emerging risks and opportunities

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 its 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’s operations and are included within our Net Zero target, based on their relevance to the Group’s activities and available data. Other Scope 3 categories have been considered and assessed as immaterial.

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	

Since establishing our net zero ambitions, industry guidance and best practice in target-setting have continued to evolve. In response, GRAHAM has strengthened the credibility of its targets through validation by the Science Based Targets initiative (SBTi) in August 2024, ensuring alignment with the latest climate science and the goals of the Paris Agreement. This validation underpins the Group’s approach to emissions reduction and supports delivery of its long-term climate strategy.

Strategic Report (continued)


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

Associated Risks and Opportunities	Metric	Unit
Risk: Regulatory; Market; Supply Chain Opportunity: Competitive advantage in low-carbon delivery	Absolute scope 1, scope 2 (Market based) and scope 3 emissions*	8,716TCO ₂ e
Risk: Regulatory; Market Opportunity: Competitive advantage in low-carbon delivery	% reduction of scope 1 and 2 emissions from the base-year	39%
Risk: Market; Legal Opportunity: Resource Efficiency; Competitive advantage in low-carbon delivery	Emissions intensity*	7.09TCO ₂ e/ £1M
Risk: Legal Opportunity: Resource Efficiency	Construction waste intensity	14.39/£1M
	Construction waste diversion from landfill	98%
Risk: Regulatory; Technology Opportunity: Resource Efficiency; Competitive advantage in low-carbon delivery	Renewable energy use	74%
Risk: Regulatory; Technology; Market Opportunity: Competitive advantage in low-carbon delivery	% Electric or PHEV cars in fleet	94%

*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

Strategic Report (continued)

On behalf of the Board

DocuSigned by:

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Courtney McCormick

Director

25th June 2026

REGISTERED No. NI 057921

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2026.

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)

Results and dividends

The Group demonstrated a satisfactory performance for the year ended 31 March 2026. The Group profit for the year after taxation amounted to £27.0m (2025 – profit of £19.1m). The Directors do not recommend a final dividend (2025 – £nil). Net Assets are £113.7m (2025 – £98.0m). During the year dividends of £11.574m were proposed and paid (2025 – £5.643m).

Future developments

The Group maintains robust performance, prioritising quality delivery. Despite economic challenges due to inflationary pressures, our core markets in the UK and Ireland 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.

Directors' Report (continued)

Going concern

The group is in a strong financial position with net current assets of £118m and cash of £261m at 31 March 2026 and significant opportunities for growth in the future.

The Directors have considered the impact of current economic conditions, including inflationary pressures in the short and medium term, as part of the Group's budgeting and forecasting process. A base case cash flow forecast has been prepared and reviewed, which has been sensitised to reflect reasonably possible downside scenarios, including reductions in revenue.

After making appropriate enquiries and reviewing these forecasts, the Directors are satisfied that the Group and Company have sufficient cash and liquidity headroom to meet their obligations as they fall due for the period to 30 September 2027 and therefore a reasonable expectation that the Group and Company have 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' 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.

Employee Matters

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)

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.

Statement of Corporate Governance Arrangements

This statement sets out the corporate governance arrangements applied by the Board of Directors of John Graham Holdings Limited ("the Group") during the year ended 31 March 2026. It has been prepared in accordance with the Companies Act 2006 and relevant reporting regulations.

Governance Framework Adopted

The Board has determined that the Wates Corporate Governance Principles for Large Private Companies ("the Wates Principles") provide an appropriate framework for the Group. The Wates Principles are designed for large privately owned UK businesses and reflect the ownership structure, stewardship model and long-term focus of the Group.

This statement describes how the Group has applied the six Wates Principles during the year. Where the Group's arrangements differ from the Principles, the Board has explained the rationale and how alternative arrangements achieve the intended governance outcome. This statement is also available on the Group's website.

The UK Corporate Governance Code is not adopted by the Group. The Board has, however, had regard to relevant aspects of the Code where these support good practice, including in relation to risk management, internal control and stakeholder engagement.

Directors' Report (continued)

Principle 1: Purpose and Leadership

An effective board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.

The Group's purpose is delivering lasting impact through the safe, sustainable and high-quality delivery of the built environment, with a focus on creating long-term value for its stakeholders.

The Board ensures that the Group's strategy, values and culture are aligned to this purpose through regular review of business performance, strategic priorities and organisational culture.

The Group's values define the behaviours expected across the business and are embedded through leadership, performance management and employee engagement processes. Culture is monitored using a range of indicators, with outputs reported to the Board.

Principle 2: Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Board comprises the Non-Executive Chair, additional non-executive directors representing the shareholding family, and three executive directors: the Group Chief Executive Officer, the Group Chief Operating Officer and the Group Chief Financial Officer.

The Board considers that its current size and composition are proportionate to the scale, complexity and risk profile of the Group. The combination of family non-executive directors with deep institutional knowledge of the business, and executive directors with the operational, commercial and financial expertise required to lead a group of JGH's scale, provides an appropriate balance of stewardship, sector expertise and independent challenge.

Board appointments are made by the shareholders on the recommendation of the Board, having regard to the skills, experience, diversity and independence considerations relevant to the Group's strategy and risk profile. The Board reviews its composition, succession plans and effectiveness annually.

Directors' Report (continued)

Principle 3: Director Responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The Board operates under a documented Schedule of Matters Reserved for the Board, which define the matters that may only be decided by the Board, those delegated to its committees, and those delegated to the executive directors. Matters reserved for the Board include strategy, annual budget and business plan approval, material capital expenditure and investment decisions, treasury policy, executive appointments, executive remuneration, principal risk appetite, and approval of the annual financial statements.

During the year, the Board strengthened its committee architecture, with ten strategic committees operating under formal Terms of Reference and reporting to the Board. The committee structure provides focused oversight across the principal areas of the Group. Each committee is supported by a metrics reviewed by the Board, ensuring that key performance and risk indicators are visible at Board level.

The Audit Committee, Risk Committee and Remuneration Committee operate alongside the strategic committees. The Group Chief Financial Officer is accountable to the Board for the integrity of financial reporting, internal control and the management of principal risks, and the Remuneration Committee oversees the framework for executive and senior leadership reward as described under Principle 5 below.

The Board has access to independent professional advice at the Group's expense where it considers this necessary to discharge its responsibilities.

Directors' Report (continued)

Principle 4: Opportunity and Risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

The Board has overall responsibility for the Group's system of risk management and internal control, including setting the level of risk appetite within which the business operates.

Opportunities and risks are considered as part of the Group's established business planning, performance management and strategic review processes, with key developments reported to and reviewed by the Board on a regular basis.

Risk management is embedded within the Group's governance framework, with day-to-day responsibility for the identification, assessment and management of risk sitting with executive management. Oversight and challenge is provided through the Group's committee structure and reporting arrangements, with the Board retaining ultimate accountability. Independent assurance is provided through internal audit and external assurance where appropriate.

The Board reviews the Group's principal risks through its regular reporting and governance processes. These risks, together with the associated mitigation and management activities, are set out in the Strategic Report.

The Board has carried out an assessment of the principal and emerging risks facing the Group, including those that could impact its future performance and financial position.

Principle 5: Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Remuneration Committee, reporting to the Board, oversees executive remuneration and the framework for senior leadership reward, having regard to pay and conditions across the wider workforce and to the long-term interests of the Group. The Board's approach is to ensure that executive reward is aligned with the sustained, long-term success of the Group, recognising the multi-year nature of the contracts and investments through which the Group creates value.

Workforce pay and conditions are reviewed annually with reference to statutory requirements, including the National Minimum Wage and National Living Wage, and the principle of fair reward for the role performed. The Group operates pension arrangements that meet or exceed statutory auto-enrolment requirements. The Board monitors pay differentials across the Group and is satisfied that the relationship between executive and wider workforce pay remains proportionate to the responsibilities of the respective roles.

Directors' Report (continued)

Principle 6: Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Board recognises that the long-term success of the Group depends on maintaining effective relationships with its key stakeholders. The Section 172 statement in the Strategic Report sets out how the Directors have had regard to stakeholder interests in their decision-making during the year.

Stakeholder engagement is supported through established governance and reporting arrangements, with relevant matters reported to the Board through its committee structure. This includes workforce engagement, client and supply chain relationships, and the Group's wider social and environmental activities.

Community and environmental matters are overseen through the Group's ESG governance arrangements. Further detail is set out in the Strategic Report and the Climate-related Financial Disclosures.

Directors' Report (continued)

Streamlined Energy and Carbon Report

Changes In Emissions Since Previous Year

FY2026 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 834 tCO₂e which equates to a 10.5% reduction. Overall, this means that to date we have achieved a 39% reduction from our base year (FY2022). We have also reduced our emissions intensity for scope 1, 2 and partial scope 3 emissions as follows:

Year	GHG Emissions Intensity
FY2025/26	7.09 tCO ₂ e/£1M
FY2024/25	9.15 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

This year's result shows a renewed and significant reduction in emissions intensity following a period of slower progress. 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 five years our carbon emissions data has been externally verified and has met the requirements of Achilles Carbon Reduce Certification. Our FY2026 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 2026.

Restatement of Prior Year Emissions Data

Following the publication of GRAHAM's 2024/25 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 2024/25 was reviewed and subsequently restated. 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 restatement primarily reflects refinements to underlying data inputs, emission factor application and categorisation identified through the audit. This has resulted in modest adjustments to Scope 1 emissions, a more notable revision to market-based Scope 2 emissions, and minor updates to Scope 3 business travel. While total emissions and intensity metrics for 2024/25 have been adjusted accordingly, the overall emissions profile remains unchanged.

Directors' Report (continued)

Restatement of Prior Year Emissions Data (continued)

The restated 2024/25 figures are now used as the baseline for comparison with the 2025/26 reporting year, providing a more robust and consistent basis for year-on-year analysis.

Energy Use

GRAHAM GROUP ENERGY USE

Energy Source	2024 - 2025				2025 - 2026			
	Quantity	Unit	Estimated data (%)	% of overall energy	Quantity	Unit	Estimated data (%)	% of overall energy
Electricity ¹	4,321	MWh	<0.5% ⁴	9%	3,985	MWh	<0.5% ⁴	9%
Transport Fuel ²	16,382	MWh	0	33%	16,078	MWh	0	34%
Process Fuel ³	29,500	MWh	0	59%	26,644	MWh	0	57%
Total	50,203	MWh			46,707	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

The Group has applied the following methodologies and standards in the quantification and reporting of its greenhouse gas emissions:

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

The Group has reported on all material 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 UK and Ireland

GRAHAM GROUP SCOPE 1,2 AND PARTIAL SCOPE 3 EMISSIONS

Scope	Energy Source	2024-2025		2025-2026	
		Quantity (tCO ₂ e)	Overall (%)	Quantity (tCO ₂ e)	Overall (%)
Scope 1	Gas Oil	5,348	55.6%	4,084	47.0%
	Company Vans	1,982	20.6%	2,056	23.7%
	Company Cars	146	1.5%	155	1.8%
	Kerosene	242	2.5%	222	2.6%
	Natural Gas	35	0.4%	151	1.7%
	HVO	28	0.3%	36	0.4%
	Scope 2	Purchased electricity (location based)	843	N/A	918
	Purchased electricity (market based)	138	1.4%	392	4.5%
Scope 3	Business travel - Employee vehicles	1,584	16.5%	1,517	17.5%
	Business travel - Rental cars	121	1.3%	71	0.8%
Total	Scope 1&2 - Location based	8,667		7,655	
Total	Scope 1 &2 - Market Based	7,962		7,128	
Total	Scope 1,2 & 3 - Location based	10,372		9,243	
Total	Scope 1,2 & 3 - Market based	9,667		8,716	
	Intensity Ratio (Market based) (tCO₂e/£1M)	9.15		7.09	

Energy Efficiency Action

In March 2025, GRAHAM published our Energy Savings Opportunity Scheme (ESOS) Action Plan, and subsequent Progress Update in December 2025 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 below.

Directors' Report (continued)

Energy Efficiency Action (continued)

Assurance / Management Systems
<ul style="list-style-type: none"> • 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. A successful surveillance audit was subsequently undertaken in April 2026. • 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. 94% of all company cars are now fully electric or plug-in hybrid (62% are fully electric).
Transitioning towards Zero Diesel Sites
<ul style="list-style-type: none"> • Joined ConcreteZero and completed our first reporting year. 32.16% of concrete procured in 2025 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. • 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 continued to promote 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 helps us build a stronger, more sustainable value chain. • We continue to progress alignment with ISO 20400 by embedding environmental, social and ethical considerations into procurement and applying this approach across our projects.

Directors' Report (continued)

Energy Efficiency Action (continued)

Communication, Education and Awareness

- We presented our Delivering Low Carbon Together: PAS 2080 and GRAHAM's Green Action Network webinar in November last year. The session set out our expectations for supplier alignment with the PAS 2080 standard and included updates on our PAS 2080 implementation journey, sustainable procurement requirements, and our expectations around supplier data provision and participation
- 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 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 PAS 2080 working groups to provide support and to deliver against specific objectives.

Information Included in the Strategic Report

In accordance with applicable legislation, the Group has included within the Strategic Report certain information that would otherwise be required to be disclosed in the Directors' Report.

This includes, where appropriate, information relating to principal risks and uncertainties and stakeholder engagement.

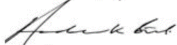
Disclosure of information to the auditors

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

DocuSigned by:

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Andrew Bill
Director
25th of June 2026

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.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

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 2026 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, Company Balance Sheet, Group and Company Statement of Changes in Equity, Group Statement of Cash Flows 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 2026 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 2027.

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 48, 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 meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and the judgements involved in long term contract accounting and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.

- 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.

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:

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Victoria Venning
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 30 June 2026

Group Profit and Loss Account

for the year ended 31 March 2026

	<i>Notes</i>	<i>2026</i> £000	<i>2025</i> £000
Turnover			
Group Turnover	2	1,228,982	1,055,932
Cost of sales		(1,140,461)	(982,973)
		<hr/>	<hr/>
Gross Profit		88,521	72,959
Administrative expenses		(59,712)	(53,684)
Other operating income	3(b)	1,626	1,125
		<hr/>	<hr/>
Group operating profit	3(a)	30,435	20,400
Interest receivable and similar income	7	5,590	5,100
Interest payable and similar charges	6	(215)	(266)
		<hr/>	<hr/>
Profit before taxation		35,810	25,234
Taxation	8	(8,832)	(6,087)
		<hr/>	<hr/>
Profit for the financial year		<hr/> <hr/> 26,978	<hr/> <hr/> 19,147

Group Statement of Comprehensive Income

for the year ended 31 March 2026

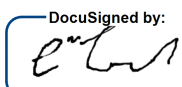
	<i>Notes</i>	<i>2026</i> £000	<i>2025</i> £000
Profit for the financial year		26,978	19,147
Net actuarial loss recognised in respect of pension scheme	26(d)	(96)	(37)
Deferred tax liability on net actuarial loss		24	9
Currency adjustments on retranslation of foreign subsidiaries		381	(151)
Foreign exchange on translation of average rate vs spot rate		13	–
<i>Total comprehensive income relating to the year</i>		27,300	18,968

Group Balance Sheet

at 31 March 2026

	Notes	2026 £000	2025 £000
Fixed assets			
Intangible assets	10	1,629	1,190
Tangible fixed assets	11	16,924	15,377
		<u>18,553</u>	<u>16,567</u>
Current assets			
Stocks	13	4,752	3,750
Debtors: amounts receivable in less than one year	14	191,566	196,032
Debtors: amounts receivable greater than one year	14	27,484	23,586
		<u>223,802</u>	<u>223,368</u>
Cash at bank and in hand	15	260,740	192,480
		484,542	415,848
Creditors: amounts falling due within one year	16	(366,544)	(309,531)
		<u>117,998</u>	<u>106,317</u>
Net current assets			
Total assets less current liabilities		136,551	122,884
Creditors: amounts falling due after more than one year	17	(14,924)	(15,066)
Deferred income	22	(165)	(219)
Deferred tax	21	(1,989)	(1,558)
Provisions for liabilities	20	(5,742)	(8,036)
Net Assets		<u>113,731</u>	<u>98,005</u>
Capital and reserves			
Called up share capital	24	50	50
Revaluation reserve		925	925
Capital redemption reserve		50	50
Profit and loss account		112,706	96,980
Shareholders' funds		<u>113,731</u>	<u>98,005</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on their behalf on the 25th of June 2026.

DocuSigned by:

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 Courtney McCormick
 Director

Company Balance Sheet

at 31 March 2026

	Notes	2026 £000	2025 £000
Fixed assets			
Investments	12	44,184	44,184
Current assets			
Debtors	14	–	–
Cash at bank and in hand		111	111
Total current assets		111	111
Creditors	16	–	–
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 £11.6m (2025 – profit of £5.6m).

The financial statements were approved and authorised for issue by the board of directors and were signed on their behalf on the 25th of June 2026.

DocuSigned by:



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Andrew Bill

Director

Group Statement of Changes in Equity

for the year ended 31 March 2026

	<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 2025	50	925	50	96,980	98,005
<i>Comprehensive income for the year</i>					
Profit for the year	–	–	–	26,978	26,978
Net actuarial (loss)/gain	–	–	–	(96)	(96)
Deferred tax on actuarial (loss)/gain	–	–	–	24	24
Retranslation of foreign subsidiary	–	–	–	381	381
Foreign exchange on translation of average rate vs spot rate	–	–	–	13	13
<i>Total comprehensive income for the year</i>	50	925	50	124,280	125,305
<i>Transactions with owners</i>					
Dividends paid	–	–	–	(11,574)	(11,574)
<i>At 31 March 2026</i>	50	925	50	112,706	113,731

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 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.

Company Statement of Changes in Equity**for the year ended 31 March 2026**

	<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 2025	50	35,945	5	8,295	44,295
<i>Comprehensive income for the year</i>					
Profit for the year	-	-	-	11,574	11,574
<i>Total comprehensive income for the year</i>	50	35,945	5	19,869	55,869
<i>Transactions with owners</i>					
Dividends paid				(11,574)	(11,574)
<i>At 31 March 2026</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 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.

Group Statement of Cash Flows

for the year ended 31 March 2026

	2026	2025
Note	£000	£000
Net cash inflow from operating activities	25(a) 79,997	45,724
Investing activities		
Interest received	5,590	5,100
Receipts from sale of fixed assets	446	547
Payments to acquire tangible and intangible fixed assets	(5,223)	(2,530)
	<u>813</u>	<u>3,117</u>
Financing activities		
Interest element of finance lease payments	(91)	(93)
Interest paid	(124)	(173)
	<u>(215)</u>	<u>(266)</u>
Equity dividends paid	(11,574)	(5,643)
Net movement on loans	(438)	(399)
Capital element of hire purchase rental	(710)	(706)
Net cash flow from financing activities	<u>(12,937)</u>	<u>(7,014)</u>
Net cash from operating activities and before use of liquid resources	67,873	41,827
Effect of exchange rates on cash and cash equivalents	387	(190)
Cash and Cash equivalents at 01 April 2025	<u>192,480</u>	<u>150,843</u>
Cash and Cash equivalents at 31 March 2026	<u><u>260,740</u></u>	<u><u>192,480</u></u>

Notes to the Financial Statements

at 31 March 2026

1. Accounting policies

Going concern

The group is in a strong financial position with net current assets of £118m and cash of £261m at 31 March 2026 and significant opportunities for growth in the future.

The Directors have considered the impact of current economic conditions, including inflationary pressures in the short and medium term, as part of the Group's budgeting and forecasting process. A base case cash flow forecast has been prepared and reviewed, which has been sensitised to reflect reasonably possible downside scenarios, including reductions in revenue.

After making appropriate enquiries and reviewing these forecasts, the Directors are satisfied that the Group and Company have sufficient cash and liquidity headroom to meet their obligations as they fall due for the period to 30 September 2027. The Directors have a reasonable expectation that the Group and Company have 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 2026.

Basis of preparation

The financial statements were authorised for issue by the Directors on the 24th of June 2026. 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 2026

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).

New Standards, amendments and interpretations but not yet effective

On 27 March 2024 the Financial Reporting Council published Amendments to FRS 102 The Financial Reporting Standards applicable in the UK and Republic of Ireland – Periodic review 2024 (FRS102).

The principal changes relate to revenue recognition and lease accounting and are effective for accounting periods beginning on or after 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 new standards, amendments or interpretations issued but not yet effective that are expected to have a material impact on the Group or Company financial statements.

Notes to the Financial Statements (continued)

at 31 March 2026

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 2026. 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 2026

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 2026

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 2026

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 2026

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 2026

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 2026

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 2026

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 2026

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 recognises financial assets and financial liabilities arising from transactions including trade and other receivables and payables, loans from banks and other third parties, and loans to related parties.

Notes to the Financial Statements (continued)

at 31 March 2026

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 2026

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 £5.347m 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 2026

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 2026 amounted to £8.1m (Graham Projects Limited £7m and GAM Ireland Limited £1.1m) (2025 – £15.4m).

91% of the Group turnover is contract revenue (2025: 90%).

	<i>2026</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>
Turnover by Business Unit		
Construction	1,121,184	949,096
Facilities Management	105,069	104,354
Investment Projects	2,729	2,482
Total	1,228,982	1,055,932

Notes to the Financial Statements (continued)**at 31 March 2026****3. Group operating profit**

(a) This is stated after charging:

	2026	2025
	£000	£000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	11	11
Fees payable to the company's auditor and its associates for other services:		
– The audit of the company's subsidiaries, pursuant to legislation	336	144
Fees in respect of the Graham Asset Management Limited pension scheme:		
– Audit	3	5
Depreciation of owned fixed assets	3,379	2,959
Depreciation of assets held under finance leases and hire purchase contracts	412	539
Operating leases – land and buildings	711	682
Other operating leases	3,339	2,564
Rental income, net of outgoings (note 3(b))	(26)	(26)
Training Grants receivable (note 3(b))	(428)	(344)
Research and Development expenditure credit (note 3(b))	(1,172)	(755)
Amortisation of intangible assets, included within administrative expenses	315	398
Foreign exchange losses/(gains)	(25)	188
Profit on sale of fixed assets	(275)	(323)

(b) Other operating Income

	2026	2025
	£000	£000
Rental Income	26	26
Training Grants receivable	428	344
Research and Development expenditure credit	1,172	755
Total Other operating income	1,626	1,125

Notes to the Financial Statements (continued)

at 31 March 2026

4. Directors' remuneration

	2026 £000	2025 £000
Remuneration	2,589	1,494
Company contributions to money purchase pension scheme	40	59
Amounts paid to third parties for services as directors	48	48
	<u>2,677</u>	<u>1,601</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>
	<i>2026 £000</i>	<i>2025 £000</i>
Amounts attributable to the highest paid director: Remuneration for service as executive	<u>839</u>	<u>668</u>

5. Staff costs

	<i>Group</i>		<i>Company</i>	
	<i>2026 £000</i>	<i>2025 £000</i>	<i>2026 £000</i>	<i>2025 £000</i>
Wages and salaries	126,944	121,653	–	–
Social security costs	16,673	13,398	–	–
Pension costs – defined contribution	13,140	12,984	–	–
Pension costs – defined benefit	9	18	–	–
	<u>156,766</u>	<u>148,053</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements (continued)

at 31 March 2026

5. Staff costs (continued)

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

	2026	2025
Administrative	811	808
Operational	1,557	1,489
	<u>2,368</u>	<u>2,297</u>

The parent company has no employees other than the Directors, who did not receive any remuneration from the company (2025 - £NIL).

6. Interest payable and similar charges

	2026 £000	2025 £000
Bank loans and overdrafts	125	173
Finance charges under finance leases and hire purchase contacts	90	93
	<u>215</u>	<u>266</u>

7. Interest receivable and similar income

	2026 £000	2025 £000
Bank interest	5,494	5,004
Expected return on pension scheme assets (note 26f)	831	814
Interest on pension scheme liability (note 26e)	(735)	(718)
	<u>5,590</u>	<u>5,100</u>

Notes to the Financial Statements (continued)

at 31 March 2026

8. Tax

(a) Tax on profit

The tax charge is made up as follows:

	2026	2025
	<i>£000</i>	<i>£000</i>
Current tax:		
UK corporation tax on profit for the year	7,698	5,464
Adjustments in respect of previous years	475	205
ROI adjustments in respect of prior years	2	9
Foreign (Republic of Ireland) tax on profit of the current year	202	335
Total current tax	8,377	6,013
Deferred tax:		
Origination and reversal of timing differences	926	276
Adjustment in respect of previous years	(471)	(202)
Total deferred tax	455	74
Tax on profit (note 8(b))	8,832	6,087

Notes to the Financial Statements (continued)**at 31 March 2026****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% (2025 – 25%). The differences are explained below:

	<i>2026</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>
Group profit before tax	35,810	25,234
Profit multiplied by standard rate of corporation tax in the UK of 25% (2025 – 25%)	8,953	6,309
<i>Effects of:</i>		
Expenses not deductible net of income not chargeable for tax purposes	40	45
Income not taxable in determining taxable profit	(3)	-
Surcharges, income and withholding taxes	-	6
Fixed assets differences	30	30
Goodwill amortisation	-	(1)
Additional Relief for Land Remediation expenditure	(1)	-
Lower rates on overseas earnings	(192)	(313)
Other timing differences	-	(1)
ROI adjustments in respect of prior years	2	9
Adjustments in respect of previous periods	3	3
Total tax for the year (note 8(a))	8,832	6,087

Notes to the Financial Statements (continued)

at 31 March 2026

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 £8.8m (2025: £6.1m) equates to an effective tax rate of 24.7% (2025: 24.3%) on profit. This effective tax rate is different from the standard rate of corporation tax of 25% (2025: 25%) due to items shown in the tax within note 8(b). The net tax credit of £0.006m (2025: £nil) 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 13.08%. The Group's Irish operations are not material, resulting in a domestic top-up tax due in Ireland of £0.03m.

Notes to the Financial Statements (continued)**at 31 March 2026****8. Tax (continued)**

(d) Deferred tax

	2026	2025
	£000	£000
Accelerated capital allowances	2,035	1,453
Deferred tax arising in relation to retirement benefit obligations	371	471
Tax losses available	(14)	(14)
Other timing differences	(403)	(352)
Deferred tax liability	<u>1,989</u>	<u>1,558</u>
<i>Group</i>		<i>£000</i>
At 1 April 2025		1,558
Charged to Profit and Loss Account		455
Charged to OCI - other timing differences		(24)
At 31 March 2026		<u>1,989</u>

The Group have applied the FRS 102 Section 29 mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to top-up taxes associated with Pillar Two. Therefore, no deferred tax assets or liabilities related to Pillar Two income taxes are recognised in the Consolidated Finance Statements as at March 2026.

(e) Factors that may affect future tax charges

As the Group is within the scope of the OECD Pillar Two model rules, a global minimum effective tax rate of 15% applies in the jurisdictions in which the Group operates.

For the year ended 31 March 2026, the Group's effective tax rate was 24.7%, with UK operations comfortably above the minimum threshold. The Group's Irish activities are limited in scale, resulting in a small domestic top-up tax charge (£0.03m), which is not material in the context of the consolidated financial statements.

No deferred tax assets or liabilities have been recognised in respect of Pillar Two, in line with the FRS 102 Section 29 exemption. The directors will continue to monitor developments in Pillar Two legislation and assess any impact as the Group's activities evolve.

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

Notes to the Financial Statements (continued)**at 31 March 2026**

9. Dividends

	2026	2025
	£000	£000
Equity dividends on ordinary shares:		
1st interim dividend for 2026 – £111.47 per share (2025 – £32.85 per share)	5,295	1,560
2nd interim dividend for 2026 – £60 per share (2025 – £40 per share)	2,850	1,900
Final dividend for 2026 – £60 per share (2025 – £40 per share)	2,850	1,900
Equity dividends on 'A' ordinary shares:		
1st interim dividend for 2026 – £5.58 per share (2025 – £1.66 per share)	279	83
2nd interim dividend for 2026 – £3 per share (2025 – £2 per share)	150	100
Final dividend for 2026 – £3 per share (2025 – £2 per share)	150	100
	<u>11,574</u>	<u>5,643</u>

Notes to the Financial Statements (continued)**at 31 March 2026****10. Intangible fixed assets**

<i>Group</i>	<i>Computer Software</i> <i>£000</i>	<i>Purchased goodwill</i> <i>£000</i>	<i>Goodwill on consolidation</i> <i>£000</i>	<i>Total</i> <i>£000</i>
Cost:				
At 1 April 2025	5,628	85	(100)	5,613
Additions	754	–	–	754
Disposals	(81)	–	–	(81)
At 31 March 2026	6,301	85	(100)	6,286
Amortisation:				
At 1 April 2025	4,433	85	(95)	4,423
Disposals	(81)	–	–	(81)
Charge for the year	320	–	(5)	315
At 31 March 2026	4,672	85	(100)	4,657
Net book value:				
At 31 March 2026	1,629	–	(–)	1,629
At 1 April 2025	1,195	–	(5)	1,190

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

	<i>Carrying Amount</i> <i>2026</i> <i>£000</i>	<i>Carrying Amount</i> <i>2025</i> <i>£000</i>	<i>Remaining Amortisation</i> <i>2026</i> <i>Years</i>	<i>Remaining Amortisation</i> <i>2025</i> <i>Years</i>
Payroll Software	356	402	2	3
Finance Software	1,173	622	3	4

Notes to the Financial Statements (continued)

at 31 March 2026

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 2025	16,781	27,424	5,855	50,060
Additions	–	4,781	849	5,630
Disposals	–	(2,440)	(1,180)	(3,620)
At 31 March 2026	16,781	29,765	5,524	52,070
Depreciation:				
At 1 April 2025	8,501	21,425	4,757	34,683
Charge for the year	295	2,741	755	3,791
Disposals	–	(2,155)	(1,173)	(3,328)
At 31 March 2026	8,796	22,011	4,339	35,146
Net book value:				
At 31 March 2026	7,985	7,754	1,185	16,924
At 1 April 2025	8,280	5,999	1,098	15,377

Included within land and buildings is £143k (2025 – £143k) of interest capitalised at a rate of 6.2%. The net book value of fixed assets includes £1.8m (2025 – £1.9m) in respect of assets held under hire purchase contracts. Depreciation for the year includes £412,000 (2025: £538,000) relating to these assets.

12. Investments

(a) <i>Company</i>	<i>2026</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>
Subsidiaries	44,184	44,184
Company		
		<i>£000</i>
<i>Shares in subsidiaries – cost and net book value:</i>		
At 1 April 2025 and 31 March 2026		44,184

Notes to the Financial Statements (continued)

at 31 March 2026

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
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
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

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 2026

12. Investments (continued)

Joint Ventures

Group

<i>Joint Venture</i>	<i>Principal activity</i>	<i>Direct or indirect holding</i>	<i>Equity holding</i>
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>2026</i> <i>£000</i>	<i>Group</i> <i>2025</i> <i>£000</i>
Share of Gross Assets	22	176
Share of Gross Liabilities	(22)	(176)
	<u>—</u>	<u>—</u>

Notes to the Financial Statements (continued)

at 31 March 2026

13. Stocks

Group

	2026	2025
	£000	£000
Raw materials and consumables	249	357
Development land stock	4,503	3,393
	<u>4,752</u>	<u>3,750</u>

Stocks recognised as an expense in the period were Nil (2025: Nil) for the group and Nil for the parent company (2025: Nil).

14. Debtors

	<i>Group</i>		<i>Company</i>	
	2026	2025	2026	2025
	£000	£000	£000	£000
<i>Amounts receivable in less than one year:</i>				
Trade debtors	95,240	86,083	–	–
Amounts recoverable on long term contracts	74,594	89,389	–	–
Other debtors	277	32	–	–
Corporation tax	496	–	–	–
VAT	128	43	–	–
Prepayments and accrued income	20,831	20,485	–	–
	<u>191,566</u>	<u>196,032</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements (continued)**at 31 March 2026**

14. Debtors (continued)

Amounts owed by group undertakings are repayable on demand.

	<i>Group</i>	<i>Group</i>	<i>Company</i>	<i>Company</i>
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Due after more than one year				
Amounts recoverable on long term contracts	26,002	21,703	–	–
Defined Benefit pension asset (Note 26)	1,482	1,883	–	–
	<u>27,484</u>	<u>23,586</u>	<u>–</u>	<u>–</u>

15. Cash at bank and in hand

A balance of £261m (2025: £192m) is included within cash at bank and in hand.

A balance of £453,195 (2025: £760,271) is included within cash at bank and in hand over which a fixed charge is held.

Included within the above balance of £453,195 are deposits totalling £243,131 (2025: £523,208) 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 2026

16. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2026	2025	2026	2025
	£000	£000	£000	£000
Bank loans and overdrafts (note 18)	464	436	–	–
Trade creditors	48,159	57,839	–	–
Accruals	248,298	195,205	–	–
Deferred Income	3,563	2,947	–	–
Corporation tax	-	731	–	–
VAT	20,900	14,081	–	–
Other creditors	6,574	5,854	–	–
Payments on account	37,959	31,840	–	–
Hire purchase and finance lease creditors (note 19)	627	598	–	–
	<u>366,544</u>	<u>309,531</u>	<u>–</u>	<u>–</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>	2026	2025
	£000	£000
Obligations under hire purchase contracts (note 19)	837	685
Accruals	12,533	12,361
Bank loans (note 18)	1,554	2,020
	<u>14,924</u>	<u>15,066</u>

Notes to the Financial Statements (continued)

at 31 March 2026

18. Loans

<i>Group</i>	<i>2026</i> <i>£000</i>	<i>2025</i> <i>£000</i>
<i>Amounts payable:</i>		
Within one year or on demand	464	436
In one to two years	487	462
In two to five years	1,067	1,558
Over five years	–	–
	<u>2,018</u>	<u>2,456</u>
Less: amounts due within one year or on demand	(464)	(436)
	<u>1,554</u>	<u>2,020</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>2026</i> <i>£000</i>	<i>Plant and Machinery</i> <i>2025</i> <i>£000</i>
<i>Amounts payable:</i>		
Within one year	627	598
In one to five years	837	685
	<u>1,464</u>	<u>1,283</u>

Notes to the Financial Statements (continued)**at 31 March 2026**

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 2025	7,035	1,001	8,036
Movement in provision	–	302	302
Utilisation	(1,804)	(792)	(2,596)
At 31 March 2026	<u>5,231</u>	<u>511</u>	<u>5,742</u>

Onerous contracts

As at the reporting date, the Group recognised provisions totalling £5.231m 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.

Notes to the Financial Statements (continued)

at 31 March 2026

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 2025	1,558
Charged to Profit and Loss Account	455
Charged to OCI - other timing differences	(24)
At 31 March 2026 (note 8 (d))	<u>1,989</u>

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

<i>Group</i>	<i>£000</i>
At 1 April 2025	219
Release to profit and loss	(54)
At 31 March 2026	<u>165</u>

Notes to the Financial Statements (continued)

at 31 March 2026

23. Financial Instruments

	<i>Group</i>		<i>Company</i>	
	2026	2025	2026	2025
	£000	£000	£000	£000
Financial assets				
Financial assets measured at fair value through profit or loss	260,740	192,480	111	111
Financial assets that are debt instruments measured at amortised cost	95,238	86,063	–	–
	<u>355,978</u>	<u>278,543</u>	<u>111</u>	<u>111</u>
Financial liabilities				
Financial liabilities that are debt instruments measured at amortised cost	56,907	82,246	–	–
	<u>56,907</u>	<u>82,246</u>	<u>–</u>	<u>–</u>

24. Issued share capital

<i>Group and company</i>	2026		2025	
Allotted, called up and fully paid	<i>No.</i>	£000	<i>No.</i>	£000
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 2026

25. Notes to the statement of cash flows

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

	2026	2025
	£000	£000
Operating Profit	30,435	20,400
Depreciation	3,715	3,497
Profit on sale of fixed assets	(349)	(323)
Amortisation of intangible assets	315	398
Decrease/(Increase) in stock	(1,002)	(353)
(Increase)/Decrease in debtors	868	6,729
Increase/(Decrease) in creditors	57,060	14,987
Deferred income movement	562	858
Movement in provisions	(2,295)	4,560
Foreign exchange	(13)	(12)
Difference between pension charge and cash contributions	305	73
Operating cash flow before taxation	89,602	50,814
Taxation paid	(9,605)	(5,090)
Net cash from operating activities	<u>79,997</u>	<u>45,724</u>

(b) Analysis of net funds

	At 31 March 2025 £000	Cash flow £000	Other non- cash changes £000	Exchange movement £000	At 31 March 2026 £000
Cash at bank and in hand	192,480	67,873	–	387	260,740
Hire purchase agreements (n.19)	(1,282)	710	(892)	–	(1,464)
Short-term loans	(436)	–	(28)	–	(464)
Long-term loans	(2,020)	438	28	–	(1,554)
	<u>188,742</u>	<u>69,021</u>	<u>(892)</u>	<u>387</u>	<u>257,258</u>

Notes to the Financial Statements (continued)

at 31 March 2026

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 2026; 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 2026. 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

	2026 (% p.a.)	2025 (% p.a.)
Retail price inflation (RPI) assumption	3.60	2.80
Consumer price index (CPI) assumption	3.25	2.15
Rate of increases of pensions in payment:		
prior to 6 April 1997	3.00	3.00
after 5 April 1997	3.85	3.60
Discount rate for scheme liabilities	5.90	5.65

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

The Company employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over actual asset allocation for the scheme at 5 April 2026.

Notes to the Financial Statements (continued)**at 31 March 2026**

(a) Financial assumptions continued

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are:

	<i>2026(years)</i>	<i>2025(years)</i>
Longevity at age 65 for current pensioners		
Men	23.0	22.4
Women	24.5	24.2
	<i>2026(years)</i>	<i>2025(years)</i>
Longevity at age 65 for future pensioners (current age 45)		
Men	23.9	23.4

The valuation under FRS 102 at 31 March 2026 shows a net pension asset (before deferred tax) of £1,001k (2025 – £1,317k).

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 2026

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 2026. The principal assumptions used by the independent qualified actuary in updating the latest valuation of the schemes for FRS 102 purposes were:

	2026 (% p.a.)	2025 (% p.a.)
Rate of increase in salaries	3.65	4.00
Retail price inflation (RPI) assumption	3.25	3.00
Rate of increase of pensions in payment	3.30	2.85
Discount rate for scheme liabilities	5.95	5.65
Life expectancy		
- At age 65 today	21.2/23.8	21.2/23.7
- At age 45 today	22.6/25.0	22.1/24.8
Mortality	100% of SAPS S4 Pensioner tables CMI 2025 projections with 1.0% p.a. long- term trend, (A = 0% p.a., Sk=7.0, H=0.5	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%)

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 2026 shows a net pension surplus (before deferred tax) of £481k (2025: net pension surplus of £566k).

Notes to the Financial Statements (continued)

at 31 March 2026

26. Pensions (continued)

(b) Scheme assets at fair value

	<i>Value at 31 March 2026 £000</i>	<i>Value at 31 March 2025 £000</i>
Equities	–	306
Corporate bonds	–	497
Gilts	–	658
Buy in policy	12,234	12,211
Secured Pensioners	903	
Cash and other	1,616	1,571
Total fair value of scheme assets	14,753	15,243
Present value of scheme liabilities	(13,271)	(13,360)
	<u>1,482</u>	<u>1,883</u>

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

<i>Group</i>	<i>2026 £000</i>	<i>2025 £000</i>
Current service cost	291	177
Administration costs	6	10
Net interest (credited) on pension scheme liability	(96)	(96)
Total cost recognised in the profit and loss	<u>201</u>	<u>91</u>

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

<i>Group</i>	<i>2026 £000</i>	<i>2025 £000</i>
Return on plan assets in excess of interest income	(225)	(1,397)
Actuarial (loss)/gain arising on changes in demographic assumption	(7)	23
Experience gains and losses arising on the scheme liability	64	(1)
Changes in assumptions underlying the present value of the scheme liability	72	1,338
Actuarial (loss)/gain recognised in the statement of Comprehensive Income	<u>(96)</u>	<u>(37)</u>

Notes to the Financial Statements (continued)**at 31 March 2026****26. Pensions (continued)**

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

	2026	2025
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Opening defined benefit obligation	13,360	14,772
Current service cost	5	10
Member contributions	1	2
Interest on liabilities	735	718
Benefits paid	(701)	(782)
Actuarial (gains)	(129)	(1,360)
Closing defined benefit obligation	<u>13,271</u>	<u>13,360</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

	2026	2025
<i>Group and Company</i>	<i>£000</i>	<i>£000</i>
Opening value of assets	15,243	16,765
Interest Income	831	814
Benefits paid	(701)	(782)
Member contributions	1	2
Employer contributions	10	18
Administration expenses	(406)	(177)
Return on plan assets in excess of interest Income	(225)	(1,397)
Value of assets	<u>14,753</u>	<u>15,243</u>

Notes to the Financial Statements (continued)**at 31 March 2026****26. Pensions (continued)**

(g) Analysis of movement in surplus during the year

<i>Group</i>	<i>2026</i> <i>£000</i>	<i>2025</i> <i>£000</i>
Surplus in scheme at beginning of the year	1,883	1,993
Past service cost	–	–
Current service cost	(291)	(177)
Contributions	10	18
Net interest income	96	96
Administration expenses	(120)	(10)
Actuarial (loss)/gain	(96)	(37)
Surplus in scheme at end of the year	<u>1,482</u>	<u>1,883</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 £10k during the year ended 31 March 2026 (2025: £18k). Regular employer contributions during the year ended 31 March 2027 are estimated to be £10k (2026: £10k).

Contributions to the John Graham (Dromore) Limited Pension and Life Assurance Scheme were £Nil (2025: £ Nil) per month. Regular employer contributions during year ended 31 March 2027 are estimated to be £Nil (2026: £ 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 £1,103,384 (2025: £1,572,774) to these schemes during the year and there were £181,220 contributions outstanding at the year end (2025: £183,081).

Notes to the Financial Statements (continued)**at 31 March 2026**

26. Pensions (continued)

- (i) Sensitivity analysis

John Graham Construction

At 31 March 2026, 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:

	2026	2025
	<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%	(678)	(614)
Inflation (RPI and CPI) +0.50%	13	45
Life Expectancy +1 year	330	366

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:

	2026	2025
	<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% (2025: +0.50%)	(41)	(43)
Inflation (RPI and CPI) +0.50% (2025: +0.50%)	31	34
Life Expectancy +1 year (2025: +1 year)	28	25

Notes to the Financial Statements (continued)**at 31 March 2026****27. Other financial commitments**

At 31 March 2026 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>2026</i>	<i>2026</i>	<i>2026</i>	<i>2025</i>	<i>2025</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases:						
Within one year	753	135	2,782	698	105	2,293
In one to five years	217	460	3,247	451	23	3,142
Over five years						
	<u>970</u>	<u>595</u>	<u>6,029</u>	<u>1,149</u>	<u>128</u>	<u>5,435</u>

At 31 March 2026 the Group had the following capital commitments:

	<i>2026</i>	<i>2025</i>
	<i>£000</i>	<i>£000</i>
Intangible Assets	<u>–</u>	<u>142</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. The matter is expected to be resolved within the next 12 months.

Notes to the Financial Statements (continued)

at 31 March 2026

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 2026 (2025: £nil). Amounts due from the Joint Ventures at the year-end were nil (2025: £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 £1,937k (2025: £1,027k) 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 (2025: £nil).

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.