Essential Infrastructure Solutions

NEXUS

Annual report and financial statements **2024**

Welcome to the Nexus Infrastructure plc annual report 2024

Nexus is Building Bright Futures by developing and delivering essential infrastructure solutions.

Contents

Strategic report

Governance

Financial statements

Visit us online at www.nexus-infrastructure.com

At a glance

Our purpose...

is **Building Bright Futures...**

Our values mean we...

- Challenge assumptions
- Find a better way
- Support each other
- Make it happen
- Keep our word

What we do

Nexus is developing and delivering essential infrastructure solutions through its two subsidiaries, Tamdown Group Limited ("Tamdown") and Coleman Construction & Utilities Limited ("Coleman").

Tamdown provides a range of essential civil engineering and infrastructure solutions to the UK housebuilding sector. It has a strong brand which has been developed over 48 years. It is particularly recognised for its experience and capabilities in the safe delivery of large, complex multi-phase developments for a loyal customer base.

Coleman was acquired by Nexus on 29 October 2024 as part of our strategy to diversify into other sectors. Coleman has been delivering infrastructure projects for over 20 years in the water, rail, highways, and rivers & marine sectors.

TAMDOWN

COLEMAN CONSTRUCTION & UTILITIES

At a glance continued

Tamdown Group Limited

Services include earthworks, building highways, substructures and basements, and installing sustainable drainage systems. We have a well-established market position, having been in operation for over 48 years.

Substructures and oversites
Construction of all substructures, foundations and flooring systems

Sustainable drainage systems
Connection and delivery of foul and surface water drainage systems to reduce impact

Building highways
Planning and construction of adoptable and private road networks including Section 278 works

Earthworks
Preparing and levelling formations, and retaining features construction, for all development areas

Customer focused

Our customers choose us because we are dedicated to quality delivery and take the time to fully understand their project objectives. We ensure all our teams are customer focused during the consultation, procurement and delivery stages. As well as meeting and exceeding our customers' needs, this means ensuring the expectations of residents and users of new homes and facilities are also satisfied.

Taylor Wimpey · Persimmon · Keepmoat · Hopkins Homes · Chartway Partnerships Group · Vistry Group · dandara · Bellway · Barratt Redrow · Bloor Homes

Coleman Construction & Utilities Limited

Coleman Construction & Utilities delivers civil engineering and building projects in the water, rail, highways, and rivers & marine sectors. Our size and scale allow us to deliver flexible project solutions, which cover both minor works and larger multi-million-pound contracts. Many of our projects are part of five-year frameworks (such as the AMP programmes in the water sector).

Coleman Rail (a division of Coleman) has an extensive background of safety-critical civil engineering and building work in the rail industry. Our rail teams have the sector-specific qualifications and experience which are absolute requirements to work in the sector.

Established in 2000, the business has grown into a leading UK construction group through our exemplary reputation for high-quality builds and reliable service delivery.

Our highlights

Financial

Revenue from continuing operations[1] (£m)

£56.7m | (36)%

2023: £88.7m

Operating (loss) (£m)

£(2.2)m | 74%

2023: £(8.4)m

Earnings per share[2] (basic) (p)

(30.6)p | (112.8)%

2023: 239.0p

Order book[3] (£m)

£51.6m | 12%

2023: £46.0m

Net cash[4] (£m)

£12.8m | (12.3)%

2023: £14.6m

Dividend (p)

3.0p | 0%

2023: 3.0p

Operational

Overall revenue

- Contract revenue for Tamdown is reduced in line with expectations due to subdued market conditions, at **£56.7m** (2023: £88.7m)

Reduced loss

- Improvement in gross margins, reduction in overhead
- Well placed for market recovery

Order book remains strong

- 12% increase in order book despite continuing weakness in the housebuilding market

Balance sheet strength

- Cash and cash equivalents remain high at **£12.8m** (2023: £14.6m)[4]
- Cash and cash equivalents improved from H1
- Net assets robust at **£30.0m** (2023: £33.0m)

Dividend

- Dividend level maintained to continue returning value to shareholders

1 Contract revenue excluding discontinued operations in 2023.
2 Total operations, including the return to shareholders on the sale of TriConnex and eSmart Networks in 2023.
3 Secured work yet to be carried out for continuing operations.
4 Cash and cash equivalents less borrowings.

Chairman's statement

"Set up for a recovering housing market and diversifying into new sectors."

Richard Kilner
Non-Executive Chairman

Overview of the year

The Group delivered a steady overall performance in FY24, despite the ongoing macroeconomic and housebuilding industry headwinds. With conditions expected to improve in 2025, the Group has worked hard to position itself for the market upturn, which alongside diversification into further sectors of critical UK infrastructure, provides the Board with confidence for the year ahead.

We have maintained our close relationships with our loyal and long-standing customer base and are proud of the high levels of service that we have delivered to our customers. As ever, Tamdown continues to be recognised for its reliability and experience in the delivery of complex, multi-phase developments, ensuring we remain well placed to win new contracts.

The Board is confident that a recovery in the housebuilding sector is expected, spurred on by the change in government and the easing of wider economic pressures, and Tamdown is well positioned to capitalise on this recovery.

Post period end, the acquisition of Coleman marks an exciting moment in the evolution of Nexus, strengthening the Group by introducing new, growing and less cyclical sectors. The acquisition, which delivers on a key aspect of our growth strategy, further cements our confidence in the year ahead.

Board and employees

In August, after 30 years of dedicated service, Mike Morris stepped down from the Board. We thank Mike for all his dedication and contribution to the business over such a long length of time and wish him all the best with his future endeavours.

A key factor in Nexus' success continues to be our team of skilled, driven and dedicated employees working across the Group. We remain committed to aiding the professional growth of our workforce and ensuring Nexus remains a platform for successful career development.

Dividend

Nexus continues to operate with a robust balance sheet, with net cash of £12.8m at year end. The Board intends to recommend the payment of a final dividend in line with FY23.

Stakeholder engagement

The Board recognises the importance of stakeholder engagement to the long-term success and sustainability of our business. The Group is committed to developing effective dialogue and relationships with all stakeholder groups and the Board continually develops our business using learnings from these interactions.

We remain focused on our mission to be recognised as the leading provider of essential infrastructure solutions in the UK, by delivering outstanding performance through a focus on delivery, customer service and diversification.

Chairman's statement continued

Sustainability

At the heart of our purpose, Building Bright Futures, is a commitment to sustainability – for our people, communities and the planet. Nexus and our people continue to challenge assumptions across our operations and find better ways to ensure quality delivery while also improving our sustainability as a business.

Our dedication to health and safety was recognised by the Royal Society for the Prevention of Accidents ("RoSPA") with Tamdown receiving its 15th consecutive Gold Award, resulting in an Order of Distinction Award. Phase 2 of Tamdown's Behavioural Safety Programme began in May 2024 and was well received by both employees and customers.

Development of all our staff is important to us and during the year we supported the Tamdown Finance Director to achieve Chartered Director status and our Site Managers to enhance their IT skills.

We continued our wellbeing initiatives to support our people, as well as our volunteering scheme and fundraising efforts to support the communities we operate within.

We see sustainability as a journey for our business alongside our customers and suppliers, and it is a journey we are fully committed to.

Summary and outlook

Despite a challenging backdrop across the UK housing market, the Group delivered a good performance in FY24, working hard to strengthen margins and maintain a strong balance sheet. It is pleasing to see the progress that has been made on delivering on our strategic objectives.

We look to the year ahead with belief that a recovery in the housebuilding sector is on the horizon and, when market confidence returns, Tamdown is well poised to benefit, spurred on by the Government's ambitious housebuilding targets.

Post period end, the acquisition of Coleman provides further confidence in the outlook for Nexus, presenting an expanding opportunity for the Group through diversification, and we look forward to seeing the positive impact it will have on Nexus in the years ahead.

Richard Kilner

Non-Executive Chairman

5 February 2025

Investment case

Nexus is well placed to benefit from the recovery of the housebuilding sector as its operating subsidiary Tamdown is a valued supplier of construction services to the major housing developers.

With the post-period acquisition of Coleman Construction & Utilities Limited, Nexus is now also involved in other key infrastructure sectors including water, rail, highways, and rivers & marine.

Strategically positioned to provide essential infrastructure solutions in critical sectors that are set for long-term growth

- Nexus' strategic focus is on those sectors of critical infrastructure where chronic needs are the drivers for investment in the decades to come
- These drivers are based on fundamentals such as climate change, environmental protection, shifts in social needs and improvements to energy security
- Nexus provides solutions across a variety of sectors including housebuilding, water, rail, highways, and rivers & marine

Well placed for recovery of the chronic undersupply of housing in the UK

- A recovery in the housebuilding sector is inevitable as the country continues to face a chronic undersupply of good-quality affordable housing
- A return to the long-term growth trend will bring a significant increase in demand for Tamdown's services, at the leading edge of the market upturn

Substantial investment is expected in other key sectors of UK national infrastructure

- Investment is to increase in several other key sectors of UK national infrastructure. For example, Ofwat's final determination for the 2024 price review indicates that spending for the period 2025-2030 will be £104bn, a 71% increase in expenditure when compared to the previous five-year period price review

High-quality customer relationships and expertise

- Extensive customer base developed during our 48-year heritage; the relationships we build and maintain with our customers are our day-to-day focus
- We ensure the highest levels of customer service throughout all phases of our projects

Experienced and loyal team

- The combination of our experienced Board and our highly skilled, motivated and loyal workforce supports our ongoing development and success
- We work hard to ensure our people are recognised and engaged, and regularly undertake surveys and meetings to ensure feedback is kept up to date

Robust balance sheet

- Civil engineering & construction businesses can face various risk factors
- Having a strong balance sheet allows Nexus to both overcome challenges and take advantage of opportunities

Commitment to sustainability

- Our purpose is 'Building Bright Futures' and, with this in mind, we consider our impact on all our stakeholders – from our people and supply chain through to society in general

CEO's statement

"Nexus made meaningful progress across all strategic objectives in FY24, further expanding the Group opportunity with the acquisition of Coleman in October 2024, opening up new and exciting markets."

Charles Sweeney
Chief Executive Officer

Overview

In FY24, we took positive steps in our strategic objectives, despite a challenging market backdrop. Our primary focus has been on three key areas: to grow with our customers, to expand our market, and to strengthen financial delivery. In all areas it is pleasing to see that we have made meaningful progress.

Whilst the pace of the recovery of the housebuilding sector has been slower than we anticipated, there are signs that momentum is once again building, catalysed by the change in government and the commitments made to solving the UK's housing crisis. We remain confident that a significant recovery in the housebuilding sector is inevitable, and Tamdown will be well placed to capitalise on the upturn when it happens.

During the year, Tamdown continued to focus on operating discipline and the management of costs whilst delivering a high-quality service to its customers. The team's hard work and innovative thinking further improved productivity, resulting in a strengthening of gross margins to 13.5% (2023: 5.8%) despite market pressures. The business remains well positioned for growth, with an order book of £51.6m (2023: £46.0m) at year end. Post period end, Tamdown was awarded further work with a total value of £15.9m.

Overall, Group revenues from contracts for FY24 were £56.7m (2023: £88.7m) with a reduced operating loss of £2.2m (2023: loss of £8.4m) including exceptional items of £0.3m (2023: £0.6m).

Nexus has a robust balance sheet with cash and cash equivalents of £12.8m at the FY24 year end (2023: £14.6m).

Post year end, Nexus acquired Coleman Construction & Utilities Limited ("Coleman"), a civil engineering and construction business with experience in several key sectors including water, rail, highways, and rivers & marine, for an initial cash consideration of £3.08m on a cash and debt-free basis (total aggregate consideration of up to £5.38m over two years). The acquisition is expected to be immediately earnings enhancing. Expanding the Group's market through diversification has been a key pillar of Nexus' strategy and the acquisition of Coleman will provide future growth opportunities outside of the Group's existing core sector of residential housebuilding. Coleman offers services in sectors which are critical to the UK's national infrastructure, driven by climate change, environment protection, and shifts in societal needs. These sectors have multi-decade horizons and are largely unaffected by short-term economic pressures.

Strategy

Nexus made progress on its core strategic objectives, all of which will bring benefits to the Group in the years ahead.

Growing with our customers

Through quality of service and attention to detail, we have continued to grow relationships with the national housing developers on large multi-phase schemes which often last between five and ten years. Examples include developments for the UK's largest housebuilders, such as Taylor Wimpey, Bellway, Vistry and Persimmon.

CEO's statement continued

Strategy continued

Expanding our market

Post year end we completed the acquisition of Coleman Construction & Utilities Limited. The acquisition introduces Nexus to new high-potential sectors, including water, rail, highways, and rivers & marine, which are less exposed to short-term economic pressures. Many of Coleman's projects are related to long-term frameworks, such as the Asset Management Plan ("AMP") periods in the water sector. Nexus will support Coleman in enhancing and expanding its operations. The Group will continue to review other diversification options and will evaluate future opportunities in a considered manner.

Focus on financial delivery

Despite the prevailing difficult conditions in the housebuilding sector during FY24, Tamdown continued to focus on operating discipline and the management of costs whilst delivering a high-quality service to its customers. This resulted in a significant improvement to Tamdown's gross margins (as noted below) and the business is now well placed to benefit from the widely expected upturn in the housebuilding sector.

Operational update: Tamdown

Tamdown provides a range of essential civil engineering and infrastructure solutions to the UK housebuilding sector. These services include earthworks, building highways, substructures and basements, and installing sustainable drainage systems. It has an established market-leading position having been in operation for over 48 years. It is particularly recognised for its experience and capabilities in the safe delivery of large, complex, multi-phase developments. It has a strong brand and a loyal customer base.

Health and safety is given the highest priority. Systems and procedures are regularly reviewed, to ensure they are robust and compliant whilst easy to follow. The competency, awareness and behaviours of individuals are enhanced through training and development programmes.

Tamdown's health and safety performance was recognised by RoSPA, receiving a Gold Award for the 15th consecutive year, together with the RoSPA Order of Distinction Award.

Tamdown's Accident Incidence Rate ("AIR") for the year was 215 (2023: 125). By comparison, the Health and Safety Executive's figures, published in November 2024, stated that the equivalent average for the UK construction industry overall in 2024 was 306 (2023: 296).

Tamdown paid particular attention to operating discipline and the management of costs in parallel to maintaining high levels of customer service. Example initiatives include an improvement in planning and resource forecasting, the use of systems to efficiently manage workforce training records and the introduction of vehicle telematics to help driver awareness and reduce environmental impacts.

In combination, these and other initiatives resulted in a strengthening of gross margins to 13.5% (2023: 5.8%).

During the year, Tamdown secured new work from several major developers. At year end Tamdown's order book was £51.6m (2023: £46.0m), a 12% increase on the previous year. Post period end Tamdown was awarded new work with a total value of £15.9m.

People

In August, Mike Morris stepped down from the Board after more than 30 years.

On behalf of everyone across the Group, I thank Mike for his leadership and support and for his considerable contribution to the evolution and success of the business. We all wish Mike the very best for the future.

I extend a warm welcome to those new colleagues who joined the Group over the past year. I look forward to working with you as we continue to build for the future.

Market update and outlook

It was a challenging year for the UK housing market, with the rate of recovery in the housebuilding sector slower than anticipated. However, the wider macroeconomic pressures which have been affecting the sector for so long have begun to abate and this, coupled with the promises of support made by Government, have improved sector confidence in a market recovery during 2025.

The acquisition of Coleman post period end means Nexus will in the future be less exposed to the cyclical pressures of a single market sector and will have opportunities to be involved in other sectors key to UK national infrastructure. These sectors have fundamental drivers such as climate change, environmental protection, shifts in societal needs, and improvements to energy security, and are therefore less vulnerable to short-term economic fluctuations.

Finally, I would like to extend my gratitude to each and everyone across Nexus for the dedication, hard work and resilience shown during a challenging year. There is much to look forward to as a result of your efforts – so, thank you for all that you have done.

Charles Sweeney
Chief Executive Officer
5 February 2025

Our markets

Civil engineering solutions for sectors critical to the UK's national infrastructure.

Housebuilding sector

Through its subsidiary, Tamdown, Nexus provides infrastructure services to the housebuilding sector.

Market drivers

- The need for new housing is driven by population growth, changes in demographics and family groups
- Government target to deliver 1.5m homes over the life of the current Parliament
- Inflation expected to stabilise during 2025, allowing interest rates to be further reduced, supporting new home sales

Opportunities

- Large-scale, complex, multi-phase housing developments requiring experienced infrastructure partners

Other sectors

The acquisition of Coleman Construction & Utilities Limited in October 2024 brings diversification into several key sectors including water, rail, highways, and rivers & marine.

Market drivers

- Public investment and Government spending on infrastructure projects
- Climate change, improvements in environmental protection and shifts in societal needs
- Ageing infrastructure needing to be replaced with more sustainable solutions

Opportunities

- These sectors have multi-decade horizons and are less prone to short-term economic pressures
- Specialist construction services to the water sector by involvement in the water companies' five-year Asset Management Plan ("AMP") periods
- Provision of safety-critical civil engineering services to the rail industry
- Civil engineering projects relating to the improvement of flood defences
- Government has approved five-year expenditure plans in several key sectors. Examples:
  - Ofwat's final determination for the 2024 price review indicated that spending for the period 2025-2030 will be £104bn, a 71% increase in expenditure when compared to the previous five-year period price review
  - Office of Rail and Road ("ORR") final determination for PR23 approved Network Rail's plans for spending £43.1bn during Control Period 7 (2024-2029)

Business model

Our relationships, resources and processes ensure we create value for our stakeholders.

Relationships and resources

The relationships and resources we need to run our business:

Our people
Highly skilled, motivated and loyal workforce.

Experienced senior management team and Board.

Markets
Focus on sectors key to UK national infrastructure.

Financials
A strong balance sheet provides resilience and sustainability.

How we do it

1 Business development

- Customer engagement
- Consultation and estimating
- Value engineering

2 Planning

- Programme and logistics
- Procurement and resources
- Project collaboration

3 Execution

- Flexible delivery
- Team approach
- Safe working

Creating value

Our shareholders
Committed to enabling a progressive dividend policy during challenging market condition periods.

Our customers
Relationships, partnerships and effective engagement with our customers to understand their individual challenges and needs.

Our people
Group purpose and values with a strong focus on staff development and learning as well as health, safety and wellbeing.

Our communities
Financial support to charities, staff volunteering days, supporting educational organisations and pupils.

What makes us different

Safety and sustainability
Our fundamental goal is that everyone goes home safely at the end of every day. The health, safety and wellbeing of our people is at the forefront of everything we do, supported by safety campaigns, training and wellbeing initiatives. Taking care of our environment, while providing essential infrastructure solutions, is core to our approach.

Customer service
Our customers choose us because we are dedicated to quality delivery and take the time to fully understand their project objectives. We ensure all our teams are customer focused during the consultation, procurement and delivery stages. We provide follow-up to all our projects and are passionate about customer satisfaction.

Best solutions
Through our close relationships with our customers, we work in partnership to develop the right solutions to any potential problems. Our teams will always challenge assumptions and wherever possible find a better way to deliver the best solutions for our customers' projects.

Strategy

Nexus' mission is to be recognised as the leading provider of essential infrastructure solutions by delivering outstanding performance and customer satisfaction in sectors critical to UK national infrastructure.

Strong fundamentals, along with the strength of the balance sheet, will enable Nexus to deliver growth over the long term.

Growing with our customers

- Continual developments in the quality, features and diversification of our offering
- Building and growing customer relationships, supported by high-quality service, competitive pricing and a long-standing focus on health and safety
- Assuring and supporting customers delivering multi-phase, complex projects, using our extensive experience

Our progress in FY24

- New contracts for large developments secured with several major housebuilders, including Taylor Wimpey, Bellway, Vistry and Persimmon
- Order book increased by 12% to £51.6m

Priorities for FY25

- Securing further large-scale, multi-phase contracts with retained customers

Expanding our market

- Track record of identifying and investing in growing sectors and building go-to-market subsidiary operations
- Highly experienced Board and Executive team with extensive expertise across a range of infrastructure sectors
- Securing opportunities across new projects and sectors, and delivering innovative services

Our progress in FY24

- Identified acquisition opportunities to expand the sectors the Group operates in
- Post period end we completed the acquisition of Coleman Construction & Utilities Limited. The acquisition introduces Nexus into new high-potential sectors, including water, rail, highways, and rivers & marine

Priorities for FY25

- Support Coleman in enhancing and expanding its operations
- Review further diversification options

Focus on financial delivery

- Improving the level and consistency of operating margins
- Investing resources to improve productivity and enable growth
- Managing overheads and discretionary spend, while maintaining tight control of cash

Our progress in FY24

- Overheads and discretionary spend reduced in line with target
- Gross profit margins improved in Tamdown to 13.5% (2023: 5.8%)
- Maintained a strong balance sheet and improved the control of cash

Priorities for FY25

- Continual improvement to operating margins
- Maintained a strong balance sheet and improved the control of cash position

Tamdown case study

Vistry Group | Thanet, Kent

"Having Tamdown as a partner on our development has ensured the smooth running of our project; their attention to detail and standard of workmanship have ensured we continue to deliver quality on time to our customers and above and beyond the NHBC standards."

Tom Dalzell
Operations Director
Vistry Group

Tamdown is currently delivering infrastructure and groundworks for long-standing customer Vistry in the seaside town of Margate in the district of Thanet in Kent.

The site-wide infrastructure works include the completion of up to 6,000 metres of both adoptable and private roads, which provides access to the individual land parcels across the six phases that encompass more than 750 new private and affordable homes.

Offsite projects comprise the delivery of the Section 278 works which involves infrastructure road and roundabout construction to link the site estate roads with surrounding infrastructure.

Our teams are well progressed on this project, having completed the Section 278 works, site-wide infrastructure and Phases 1, 2 and 3 of the development with Phases 4, 5 and 6 well underway. The current phases being developed comprise over 400 homes along with a commercial unit and sports facility that will enhance the surrounding community.

We continue to deliver earthworks, highways, drainage systems, plot works to oversite level and associated hard and soft landscaping across these phases. Thanks to our agile workforce and dedicated teams, we have successfully delivered the project on time for each phase, maintaining high quality throughout.

Vistry and Tamdown have worked together on this project for the last five years and delivered exceptional quality. This has been repeatedly recognised by the building warranty provider, NHBC, through the achievement of three 'Pride in the Job' accolades in the last two years. This is made possible through the exceptional construction quality delivered and engagement across the supply chain and key stakeholders, which fosters a culture of quality and professionalism.

Tamdown has commenced another project in the Kent area for Vistry, further strengthening the relationship between the two businesses.

Coleman case study

CMDP (Costain/MWH Delivery Partnership) | Lingfield, Surrey

"Coleman Construction & Utilities' performance at Lingfield has been instrumental in ensuring the successful progress of this key project. The quality of work has been exceptional throughout all the stages of the project from the early preparations right through to the end. Safety and compliance have been adhered to and they have consistently demonstrated a commitment to performing to the highest of safety standards. This was despite some very challenging work interfaces, including deep pipelines/excavations, cofferdams and large concrete structures. Communication and collaboration throughout the project have been excellent and it has been a pleasure working with CCU on this scheme."

Jeff Tighe

Construction and Delivery Lead
CMDP JV

Coleman has successfully delivered one of its largest civil engineering projects in Lingfield, Surrey.

The extensive 50-week project comprised an upgrade to the existing 40m^3 Caustic Facility, a new Tertiary Treatment Plant, converting/upgrading the existing Pumping Station, upgrading the Sewage Pumps, a new 12.5-metre diameter Radial Settlement Tank, a new 31-metre diameter Trickling Filter, new cross site pipework and ductwork installations and an upgrade to the site power supplies and telemetry to meet the Environment Agency and Water Industry National Environment Programme requirements.

Our scope comprised bulk excavation, new chambers, pipework, drainage and manholes, roadways and provision of hardstandings, site-wide ducting, draw pits and new reinforced concrete bases and structures. The construction of the new Humus Tank represented our first experience with this type of project and involved the creation of a complex concrete structure within a 20-metre circular cofferdam, extending over six metres in depth.

The final deliverables of the project included a road extension to enable the large tankers to manoeuvre more easily, reinstating footpaths and landscaping, drainage pipework and concreting footpaths to the Humus Tank.

CFO's review

"The Group delivered an improved financial performance in FY24 and retains a solid balance sheet and cash position."

Dawn Hillman
Chief Financial Officer

I am pleased to report that FY24 delivered an improved financial performance with an increase in the gross profit margin and reduced overheads, resulting in a reduction in the loss. Whilst there was a significant reduction in revenue, due to the continued challenging conditions in the housing market, the improvement in these key financial metrics places Tamdown in a good position to benefit from the anticipated recovery in the housing market. The acquisition of Coleman in October 2024 expands our markets, providing new revenue streams and enhancing value for the Group.

Our continued strong positive cash position and balance sheet means the Board is recommending a final dividend payment of 2.0p per share, in line with 2023.

Revenue (£m)

£56.7m
-36%

2024	**56.7**
2023	88.7
2022	98.4

Revenue and revenue growth track our performance against our strategic aim to grow the Group through supporting our customers and expanding our markets.

Revenue in FY24 comes from the residential housebuilding sector and totalled £56.8m. The year was impacted by the low levels of houses being built, with the pace of recovery not happening as markets had expected. The uncertainty created by the General Election and slower-than-expected reduction in interest rates were contributing factors affecting consumer confidence and affordability of buying a house.

Other income of £1.8m came from the settlement of a claim against a supplier for damages caused by the supply of faulty services.

Gross profit (£m)

£7.7m
+28.3%

2024	**7.7**
2023	6.0
2022	9.9

Gross profit increased by 28.3% with gross profit from housebuilding activities at £7.7m (2023: £6.0m). The housebuilding gross margin was 13.6%. This is a further increase from the half-year gross margin (H1 2024: 13.5%) for Tamdown and demonstrates the continuing improvement in delivery. Costs have been tightly controlled with further cost-saving measures being implemented.

For broader context, the comparative 2023 margin was impacted by ilke Homes going into administration and the associated write-off.

Operating loss before tax and exceptional items (£m)

-£1.9m

2024	**(1.9)**
2023	(7.7)
2022	(0.3)

The loss before tax (excluding exceptional items) was £1.9m (2023: £7.7m). Exceptional items of £0.3m (2023: £0.6m) related to a further cost-cutting exercise carried out during the year. The improvement in the gross margin contributed to the reduction in the loss during the year. Nexus' administrative expenses reduced to £1.8m (2023: £2.4m) reflecting the review undertaken in FY23.

CFO's review continued

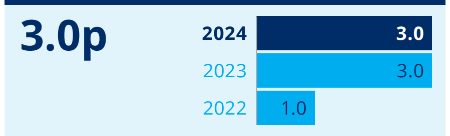
Earnings per share (p)

Tracking the after-tax earnings relative to the average number of shares in issue provides a monitor on shareholder value.

The loss per share in FY24 was 30.6p (2023: earnings 239.0p). For broader context, 2023 included the sale of TriConnex and eSmart Networks and the return of capital to shareholders.

Proposed dividend per share (p)

Total dividend per share (p)



Tracking the total dividend per share declared for each financial year provides a monitor on the return achieved for shareholders.

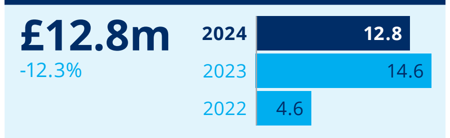
Nexus continues to operate with a strong balance sheet, with net cash of £12.8m at the year end. The Board intends to recommend a final dividend of 2.0p per share. This will give a total dividend of 3.0p per share, in line with 2023.

Working capital

Cash generated from operations was £0.5m. Trade receivables reduced to £20.6m (2023: £23.3m) with overdue receivables reducing to £7.8m (2023: £9.7m). Tamdown continues to improve this position and has recruited a Commercial Director to assist with this.

Trade payables were £12.1m (2023: £13.7m) reflecting the reduced revenue levels.

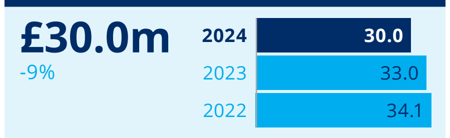
Cash (£m)



Tracking the cash balance monitors the conversion of profits into cash, ensuring that cash is available for reinvestment and supporting delivery of the strategy. Our cash balance has meant we were able to manage the impact of ilke Homes going into administration in mid-2023 owing £2.9m. Our cash will support our growth ambitions with sufficient balances to support our working capital requirements and potential future acquisitions.

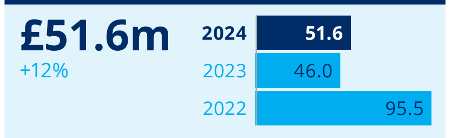
The Group does not have any debt facilities in place.

Net assets (£m)



Tracking the Group's net assets monitors the Group's financial strength and stability. The movement in net assets reflects the loss in the year of £2.8m and payment of dividends totalling £0.3m.

Order book (£m)



The tracking of the order book, being the amount of secured work yet to be recorded as revenue, provides visibility on expected future revenue against the strategic aim to grow the business.

The order book has increased in the year to £51.6m (2023: £46.0m), and post year end, further work was secured of £15.9m.

Acquisition

Post year end, on 29 October 2024, Nexus Infrastructure plc completed the acquisition of Coleman Construction & Utilities, a construction and civil engineering business with experience in water, rail, utilities and other infrastructure services, for a maximum consideration of £5.38m. The initial consideration was made from our cash balance and is constructed as follows:

	£m
Cash	3.1
Contingent consideration	0.2
Settlement of inter-company balances and loans	0.8
Deferred cash consideration to a maximum of	1.3
Total purchase consideration	5.4

The acquisition aligns to the Nexus' strategic objective of diversifying into additional key sectors critical to the UK infrastructure.

Outlook

Government pledges to increase the number of houses being built through planning reforms and targets for councils, alongside reducing interest rates (if slower than initially expected), will help to improve confidence in the housebuilding sector during 2025. Tamdown is well placed to be involved as the housebuilders increase their volumes.

The acquisition of Coleman provides diversification to revenue streams, with the opportunities in the water sector from AMP8 and the work being carried out in the rail sector resulting in the Group having less reliance on the housing sector.

Nexus' subsidiaries are well placed to deliver over the coming year.

Dawn Hillman
Chief Financial Officer
5 February 2025

Stakeholder relationships and engagement

The relationships Nexus holds with all our stakeholders are fundamental to the success of the business and the engagement with each group underpins everything we do, tied to our purpose of Building Bright Futures.

How we engage with our stakeholders

The concerns of key stakeholders are factored into the Board discussions and decision-making. Stakeholders are impacted by, or benefit from, decisions made by the Board in different ways.

It is the Board's priority to ensure that the Directors have acted both individually and collectively in the way that they consider, in good faith, would promote the success of the Group for the benefit of its members as a whole with regard to all stakeholders when performing their duty under Section 172(1) of the Companies Act 2006.

We are committed to the highest standards of ethics, honesty and integrity and expect the same from all parties we engage with. We have policies in place to ensure this happens, including Whistleblowing, Anti-bribery, and Corporate Criminal Offence policies.

We are committed to upholding human rights across our business and with all our stakeholders. Our employee policies cover all aspects of human rights, including our Modern Slavery policy, and ensure anyone connected with our business can speak up about concerns without fear of retribution.

Key:

1. Growing with our customers
2. Expanding our market
3. Focus on financial delivery

Our people

Why we engage

The loyal and experienced workforce of Nexus is one of our primary strengths and effective engagement with all our teams is a constant priority.

How we engage

- Regular internal communications via intranet, app, email and other channels
- Leadership communications
- Business updates with office and site-specific sessions
- Regular 1-2-1s and 'My Bright Future' appraisals biannually
- Wellbeing Champions, Mental Health First Aiders and regular reminders of other tools and tips to support wellbeing

Our response to key issues

- Focus on specific benefits to support the current environment, including mortgage advice

Link to strategy: 1 2

Our shareholders

Why we engage

To provide regular updates on our progress and performance during the year through established shareholder communication channels.

How we engage

- Board members hold meetings with institutional shareholders throughout the year
- Investor roadshows for both interim and full-year results
- Investor Meet Company presentations
- Annual report to communicate our purpose and what we are looking to achieve, as well as the year's financial results
- Regulatory news announcements ("RNS")
- Annual General Meeting ("AGM")

Our response to key issues

- Engagement with a changing shareholder base
- Appointment of new Nomad and Broker (Zeus)
- Ongoing updates to our corporate website

Link to strategy: 2 3

Stakeholder relationships and engagement continued

Our customers

Why we engage

We communicate and engage with our customers regularly to maintain strong relationships and generate further opportunities for the Group.

How we engage

- Dedicated customer managers
- Assigned contacts at all levels of the customers' operations
- Focus groups on key areas such as health and safety, and plant
- Early project engagement to support planning
- Site visits by executives and managers
- Sponsorship and attendance at networking events

Our response to key issues

- Customer engagement on key business decisions
- Presence at industry and customer conferences

Link to strategy: 1 2 3

Our communities

Why we engage

We look to engage with and support the communities we work in, to give something back and provide local employment opportunities.

How we engage

- Employees are encouraged to utilise our volunteering scheme
- Nexus Community Trust supporting employee-nominated causes
- Promotion of our apprenticeship and graduate employment opportunities
- Development of partnerships with local education centres

Our response to key issues

- Promote the Nexus Community Trust as a source of support for community causes
- Development of existing and new partnerships with local organisations

Link to strategy: 1 2

Our partners

Why we engage

We work in partnership with our supply chain and industry bodies to ensure mutually beneficial delivery and to be an influencer in key market discussions.

How we engage

- Focus groups with core suppliers to review product and service offerings
- Dedicated procurement teams to manage supply and partnerships
- Hosting sessions with our plant and equipment partners on key topics
- Focus on long-term partnerships with key suppliers
- Internal communication campaigns to introduce partners to our people

Our response to key issues

- Attendance at industry events through our experienced team

Link to strategy: 1 2 3

Directors' Section 172 statement

The Board of Directors consider that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole in regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Companies Act 2006 in the decisions that they have taken during the year ended 30 September 2024.

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationships with suppliers, customers and others;

d. the impact of the Company's operations on the community and the environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the Company.

Sustainability

A focus on sustainability is vital for a variety of reasons, across all organisations.

Last year we continued on our mission to have a positive impact on the people we work with, the communities we live in and the environment we depend on.

Members of the Tamdown Commercial team volunteered to exchange their calculators for shovels for a day to assist a local primary school. The school needed storage space for their outdoor play equipment, so the team prepared a base for a shed to be constructed.

Sustainability continued

Sustainability is at the centre of our strategy and forms the core of our purpose:

Building Bright Futures...

... for our people

We continuously invest in our greatest asset:

- Ensuring the health and safety of everyone we work with
- Enhancing diversity and inclusion in our business
- Supporting the training and development of our people

Read more on pages 20 to 22

... for our communities

We support the communities in which we work:

- Enabling our people to volunteer in working hours for causes they're passionate about
- Raising much-needed funds for a variety of charitable organisations

Read more on page 23

... for our planet

We are doing our bit to tackle climate change:

- Reducing the carbon footprint of our business wherever we can
- Minimising the other environmental impacts of our business

Read more on pages 24 and 25

Sustainability continued

Building Bright Futures for **our people**

Values and culture

We strive to ensure that being part of the Nexus Group is a rewarding experience for our employees. We focus on a shared purpose with aligned values that promote the growth of both our business and our teams.

Our culture shapes and reinforces the way we collaborate with each other, as well as with our customers, suppliers and other stakeholders.

Diversity, equity and inclusion are essential to our identity, and we are dedicated to upholding these principles.

We recognise that diverse perspectives contribute to the development of innovative and effective solutions for the complex challenges of a changing world.

Challenge assumptions

Find a better way

Support each other

Make it happen

Keep our word

Adrian Chapman
Infrastructure Manager

I have a strong interest in technology, even outside of the office, and I'm always excited about its next evolution. As technology is fundamentally about change, I consistently strive to improve our current practices. For me, Nexus is a great place to work as we are encouraged to find a better way.

Izzy Baliga
Health & Safety Business Admin Apprentice

I really enjoy my role at Tamdown because it offers diverse tasks and opportunities for growth. I feel supported by both my team and the Company, who encourage me to pursue new challenges and keep developing.

Jason Downes
Contracts Manager

I joined Tamdown in 2011 and during this time I've progressed from Site Operative to Contracts Manager. I find that I am, strangely, motivated by the challenges that arise. They inevitably happen, and I've always quite liked the challenge of finding a solution.

Vicky Findlay
Purchase Ledger Clerk

Coming back from maternity leave felt quite daunting but the flexibility and support that Tamdown offered has made it a much easier transition. I love the role I am in and the variety it offers; I'm so glad Tamdown kept their word and I was able to come back to it part time.

Matthew Martin
Site Engineer

Tamdown are sponsoring me to study a BEng in civil engineering which will give me a deeper understanding of the industry and a solid foundation to progress as an engineer. I enjoy playing my part in making it happen to deliver successful projects. Tamdown have given me the opportunity to develop professionally and the camaraderie within the site and office teams makes it an enjoyable place to work.

Daniel Partridge
Commercial Director

Since joining Tamdown in April, I have found the experience to be both challenging and rewarding. The supportive team culture has made it easy to settle in the business and collaborate on projects, while the Company's commitment to professional development has allowed me to enhance my skills. Each day presents new challenges that encourage me to grow, and I appreciate the open communication and shared values that foster a positive work environment.

Sustainability continued

Building Bright Futures for **our people**
Health & Safety

The health and safety of our employees, as well as all individuals working at or visiting our sites and offices, is our top priority. Our management systems undergo regular review by external organisations to ensure full compliance with the relevant national standards.

The competency of individuals is ensured through training and development programmes, both conducted internally and provided by external agencies, with a total of 7,689 hours of training delivered in FY24.

The Group collates extensive data on Health & Safety including an All Accident Incidence Rate ("AAIR"), which records the rate of all accidents, no matter how minor, per 100,000 personnel in a workforce. AAIR for the year was limited to 5,248 (2023: 4,019).

The Group's Accident Incidence Rate ("AIR"), which records the rate of more serious Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR") reportable accidents per 100,000 in a workforce, was 210 (2023: 103).

By comparison, the Health and Safety Executive's figures, published in November 2024, state that the equivalent average for the UK construction industry overall in 2024 was 306 (2023: 296).

Our ongoing commitment to maintaining safe working environments, along with our encouragement for teams to report all observations and incidents, regardless of their significance, combined with the effects of the FY23 Behavioural Safety Programme – which highlighted personal responsibility and risk assessment to facilitate better decision-making – likely contributed to the reduction observed in this year's Health & Safety statistics.

Tamdown's outstanding performance in Health & Safety continues to be recognised by the Royal Society for the Prevention of Accidents ("RoSPA"), after being presented with an Order of Distinction Award, presented to organisations who have achieved a minimum of 15 consecutive Gold Awards.

Case study

Tamdown progress to Phase 2 of their Behavioural Safety Programme

Phase 2 of Tamdown's Behavioural Safety Programme began in May 2024, with 78 employees participating in a one-day training session over several weeks across all sites.

Justin Manley of Titanium Talks delivered the programme, which focused on actively engaging site teams to cultivate a safety-first mindset in the workplace. The primary objective of the tour was to observe, engage and reinforce safe work practices while fostering an open dialogue regarding safety concerns and solutions.

During the day, the attendees completed a behavioural self-assessment tool designed to evaluate their personality type and predict their potential behaviours in specific work or social situations. Identifying behavioural styles has been shown to enhance communication, facilitate conflict resolution, and improve role alignment within teams.

The benefits from the programme included building trust between leadership and employees, creating opportunities to address safety issues, and encouraging a proactive safety culture where employees feel empowered to identify and correct hazards.

Sustainability continued

Building Bright Futures for **our people**

Wellbeing

As part of our purpose, 'Building Bright Futures', we believe that our employees are our most important asset. Taking care of our employees is therefore a critical aspect of our long-term strategy. We have a dedicated in-house People team, providing support to all our colleagues, so that working lives are enjoyable and productive.

Our 'My Bright Future' ("MBF") framework is used by individuals and managers to discuss performance and career aspirations. Any training and development needs, opportunities for promotion, internal moves or longer-term career goals are reviewed at the MBF meetings. It is also one of the ways we communicate our business targets with our employees, so they feel connected to our strategy.

We endeavour to encourage and support the professional and personal development of our employees. This year we extend our congratulations to the Tamdown Finance Director, Sarah Darville Downs, for successfully achieving Chartered Director status. The journey to becoming a Chartered Director requires determination and resilience, making her demonstration of strong leadership particularly commendable.

We strive to offer competitive terms of employment by providing benefits that employees appreciate, while also promoting health and wellbeing and ensuring a positive and safe work environment. Salaries are regularly assessed against market standards, with adjustments made where needed.

In accordance with the changes to flexible working regulations implemented in 2024, we have been offering a flexible work approach for several years. This includes staggered start and finish times, choices for working from the office or remotely, and adjustments to working patterns.

Case study

Enhancing the IT skills of our Site Managers

MBFs provide an opportunity for individuals and managers to engage in meaningful discussions about performance, career aspirations and any training requirements.

After assessing the training needs identified in previous MBFs, we observed a trend indicating that Tamdown site management could benefit from enhancing their general IT skills.

A training programme was developed based on the daily tasks performed by the individuals, focusing on Excel, Outlook and SharePoint. This approach was taken to ensure they gained a solid understanding of the software needed to navigate their day-to-day operations, with training delivered at a pace appropriate for the groups.

Sustainability continued

Building Bright Futures for **our communities**

Community

Throughout the year, various teams and individual employees engaged in a variety of events aimed at raising funds for different charities and causes.

Our Group charity, the 'Nexus Community Trust', organised a range of fundraising events and activities including bingo, raffles, coffee mornings and bake sales. The charities that have benefited from these efforts include Barnardo's, MacMillan Cancer Support, The Pink Ribbon Foundation, Alzheimer's Society and the Essex Air Ambulance.

Tamdown, once again, took part in the annual Housebuilder Challenge in support of the Youth Adventure Trust. The charity offers vulnerable young people a programme of outdoor activity and support that aims to help them increase resilience, build confidence, and learn new skills so that they can fulfil their potential and lead better lives.

The Housebuilder Challenge brings teams together from across the housebuilding industry to take on a tough hiking challenge. This year the event took place through the spectacular Black Mountains in the Brecon Beacons in Wales and raised over £90,000 for the charity.

Teams and individuals from across the Group took advantage of their volunteering days to support local community organisations. Tamdown's Commercial team set aside their calculators for the day to assist at a local pre-school by laying a foundation for the construction of a storage shed.

Case study

Site teams volunteer their time and donate waste materials

In the summer, our Stanford-le-Hope site team, led by Site Manager James Kennedy, organised a delivery of wooden battens along with other donated materials to the Aveley Men's Shed, a charity dedicated to providing support to retired and widowed men by providing companionship, carpentry skills and getting them involved in community projects.

After James talked to a local Councillor, a newspaper article was published, which subsequently led to additional enquiries about the waste pallets. It was ultimately decided to support three more meaningful causes:

- Benyon Primary School in South Ockendon;
- Wild Crest Club in Corringham for their annual community bonfire; and
- Treetops Learning Community in Grays, a trust serving two schools which cater to students with special educational needs. They run vocational courses for their KS4 students, giving them real life experiences that will help them gain college and work places. One of the most popular is the construction group. The students work to create usable areas within the school. They have created a salon for the hair and beauty group, a fox-proof chicken coop for animal care, and they are going to be building an outdoor kitchen to improve the area outside their classrooms.

A spokesperson for the Aveley Men's Shed commented:

"We would like to say a massive thank you to James and his Tamdown crew for the donation of timber. They worked extremely hard to offload the delivery, and we are very thankful. It's good to know that others support our view that materials like this should not be sent to landfill but should be repurposed for the benefit of the Shed members and to help local and community projects. We look forward to working with James and Tamdown moving forward to avoid good-quality waste materials from being destroyed."

Sustainability continued

Building Bright Futures for **our planet**

Planet

Climate change and achieving net zero is a critical issue for Government, businesses and the community at large. We remain committed to identifying and implementing measures to contribute positively and minimise our impact on the planet.

We are working to continuously improve both our operations and those of our customers to reduce emissions, decrease carbon footprint, and reduce the environmental impact of our project activities.

Our Plant Renewal Programme has successfully upgraded all of our three and five-tonne excavators to more efficient models. The focus of the Plant Renewal Programme is now on the replacement of the site's dumper fleet.

We collaborate with our customers to ensure the delivery of sustainable communities through effective solutions, viewing sustainability as an ongoing journey for our business, our customers and our suppliers.

In preparation for the new Simpler Recycling regulations taking effect on 31 March 2025, the Facilities Team at Nexus Park is continuing its initiative to encourage staff to separate their waste. Beginning on 2 January 2025, food waste collection will be expanded to the Nexus cafeteria and will include biodegradable materials such as vegetable peelings, bones, eggshells, coffee grounds and tea bags.

The rise in electric and hybrid vehicles has resulted in an increase in the electric vehicle charging stations at Nexus Park. Currently, there are eight chargers available: six 7kW chargers and two 50kW chargers. Meter readings indicate an 82.87%[1] increase in usage in 2024 compared to 2023.

Tamdown continues to sponsor the planting of a tree for every foundation that the business completes. The total number of trees planted through this sponsorship since starting the campaign had reached 3,556 by the end of FY24.

1 Usage is for all tenants at Nexus Park.

Case study

Finding alternative solutions with solar-powered hybrid generators and fuel tanks

Following successful trials at their construction sites, Tamdown are now commencing the rollout of new solar-powered fuel tanks and solar-powered hybrid generators.

As the cost of diesel continues to rise, there is the need to seek alternative, more economical fuel sources. Tamdown's new solar-powered generators have the potential to reduce fuel consumption by as much as 90%, thereby minimising our carbon emissions.

Solar energy is not only one of the cleanest and most cost-effective sources of power, but when paired with battery storage, it can lead to substantial savings in both CO_2 emissions and fuel costs.

Additionally, these systems operate silently overnight by using an onboard battery storage system, contributing to the wellbeing of both wildlife and local residents.

Sustainability continued

SECR Energy Performance Report

The Group reports its greenhouse gas emissions in accordance with UK regulations and the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting standard and emission factors from UK Government GHG Conversion Factors for Company Reporting 2024.

The Group's emissions have reduced by 33.96% when compared with those of the previous year. Some of the reduction is due to lower levels of work activities. Total emissions per employee reduced by 25.41%.

The Group holds the ISO 50001 accreditation to ensure Energy Saving Opportunity Scheme ("ESOS") compliance. This aids our approach to reducing our energy consumption across our sites and offices. Improvement initiatives continued during the reporting period, including continuing to work with our supplier base to reduce transport distances and associated fuel wastage. The majority of the owned vehicle fleet is petrol hybrid, rather than heavier and less fuel-efficient diesel engines. There has been a change implemented to various equipment used on Tamdown sites, to more environmentally friendly options, including items such as solar-powered fuel tanks.

	2024 Tonnes of CO_2	2023 Tonnes of CO_2
GHG emissions from:		
Scope 1: combustion of gas and fuel for transport	**37,412**	56,660
Scope 2: purchase of electricity	**0**	0
Total emissions	**37,412**	56,660

	2024	2023
Intensity ratio:		
Total emissions per employee	**813**	1,090

	2024 kWh	2023 kWh
Energy usage from:		
Scope 1	**14,056,514**	22,554,968
Scope 2	**0**	0
Total usage	**14,056,514**	22,554,968

- Tamdown Group Limited operates in the UK only
- The reporting year runs from October to September
- Employee numbers are based on the average for the year
- Nil Scope 2 emissions have been justified by the fact that all energy consumed in office spaces falls into Scope 3 upstream emissions rather than Scope 2. Tamdown rents office space but doesn't pay for any utilities at Nexus Park directly; this is paid by the property owner. Any power to construction sites is provided and paid for by customers also

Principal risks and uncertainties

The Group has established systems of internal control and risk management procedures, in order to identify, manage and mitigate risks.

In common with other organisations, the Group faces risks that may affect its performance. Identification, management and mitigation of such risks and uncertainties across the Group is an essential part of the ability to deliver the Group strategy.

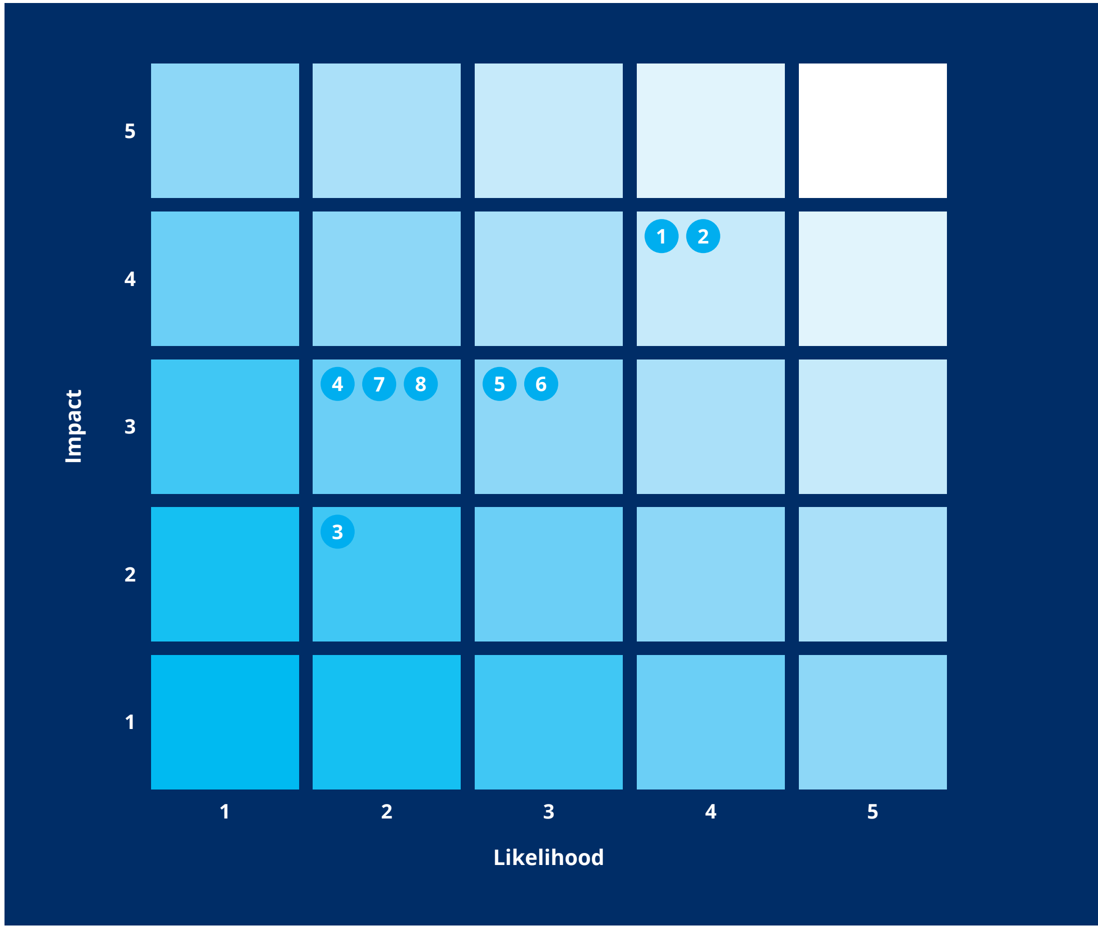
The Board has identified those risks which are deemed principal to its business due to their potential severity and link to the Group's strategy, markets and operations.

The Group has established and operates a system of internal control and risk management procedures, in order to identify, manage and mitigate the risks at various levels within the organisation.

The principal risks and uncertainties identified by management and how they are being managed are set out below. These risks are not intended to be an exhaustive analysis of all risks that may arise in the ordinary course of business.

Risks:

1. Market downturn
2. Failure to procure new contracts
3. Regulatory requirements
4. Availability of materials and subcontractors
5. Failure to retain or recruit skilled people
6. Contract execution
7. Health and safety
8. IT systems and cyber security



Principal risks and uncertainties continued

1 Market downturn

Status **Static**

Risk
- The Group's success is dependent on the general economic climate and fluctuations in the UK property market

Description
- The Group's success is dependent, to a large extent, upon the state of the economy and in particular the UK's private residential market in the South East of England
- Economic weakness may result in decreased revenue, margins and earnings
- Adverse economic conditions such as inflation and interest rate increases may decrease customer confidence levels, leading to a decrease in housebuilding or rates of development
- Mortgage availability may decrease and the cost associated with mortgage funding may increase, which would result in fewer house purchases and in turn the number of houses built
- Customers may experience financial difficulties

Mitigation
- Diversification of the Group's customer base, services and geography
- Regular review of tenders
- Regular contact with customers
- A cautious approach to debt finance
- Regular review of supply chain and resources
- The Group maintains a strong cash position
- Regular credit checks carried out on customers

2 Failure to procure new contracts

Status **Static**

Risk
- The Group's success is dependent upon winning contracts on satisfactory terms in its existing and target markets

Description
- The majority of the Group's revenue is generated by work won through tender submissions
- The Group's profitability depends upon its ability to submit tenders at satisfactory margins. If the market conditions change due to increased competition, increased costs, or reduced availability of a skilled workforce, then the cost of carrying out works may increase, which may either reduce the profitability of the contracts or result in the contracts not being won
- If the Group's ability to exceed customer expectations is reduced due to poor quality or service, it may reduce the level of repeat work from customers

Mitigation
- Continual review of the Group's current services and geography to ensure the opportunities they offer are understood
- Structured bid review process in operation with specific customer and contract criteria that are designed to ensure the Group only takes on customers and contracts that are acceptable and understood
- Ensuring we have highly skilled people delivering and managing contracts

3 Regulatory requirements

Status **Static**

Risk
- All businesses are subject to regulatory requirements with which it may be found to be non-compliant
- Non-compliance with business code of conduct

Description
- The Group operates in regulated environments. Regulators may conduct investigations on companies or carry out industry-wide investigations. Non-compliance with laws, regulations or rules may result in adverse publicity, prosecution, disciplinary action, fines or revocation of licences, and would impact profitability and relationships with current and potential customers
- The regulatory environment may change build and environment standards, potentially leading to increased costs or claims on legacy projects
- Not maintaining a high standard of ethics and compliance with Group policies or regulatory requirements

Mitigation
- Regular internal review of processes and procedures to ensure compliance with obligations
- Frequent external regulatory audits to confirm processes and procedures are compliant with obligations
- Regular evaluation of proposed regulations and standards
- Consideration of the strategy to address future new markets
- Clear policies and procedures in place including training programmes to ensure employees understand the policies and requirements

Principal risks and uncertainties continued

4 Availability of materials and subcontractors

Status **Static**

Risk

- The Group could be adversely affected by the availability of materials and subcontractors

Description

- The Group requires materials to be available at the time they are needed, at a reasonable price. Increased prices and delays could increase the costs of the project and so impact the Group's profitability
- The Group is dependent on the availability, competence and consistency of subcontractors. Should subcontractors not be available at the time required, delays may occur, increasing costs and so reducing profitability. Incompetent or inconsistent workmanship may require remediation works which may impact profitability and short-term cash flows

Mitigation

- Multiple suppliers and subcontractors for materials and relevant trades in order to maintain continuity of supply and competitive pricing
- Supply contracts negotiated on specific contracts for certainty of price and quantity

5 Failure to retain or recruit skilled people

Status **Static**

Risk

- The Group could be adversely affected by the loss of, or an inability to recruit and retain, key personnel

Description

- The Group's success is dependent on its ability to recruit, retain and motivate high-quality senior management and other personnel with extensive experience and knowledge of the construction industry. The availability of such personnel is sparse and competition to recruit them is intense. Failure to recruit, retain and motivate could adversely affect the Group's operations, financial conditions and prospects

Mitigation

- Focus on learning and development, including annual performance management, to encourage and support all employees to achieve their full potential
- Attractive performance-based remuneration policy
- Recruitment and development plans for employees, apprentice and graduate employee programmes
- Continual review of benefits
- Benchmarking of labour market rates

6 Contract execution

Status **Static**

Risk

- Contracts may not perform as expected, which may lead to contracts not being executed profitably

Description

- The Group's profitability is dependent upon its ability to manage contracts to ensure that they are delivered on time, to budget and exceed customers' expectations. Failure to achieve these objectives could lead to contract losses, delays and claims on current and legacy projects

Mitigation

- Detailed bid appraisal process to ensure all risks and requirements are understood
- Applying rigorous policies and procedures to manage and monitor contract performance
- Ensuring high-quality people are delivering the contracts
- Operational review to ensure elimination of poor workmanship

Principal risks and uncertainties continued

7 Health and safety

Status	Static

Risk
- The Group operates in sectors that carry significant health and safety risks

Description
- The construction sector carries significant health and safety risk, including serious injury and fatalities
- Loss of confidence and damage to brand reputation

Mitigation
- A Board-led commitment to achieve zero accidents
- Management commitment to safety tours, safety audits and safety action groups
- Comprehensive employee training programmes
- Behavioural Safety Programme launched

8 IT systems and cyber security

Status	Static

Risk
- The failure of the Group's IT systems to ensure smooth flow and retention of information

Description
- The Group uses a range of computer systems. Outages and interruptions could affect the day-to-day operations of the business, resulting in loss of sales and delays to cash flows
- Key systems could be breached, causing financial or data loss, disruption or damage
- Any theft or misuse of data held within the Group's systems could have both reputational and financial implications for the Group

Mitigation
- The Group's IT strategies are reviewed regularly to ensure they remain appropriate for the business
- Business continuity and disaster recovery tests are regularly carried out
- The internal IT systems support team works with external providers to ensure that regular updates to technology, infrastructure, communications and application systems occur as required
- Centralised hardware and software security is in place to ensure the protection of commercial and sensitive data

The financial risk management of the Group, including the Group's exposure to credit risk and liquidity risk, is set out in note 27, Financial risk management, of the financial statements.

Strategic report approval statement

The Strategic report, contained in pages 1 to 29, has been approved by the Board of Directors and is signed on its behalf by

Charles Sweeney

Chief Executive Officer

5 February 2025

Corporate governance

What's in this section

Chairman's introduction

"The Board is responsible for the Group's corporate governance and recognises the importance of high standards of corporate governance and integrity."

Richard Kilner
Non-Executive Chairman

Governance

As Chairman, I am responsible for the leadership of the Board and for ensuring that it fulfils its responsibilities to all of the Group's stakeholders. My role includes ensuring that the Board has open and transparent discussions, allowing each member to contribute effectively.

I ensure that the Board is commercial and collaborative, but also appropriately challenging. This requires us to have a good understanding of the business and its markets. The Board also operates in a way that sets an example, in terms of our commitment to the principles of governance, risk, leadership, diversity and our culture.

I consider Nexus to have an effective Board structure, underpinned by solid operating principles, policies and controls, and we continue to exercise our duties in compliance with all relevant legislation, regulation and guidance.

The Board is responsible for the Group's corporate governance and recognises the importance of high standards of corporate governance and integrity. The Directors have adopted and observe the requirements of the Corporate Governance Code published by the Quoted Companies Alliance ("QCA") in line with the London Stock Exchange's AIM Rules requiring all AIM-listed companies to adopt a recognised Corporate Governance Code. The Board believes that the application of the QCA Code will support the success of the business by ensuring that strong corporate governance procedures are in place.

The corporate governance section explains the key features of the Company's governance structure and describes how Nexus Infrastructure applies the QCA Code principles.

Corporate governance has a key role in promoting the Group's success. The way the business is run therefore plays a significant part in meeting the Group's commitments to our customers. The Group has a long history of successful delivery and good corporate governance, and the Board will ensure this continues.

Richard Kilner
Non-Executive Chairman
5 February 2025

Applying the QCA Code

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

See CEO's statement, Business model and Strategy within the annual report.

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

The Board recognises its responsibility for establishing high ethical standards of behaviour and corporate governance. The Group has policies in place to support our approach to conducting business in an open and transparent manner that is in line with the core values. We use an eLearning platform to ensure our employees are trained on the policies in place on a regular basis.

3 Seek to understand and meet shareholder needs and expectations.

The Group maintains regular dialogue with investors through results roadshows, Annual General Meetings, and other ad hoc meetings as requested by shareholders. The Group monitors the share register to ensure that its investor relations communications are appropriate for its shareholder base. The Chief Executive Officer, Chief Financial Officer and all Board members are available for discussions with shareholders.

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

The Board understands that engaging with stakeholders is key to the Group's success. Strengthening the relationships with stakeholders helps the Group make better business decisions.

The Group is committed to the development of its employees, ensuring that they have the skills required to carry out their work.

See Stakeholder relationships and engagement within the annual report.

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

The Group operates controls to manage its risk, including, but not limited to, a clearly defined organisational structure, written policies, clear authorisation levels, comprehensive budgeting and rolling forecast processes, alongside detailed monthly reporting.

The Audit Committee reviews the risks of each company within the Group and receives reports from the external auditor concerning any material control weakness identified during the course of their audit work.

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

The Board comprises of the Non-Executive Chairman, two Non-Executive Directors and two Executive Directors. Board profiles are provided on pages 33 to 34. The Board reviews the independence of the members of the Board on a regular basis and considers the Non-Executive Chairman and the Non-Executive Directors to be independent.

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

Corporate policies are approved by the Board to highlight the importance to all employees of high levels of governance and business conduct. The Board is supported by the Audit, Nomination and Remuneration Committees. External auditors and other Directors may be invited to attend Board or Committee meetings to support decision-making.

The details of the Directors' experience, skills and capabilities are set out on pages 33 to 34 of the annual report.

The Board is supported by the Nomination Committee when considering new appointments and succession planning. The Board is satisfied that the Directors have an appropriate balance of industry, financial and people experience to operate effectively. See the Nomination Committee report for future changes to Board structure.

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

The Board carries out an annual evaluation review. The evaluation considers matters such as composition, effectiveness, balance, transparency, consideration of stakeholders' feedback, and regulatory understanding. Also, see the Nomination Committee report.

9 Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.

The Board considers the remuneration of the Executive Directors based on recommendations of the Remuneration Committee. The remuneration policy considers the short and longer-term strategies of the business and links rewards to these strategies. Also, see the Remuneration Committee report.

10 Communicate how the Company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.

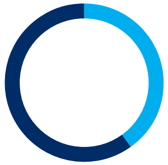
The Board achieves this through shareholder meetings with the Chief Executive Officer and Chief Financial Officer, the AGM, half-year and full-year announcements and regulatory news. A range of corporate information is available on the Group's website **www.nexus-infrastructure.com**

Board of Directors

Our Board has overall responsibility for governance, leadership and strategy.

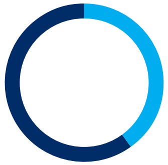
At a glance

Gender diversity



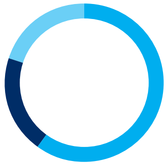
- Male 40%
- Female 60%

Board independence



- Executive Directors 40%
- Non-Executive Directors 60%

Length of tenure



- 0–3 years 3
- 4–6 years 1
- 7+ years 1

Board and committee meeting attendance

Director	Board	Audit	Nomination	Remuneration
Richard Kilner	9/9	5/5	3/3	4/4
Charles Sweeney	9/9	5/5	3/3	3/4
Dawn Hillman	9/9	5/5	3/3	3/4
Ffion Griffith	9/9	5/5	3/3	4/4
Clare Lacey	9/9	5/5	2/3	3/4

A R N

Richard Kilner

Independent Non-Executive Chairman

Appointed to Board: 2016

Core strengths and experience

- Significant M&A experience following 20 years with private equity companies
- Qualified Civil Engineer with over 20 years' experience within the civil engineering and construction sectors
- Strategic development, risk management, corporate governance, mergers and acquisitions, commercial

Background

Richard is a Chartered Civil Engineer and a member of the Institution of Civil Engineers. Educated in South Africa, he has a BSc degree in Civil Engineering. Richard has held a number of senior positions in construction and private equity and also has specific experience of property development, business process outsourcing and healthcare. He was a partner at 3i Group plc, where he was involved in significant investments in Asia, the USA and Europe. Richard also spent five years (including a year as acting Chair) as a Non-Executive Director of University Hospitals of Leicester NHS Trust.

External appointments

- Non-Executive Director of Hercules Site Services plc
- Non-Executive Director of Great Bowery Holdings LLC (US registered company)
- Chair of True Lens Services (Holdings) Limited
- Director of Glebe Meadows Developments Limited (in liquidation)
- Director of Deltex Consulting Limited (in liquidation)
- Non-Executive Director of PH Realisations 2020 Limited (in administration)

Charles Sweeney

Chief Executive Officer

Appointed to Board: 2023

Core strengths and experience

- Extensive Board-level experience in listed companies involved in the energy, civil infrastructure and residential construction sectors
- Strategy development and implementation
- Business transformation, performance improvement, commercial and operational risk management

Background

Charles is a Chartered Director and a Chartered Engineer with more than 40 years' experience in the civil infrastructure and energy sectors, both in the UK and overseas. His career has included several C-suite, Managing Director and Director positions, including nine years on the Executive Board of Costain Group plc and Managing Director of its Energy and Process Division. He joined Nexus in September 2016 as Chief Operating Officer ("COO") and subsequently took on the additional interim role of Tamdown Managing Director through to September 2018. He was appointed CEO in February 2023. Charles originally graduated with a BSc (Hons) in Chemical Engineering from the University of Leeds and later was awarded an MBA from Webster University, Leiden, The Netherlands. In 2023, he was awarded a NED diploma from the Financial Times Board Director Programme. He is a Fellow of the Institute of Directors and also a Fellow of the Institution of Chemical Engineers.

External appointments

- None

Board of Directors continued

Dawn Hillman
Chief Financial Officer

Appointed to Board: 2023

Core strengths and experience
- Over 35 years' experience in the construction industry
- Experience in privately owned, equity-backed and plc businesses
- Accounting and finance, corporate governance, process improvement, risk, IT, strategic development, commercial

Background

Dawn is a Chartered Management Accountant and Chartered Secretary with experience within the infrastructure, construction and engineering sectors.

She has worked within or closely alongside the Tamdown business for over 35 years and is an experienced Executive Board Director and Company Secretary. Dawn was instrumental in taking the business through IPO to AIM market listing in 2017. She has previously held Finance Director roles for Tamdown and other construction businesses.

External appointments
- Trustee of Nexus Community Trust, independent charity

A R N

Ffion Griffith
Independent Non-Executive Director

Appointed to Board: 2018

Core strengths and experience
- Over 30 years' experience in senior human resources roles
- Significant experience in professional services, technology and private equity sectors
- Organisational and culture, corporate governance, strategic development, compliance and regulation

Background

Ffion has over 30 years' experience in senior roles across a range of sectors including professional services, technology and private equity. Ffion's last executive role was as HR Director at the global procurement consultancy firm, Efficio. Prior to this she held interim roles in a private equity house and in a PE-backed steel trading business. She spent ten years as Global Director of Human Resources at the law firm Olswang LLP, seven years as Director of Human Resources at SJ Berwin LLP and, earlier in her career, held senior roles at Vedaris, Pearson Professional and The Royal College of General Practitioners. She is Chair of Relate and has previous Non-Executive Director experience in a large Academies Trust and a Business Improvement District. She holds a BA (Hons) in English Literature and an MA in Human Resource Management.

External appointments
- Member of Burnt Mills Academy Trust
- Chair of Relate Charity

A R N

Clare Lacey
Independent Non-Executive Director

Appointed to Board: 2022

Core strengths and experience
- Significant experience in infrastructure and renewable energy sectors
- Qualified Chartered Accountant

Background

Clare is a Chartered Accountant with nearly 20 years' experience, focused on the infrastructure and renewable energy sectors. She holds a portfolio of Non-Executive Director roles in these sectors. As one of the founding partners of QMPF, an Edinburgh-based infrastructure and energy advisory business, she was heavily involved in the management buy-out from Quayle Munro in 2012 and growing the business over its first ten years. While still a part of Quayle Munro, Clare undertook fund management of an AIM-listed PFI fund, PFI Infrastructure Company Plc, among other PFI and corporate finance remits.

External appointments
- Non-Executive Director of NYOP Education
- Non-Executive Director of Scot Roads Partnership Project Ltd
- Non-Executive Director of Woodland View Project Co Ltd

Key:
- A Audit Committee
- R Remuneration Committee
- N Nomination Committee
- Chair

Corporate governance

Board and sub-committee structure

The Board
Purpose: responsibility for governance, leadership and strategy, as well as enhancing shareholder value.

Audit Committee
Purpose: to ensure that the financial performance of the Group is properly reported and monitored, through the internal control systems and the external auditor.

Nomination Committee
Purpose: responsible for reviewing the structure, size and composition of the Board, nominating candidates for Board vacancies and succession planning.

Remuneration Committee
Purpose: to recommend to the Board an overall remuneration policy to retain, attract and motivate high-quality executives capable of achieving the Group's objectives.

Attendance at meetings

The table below sets out the number of Board meetings attended by each Director during the period:

	Board
Number of scheduled meetings	9
Richard Kilner	9
Alex Wiseman[1]	6
Ffion Griffith	9
Clare Lacey	9
Mike Morris[2]	4
Charles Sweeney	9
Dawn Hillman	9

1 Alex Wiseman resigned on 27 March 2024.
2 Mike Morris resigned on 15 August 2024.

We are thorough in our approach to governance and this is managed in a variety of ways.

Leadership and responsibilities

It is important that we as the Board provide strong and effective leadership, constructive challenge and accept collective accountability for the long-term sustainable success of the Group. The Board and its committees play an active role in maintaining and developing a culture of robust governance that encourages growth whilst ensuring effective controls and safeguards are in place.

Statement of compliance with the Quoted Companies Alliance ("QCA") Corporate Governance Code

The Company's shares are quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange and the Company is subject to the continuing requirements of the AIM Rules. The Company is required to apply a recognised Corporate Governance Code and to report on how it complies with that code. The Board has elected to adopt the QCA Corporate Governance Code. The Board is aware of its responsibility for overall corporate governance, and for supervising the general affairs and business of the Company.

The Board

At the date of this report, the Board comprised three Non-Executive Directors, including the Chairman, and two Executive Directors. Biographies of the Directors can be found on pages 33 to 34.

The Board believes it has an appropriate balance of Executive and independent Non-Executive Directors given the size and nature of the business. In addition, the Board considers that it has an appropriate balance of skills, experience and knowledge in order for it to discharge its duties and responsibilities effectively.

This includes a combination of diverse backgrounds and experiences which enable it to function effectively and have dialogue that is both constructive and challenging.

All of the Directors have access to the advice and services of the Company Secretary and may, in furtherance of their duties, take independent advice, at the Company's expense. Training is arranged, as required, to update and refresh their skills and knowledge.

Corporate governance continued

The Board continued

On joining the Board, arrangements are made for all new Directors to meet their colleagues and other senior management and to visit Company offices and sites, to ensure an adequate induction to the Group.

The Board meets regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information, including briefing papers distributed in advance of Board meetings.

Board effectiveness

The Chairman and Chief Executive Officer have separate, clearly defined roles. The Chairman is responsible for leadership of the Board and ensuring its effectiveness. The role includes ensuring that the Directors receive accurate, timely and clear information; facilitating the contribution of the Non-Executive Directors; and ensuring constructive relations between the Executive and Non-Executive Directors. The Chief Executive Officer is responsible for implementing the Group's strategy and its operational performance.

The Chairman is in regular contact with the Chief Executive Officer to discuss current matters and meets divisional directors and managers as required.

Key actions of the Board

The Board is responsible to shareholders for the success of the Group. Its role is to set the strategic and financial framework within which the Group operates, to monitor and review the performance of each of the divisions and to ensure that the risks faced by the Group are effectively managed. To facilitate this, the Board and its committees are provided with relevant and timely information in advance of all meetings and when otherwise required.

The Board has a formal schedule of matters that are reserved for its decision. This includes the approval of half-year and full-year financial statements, changes to the Company's capital structure, and any significant investments, contracts, acquisitions, mergers and disposals. Other specific responsibilities are delegated to the committees which operate within clearly defined terms of reference.

Board committees

The Board has Audit, Nomination, Remuneration and Disclosure Committees, which operate under written terms of reference. The reports of the Audit, Nomination and Remuneration Committees can be found on pages 37 to 44.

Board evaluation

The Board carried out an evaluation of its performance in June 2024 where the Board concluded that the Board, its committees and the Chairman continued to perform effectively.

Internal controls

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness.

Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the Group's size, complexity and risk profile.

The key features of the Group's internal control system include:

- the preparation of monthly management accounts and comparison to budget;
- clearly defined roles and responsibilities, with appropriate segregation of duties;
- clear authorisation and approval processes;
- regular preparation and review of cash forecasts;
- maintenance of a risk register, reviewed by the Audit Committee; and
- senior management review of material contracts and agreements.

Relations with stakeholders

The Board recognises the importance of maintaining engagement with all stakeholders, keeping them informed of the Group's strategy, progress and prospects. Understanding and consideration of stakeholder feedback enables the Board to make informed decisions.

More information on how the Board engages with our stakeholders is on pages 16 and 17.

Board activities

Strategy

- Review and assess the strategic objectives of the Group and Group businesses
- Consider options to enhance shareholder value
- Review of the external market

Financial

- Review of business performance
- Consideration of dividend policy
- Assess options on Group assets

Operational

- Monitor the Group's health and safety performance
- Review and assess Group businesses' operational performance
- Assess ongoing business culture

Governance

- Consideration of the appropriate changes to the Board and the composition of subsidiary boards
- Review of Nexus policies
- Review the effectiveness of procedures and risk management
- Monitoring health and safety for all employees

Audit Committee report

Clare Lacey
Chair of the Audit Committee

Attendance at meetings

	Audit Committee
Number of scheduled meetings	5
Alex Wiseman (Chair)[1]	2
Richard Kilner	5
Ffion Griffith	5
Clare Lacey (Chair)[2]	5
Charles Sweeney[3]	5
Dawn Hillman[3]	5
Mike Morris[4]	2

1 Alex Wiseman resigned as a Non-Executive Director on 27 March 2024. He also resigned from his position as Audit Committee Chair on this date.
2 Clare Lacey was appointed Chair of the Audit Committee on 27 March 2024.
3 As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Audit Committee but were invited to attend the meetings in order to assist with the matters for discussion.
4 Mike Morris resigned as a Non-Executive Director on 15 August 2024.

On behalf of the Audit Committee, I am pleased to present the Audit Committee report for Nexus Infrastructure plc.

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and monitored, through the internal control systems and the external auditor.

During the year, the Committee focused on the identification and management of the risks of the Group and the internal audit process to give assurance over the Group's internal controls and processes.

Roles and responsibilities

The role of the Committee is to:

- monitor the integrity of the financial statements of the Company, including formal announcements relating to its financial performance, and any significant financial reporting judgements;
- review and monitor the effectiveness of the Company's internal controls and risk management systems;
- review the Company's procedures for detecting fraud and error and the systems and controls for the prevention of bribery and tax evasion;
- review and monitor the effectiveness of the Company's internal audit function, including reporting to the Committee;
- consider and review all internal audit reports; and
- make recommendations to the Board in relation to the appointment, independence, objectivity and the effectiveness of the external audit process.

Committee meetings

The Audit Committee comprises the Non-Executive Directors of the Company. The Committee is chaired by Clare Lacey. Clare was appointed Chair of the Committee on 27 March 2024. Alex Wiseman resigned as Chair of the Audit Committee on 27 March 2024.

The Committee is required to meet at least three times a year and the table sets out the number of Committee meetings attended during the year.

Activities of the Committee

During the year, the Committee undertook the following:

- reviewed and discussed financial disclosures made in the annual results announcement, the annual report and financial statements and the half-yearly financial report, considered the significant estimates and judgements, together with any issues raised, letters of representation and reports from the external auditor;
- reviewed the subsidiary risk registers as presented by management and agreed actions for management to take from the risk register review;
- reviewed the Group's risk management framework and the effectiveness of the internal controls; and
- reviewed and agreed the fees and the audit plan with external auditor in advance of their audit for the financial year ended 30 September 2024.

Audit Committee report continued

Risk management and internal controls

The Board has delegated responsibility for monitoring the financial reporting process and reviewing the effectiveness of the Group's internal controls to the Audit Committee. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business' objectives and the Board can only provide reasonable, and not absolute, assurance against material loss, errors or fraud. The Audit Committee reviews the risk register and reports its findings to the Board.

When analysing risk, we consider the likelihood and impact on the Group after taking into account appropriate mitigating controls. The risk registers for each business are used to update the Group risk register. The Executive Directors of each subsidiary review the risk register regularly at risk review meetings and present the subsidiary risk registers to the Audit Committee on a regular basis.

Significant and other accounting matters

The sale of TriConnex and eSmart Networks completed in February 2023 and required the Committee to consider the application of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations on the financial statements in the FY23. This was not applicable in FY24 but noted for the comparable year 2023.

External auditor

The independence of the external auditor is essential to ensure the integrity of the Group's published financial information. The Group's external auditor is MHA. During the year, the Committee reviewed and approved the audit plan and considered it to be appropriate for the business. The auditor's assessment of materiality, independence and financial reporting risk areas were discussed and challenged.

The members of the Audit Committee have full access to the external auditor and during the year met with the external auditor without executives present to discuss the performance and co-operation of executives.

Non-audit services

The award of non-audit services to the external auditor is subject to controls agreed by the Audit Committee. The Audit Committee recognises that the auditor may be best placed to provide some non-audit services and these are subject to formal approval by the Audit Committee.

The auditor has not provided any non-audit services to the Group during the year.

Clare Lacey

Chair of the Audit Committee

5 February 2025

Nomination Committee report

Richard Kilner
Chair of the Nomination Committee

Attendance at meetings

	Nomination Committee
Number of scheduled meetings	3
Richard Kilner	3
Alex Wiseman[1]	1
Ffion Griffith	3
Clare Lacey	2
Mike Morris[2]	2
Charles Sweeney[3]	3
Dawn Hillman[3]	3

1 Alex Wiseman resigned as a Non-Executive Director on 27 March 2024.
2 Mike Morris resigned as a Non-Executive Director on 15 August 2024.
3 As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Nomination Committee but were invited to attend the meetings in order to assist with the matters for discussion.

On behalf of the Nomination Committee, I am pleased to present the Nomination Committee report for Nexus Infrastructure plc.

The Committee's focus during the year has been on reviewing succession planning, ensuring the composition of the Company and subsidiary boards is appropriate for the Group with the right balance of skills and knowledge in place.

The Nomination Committee's key review during the year was the composition of the Nexus Infrastructure plc Board. During the year, two of the Non-Executive Directors resigned (Alex Wiseman on 27 March 2024 and Mike Morris on 15 August 2024). The Nomination Committee concluded that the composition of the Nexus Board was appropriate for the size of the business and there was no current requirement to recruit a new Non-Executive Director following the resignations.

The Nomination Committee considered the independence of the Non-Executive Directors, including the Chair, and concluded that in compliance with the QCA Corporate Governance Code, the Non-Executive Directors were all independent.

The Nomination Committee also considered the position of Richard Kilner as Chair of the Board. Taking into consideration the independence review and the QCA Corporate Governance Code's view on length of time a Non-Executive Director could continue on the Board, the Nomination Committee concluded that Richard Kilner could continue as a Non-Executive Director from January 2025 (when he would have served as a Non-Executive Director for nine years) and as Chair of the Board of Directors. The Nomination Committee will review this on an annual basis.

Roles and responsibilities

The role of the Committee is to:

- review regularly the structure, size and composition (including skills, knowledge and experience) required of the Board;
- give full consideration to succession planning for Directors and other senior executives in the business;
- identify and nominate candidates for the approval of the Board to fill Board vacancies as and when they arise;
- evaluate the balance of skills, knowledge, experience and diversity of the Board; and
- make recommendations for the re-election of Directors retiring by rotation.

Nomination Committee report continued

Committee meetings

The Committee met three times during the year to discuss the composition of the Company and subsidiary boards and succession planning for the Group.

The Nomination Committee comprises the Non-Executive Directors of the Company and is chaired by Richard Kilner.

The Committee is required to meet at least once a year and the table on the previous page sets out the number of Committee meetings attended during the year.

Activities of the Committee

The activities of the Committee during the year under review and up to the date of this report were:

- reviewing the composition of the Board of the Company and the boards of the subsidiaries, including the balance of skills, knowledge and experience;
- the recommendation to the Board of appointments to subsidiary boards;
- the recommendation to the Board that a new Non-Executive Director was not required following the resignations of Alex Wiseman and Mike Morris; and
- a review of the independence of the Non-Executive Directors.

R Kilner

Richard Kilner

Chair of the Nomination Committee

5 February 2025

Remuneration Committee report

Ffion Griffith
Chair of the Remuneration Committee

Attendance at meetings

	Remuneration Committee
Number of scheduled meetings	4
Ffion Griffith (Chair)	4
Richard Kilner	4
Alex Wiseman[1]	2
Clare Lacey	3
Mike Morris[2]	3
Charles Sweeney[3]	3
Dawn Hillman[3]	3

1 Alex Wiseman resigned as a Non-Executive Director on 27 March 2024.
2 Mike Morris resigned as a Non-Executive Director on 15 August 2024.
3 As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Remuneration Committee but were invited to attend the meetings in order to assist with the matters for discussion.

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the year ended 30 September 2024.

As an AIM-listed company, Nexus Infrastructure plc is not required to fully apply the Listing Rules of the Financial Conduct Authority or the BIS Directors' Remuneration Reporting Regulations and so is not required to present a Board report on remuneration in accordance with those rules.

Nevertheless, the Board considers it appropriate for the Company to provide shareholders with information that follows the essence of the regulations and so includes some details of the remuneration policy and executive remuneration. The content of this report is unaudited unless stated otherwise.

Roles and responsibilities

The Committee's main responsibilities are to:

- determine and agree with the Board the framework and broad policy for the remuneration of the Chairman, Executive Directors and other senior executives in order to retain, attract and motivate high-quality executives capable of achieving the Company's objectives. No Director participates in any discussion regarding their own remuneration;
- consider, when determining such a policy, the relevant legal and regulatory requirements and guidance;
- within the terms of the agreed policy, determine the remuneration, including pension arrangements, of the Executive Directors;
- determine the level of fees for the Chairman of the Board;
- monitor and make recommendations in respect of the remuneration of the subsidiary directors;
- review the design of share incentive plans for approval by the Board and shareholders and, for such plans, determine the level of award and performance conditions; and
- select and appoint the external advisers to the Committee.

Committee meetings

The Remuneration Committee comprises the Non-Executive Directors of the Company and is chaired by Ffion Griffith.

The Committee is required to meet at least once a year and the table on this page sets out the number of Committee meetings attended during the year.

Remuneration Committee report continued

Activities of the Committee

The main activities of the Committee during the year under review and up to the date of this report were:

- considered and approved the detailed performance targets for a bonus plan for senior management;
- reviewed and approved the strategy for the salary reviews;
- reviewed and approved Executive Directors' and senior management salaries for 2024;
- reviewed and approved the level of fees for the Chairman for 2024;
- reviewed the gender pay gap reporting for the Group; and
- reviewed the Committee's terms of reference.

Remuneration policy

The policy of the Remuneration Committee is to ensure that the Executive Directors and senior management are rewarded for their individual contributions to the Company's overall performance, and to provide them with a fair and competitive remuneration package to attract, retain and motivate individuals of the experience and competence required to ensure that the Company is managed effectively and successfully having regard to the interests of shareholders. The Committee will review the remuneration policy from time to time and take whatever action it considers necessary to ensure that remuneration is aligned with the overall strategic objectives of the Group.

Advisers to the Remuneration Committee

The Committee is authorised to obtain outside professional advice and expertise and will also receive advice and support from the Chief Executive Officer, Chief Financial Officer and the Company Secretary, as necessary.

Executive Directors' remuneration

The details of individual components of the remuneration package are discussed below:

Salary

The base salaries of the Executive Directors are set at levels considered to be appropriate when they enter into service agreements with the Company. The base salaries are reviewed by the Remuneration Committee annually and any increases are awarded having regard to performance and salary levels in comparable organisations.

Benefits in kind

A range of taxable benefits are available to the Executive Directors. These benefits primarily comprise private healthcare, life assurance, the provision of a car or car allowance and fuel card.

Performance-related bonuses

It is the policy of the Company to operate bonus arrangements for the Executive Directors which are performance-related, the primary measures being the achievement of financial targets and personal performance.

Long-Term Incentive Plan

The Group operated a Long-Term Incentive Plan, under which certain Directors and senior management were granted options to subscribe for ordinary shares. All options were equity settled. The options were subject to service and performance conditions. Following the sale of TriConnex and eSmart Networks, the Committee took the decision to end the Long-Term Incentive Plan.

Performance-related bonus and Long-Term Incentive Plan (2021 Long-Term Incentive Plan)

The Long-Term Incentive Plan for Executive Directors and certain members of senior management included the achievement of targets resulting in a cash payment following the performance period and the vesting of conditional shares over a three-year period. The conditional shares are equity settled.

Following the completion of the sale of TriConnex and eSmart Networks, the Committee reviewed the appropriateness of the 2021 Long-Term Incentive Plan and concluded that a Long-Term Incentive Plan involving the granting of shares is no longer appropriate. Executive Directors will receive bonus payments based on financial and personal performance only.

Pension contributions

The Company makes contributions into personal pension schemes, or makes payments in lieu of contributions, in line with statutory requirements.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors is reviewed annually in December and becomes effective on 1 January. Their level of remuneration is based on outside advice and a review of current practices in other companies.

Executive Directors' contracts

Executive Directors are employed under service agreements, which are terminable on 12 months' notice by the Company and six months' notice by the Director.

Non-Executive Directors' contracts

The Chairman and the Non-Executive Directors each receive a fee for their services under appointment letters which are for an initial term of three years, save that either party may terminate on three months' notice. The fee is approved by the Board, mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. The Chairman and Non-Executive Directors are reimbursed for travelling and other minor expenses incurred.

Remuneration Committee report continued

Directors’ emoluments (audited)

	Salary/fee		Bonus		Benefits		Pension benefit		Total	
	2024 £’000	2023 £’000	**2024 £’000**	2023 £’000	**2024 £’000**	2023 £’000	**2024 £’000**	2023 £’000	**2024 £’000**	2023 £’000
Executive Directors										
Charles Sweeney[1]	**311**	280	**51**	11	**19**	19	**2**	1	**383**	311
Dawn Hillman[1]	**229**	142	**22**	—	**8**	9	**2**	1	**261**	152
Mike Morris[2]	**—**	144	**—**	99[3]	**—**	7	**—**	18	**—**	268
Alan Martin[2]	**—**	94	**—**	16	**—**	7	**—**	14	**—**	131
Non-Executive Directors										
Richard Kilner	**82**	78	**—**	—	**—**	—	**—**	—	**82**	78
Ffion Griffith	**44**	42	**—**	—	**—**	—	**—**	—	**44**	42
Alex Wiseman	**20**	39	**—**	—	**—**	—	**—**	—	**20**	39
Clare Lacey	**39**	36	**—**	—	**—**	—	**—**	—	**39**	36
Total	**725**	855	**73**	126	**27**	42	**4**	34	**829**	1,057

1 Charles Sweeney and Dawn Hillman were appointed as Chief Executive Officer and Chief Financial Officer respectively on 3 February 2023.
2 Mike Morris and Alan Martin resigned as Executive Directors on 3 February 2023. Mike Morris was then appointed as a Non-Executive Director. No fee was paid to Mike Morris while he was a Non-Executive Director.
3 Mike Morris was awarded a cash bonus in lieu of the 65,829 ordinary shares due to him under the 2019 Long-Term Incentive Plan award, which he voluntarily surrendered.

Remuneration Committee report continued

Directors' interest in shares under the Long-Term Incentive Plan (audited)

2016 Long-Term Incentive Plan

No options were issued under the 2016 Long-Term Incentive Plan in the year.

2021 Long-Term Incentive Plan

No options were issued under the 2021 Long-Term Incentive Plan in the year.

Directors' interest in the Company's shares

At 30 September 2024, the Directors had the following interests in the Company's shares:

Director	Number of shares
Richard Kilner	8,662
Ffion Griffith	853
Clare Lacey	—
Charles Sweeney	39,541
Dawn Hillman[1]	32,020

1 Including the shares held by connected persons.

Ffion Griffith

Chair of the Remuneration Committee

5 February 2025

Directors' report

The Directors present their report and the consolidated financial statements for the year ended 30 September 2024.

The corporate governance disclosures on pages 35 to 36 form part of this report.

Strategic report

In accordance with the requirements of the Companies Act 2006, we present a review of the business during the year to 30 September 2024 and of the position of the Group at the end of the financial year, key performance indicators, together with a description of the financial risk management and the principal risks and uncertainties faced by the Group on pages 26 to 29.

Principal activities statement

The Group's principal activities are infrastructure and groundworks solutions at the start and throughout a housebuilding development's lifecycle.

Future developments

The Group's future developments are covered in the CEO's statement on pages 7 to 8 and Strategy on page 11 of the report.

Results and dividends

The results are set out in the consolidated statement of comprehensive income on page 56.

An interim dividend of 1.0p per share was paid to shareholders on 30 June 2024 (2023: 1.0p per share). The Board recommends, subject to shareholder approval at the AGM, a final dividend of 2.0p per share in respect of the 2024 financial year (2023: 2.0p per share) is paid on 21 March 2025 to shareholders on the register at the close of business on 14 February 2025. On this basis, the total dividend for the year will be 3.0p per share (2023: 3.0p per share).

Donations

The Group has made no political donations during any of the periods presented.

Greenhouse gas emissions

Details of the Group's Scope 1 and Scope 2 greenhouse gas emissions during the year are set out on page 25 and form part of the Directors' report disclosures.

Directors

The Directors of the Company as of the date of this report and their biographical details are shown on pages 33 to 34.

Details of any related party transactions with Directors of the Company are shown in note 28 to the financial statements.

The interests of the Directors and their connected persons in the shares of the Company at 30 September 2024 are disclosed in the Remuneration Committee report on page 44. Details of the interests of the Executive Directors in share options and awards of shares can be found on page 44 within the same report.

Directors' indemnity provisions

Directors risk personal liability under civil and criminal law for many aspects of the Company's business decisions. The Company believes that it is in the best interests of the Company to protect the individuals concerned from the consequences of innocent error or omission. Therefore, the Company has provided qualifying third-party indemnity provisions in respect of Directors and senior officers who were in role during the year and at the date of this report.

The Company has taken out Directors' indemnity insurance to cover any losses arising as a result of this indemnity.

Disabled employees

The Directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible recruitment, training, career development and promotion of disabled persons is the same as for other employees and for people applying for employment with the Company. Should employees become disabled, every effort is made to ensure that their employment continues, and appropriate retraining is received.

Share capital structure

At 30 September 2024, the Company's issued share capital was £180,686.14 divided into 9,034,307 ordinary shares of £0.02 each. The holders of ordinary shares are entitled to one vote per share at the Company's general meetings.

Stakeholder engagement

We have reported how we engage with our stakeholders on pages 16 and 17.

Directors' report continued

Substantial shareholdings

At 31 December 2024, the shareholdings noted below, representing 3% or more of the issued share capital, had been notified to the Company. In addition, as at 31 December 2024, MUFG Corporate Markets Trustees (UK) Limited held 1,463 ordinary shares as trustees of the Employee Share Purchase Plan.

Name of shareholder	Number of shares	Proportion of total
Peter Gyllenhammar	2,578,300	28.54%
Otus Capital management	1,176,575	13.02%
Mike Morris[1]	879,094	9.73%
NR Holdings	837,913	9.27%
JM Finn	384,840	4.26%
Christian Wurst	366,813	4.06%
A J Bell Securities	289,969	3.21%
David J Barry	275,000	3.04%

1 Including the shares held by connected persons.

Financial risk management

We have reported on how we manage financial risk in note 27 of the financial statements.

Auditor

MHA were appointed by the Board as the Group's auditor and a resolution to re-appoint MHA will be proposed at the forthcoming AGM.

Going concern

Management has produced budgets that have been sensitised to reflect a plausible downside scenario. They reflect a cautious view on the trading outlook based on the current market. These demonstrate that the Group is forecast to generate a loss in the years ending 30 September 2025 and 2026, returning to profitability in the periods beyond. The Group does, however, have sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

Approval

This Directors' report was approved on behalf of the Board on 5 February 2025.

D R Hillman

Dawn Hillman

Company Secretary

5 February 2025

Financial statements

What's in this section

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' report is approved:

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

By order of the Board

Charles Sweeney
Chief Executive Officer

D R Hillman

Dawn Hillman
Chief Financial Officer
5 February 2025

Independent auditor's report

to the members of Nexus Infrastructure plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Nexus Infrastructure plc. For the purposes of the table on pages 50 to 51 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Nexus Infrastructure plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Nexus Infrastructure plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Nexus Infrastructure plc for the year ended 30 September 2024.

The financial statements that we have audited comprise:

- the Consolidated Statement of Comprehensive Income
- the Consolidated and Company Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Company Statement of Changes in Equity
- the Consolidated and Company Statement of Cash Flows
- Notes 1 to 32 to the financial statements, including significant accounting policies

The financial reporting framework that has been applied in the preparation of the group and parent company's financial statements is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Group Audit Committee.

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 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 as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the available financial resources.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections at Group, Parent Company and Subsidiary Company level.
- The evaluation of the base case scenarios and stress scenarios, in respect of the Group, Parent Company and Subsidiary Company's cash flow projections and the respective sensitivities and rationale.
- Viability assessments at Group and Parent Company levels, including consideration of reserve levels and business plans. This also included looking at future work for the main trading entity, including secured and prospective work.
- Evaluation of financial performance and liquidity position of the Group, Parent Company and Subsidiary Company subsequent to the year end.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We undertook full scope audits on the complete financial information of 2 components and specified audit procedures on aspects and balances on the other 5 components.		
Materiality	**2024**	**2023**	
Group	£586k	£857k	1% (2023: 1%) of revenue including continuing operations
Parent Company	£375k	£395k	1% (2023: 1%) of gross assets
Key audit matters			
Recurring	• Revenue recognition and long-term contract accounting in respect of infrastructure contracts (Group) • Valuation of the investments in subsidiary undertakings (Parent Company only)		

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Overview of our audit approach continued

Key Audit Matters continued

Revenue recognition and long-term contract accounting in respect of infrastructure contracts (Group)

Key audit matter description	The Group recognised revenue from continuing operations of £56.7m in the financial year (see note 4).The principal revenue streams relate to the provision of infrastructure services to the UK house building and commercial sector. Revenue is recognised using a contract accounting basis and therefore relies on a number of estimates, with the key estimate being the forecast costs to complete projects. The Group uses the input method, as such, these estimates drive the revenue recognised in the year. In conjunction with the billings raised to date and costs incurred to date on a contract, these estimates also drive the associated contract positions in the statement of financial position including trade receivable (£20.6m, see note 20), contract assets (£2.6m, see note 4) and contract liabilities (£0.3m, see note 4). Revenue recognition is classed as a key audit matter on the existence and occurrence of the transactions, the accuracy of the estimates involved and the material impact revenue has on the consolidated financial statements.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to, the following: • We evaluated the accounting policies for revenue recognition to ensure these are aligned to IFRS 15 and based on the standard's principle-based 'five step' model. We have then assessed the appropriateness of application to the accounting policies to the Group's contracts with customers. • We tested revenue transactions in the year to supporting documentation, including signed contracts and variation orders. We corroborated a sample of actual costs incurred to date to supporting documentation (for example invoices or timesheets) and recalculated the revenue recognised for the financial year on a sample basis with reference to actual costs incurred as a proportion of total costs forecast to be incurred on individual contracts. • We challenged the estimates used in forecast costs to complete, obtaining a breakdown of forecast costs to complete and vouching a sample of costs to supporting documentation (for example purchase order or latest third-party invoice supporting the values attributed to tasks to complete). We have also compared the forecast margins used by the Directors at 30 September 2023 to actual outturn at end of contracts during the year ended 30 September 2024 to assess the accuracy of previous estimates. We have also compared a sample of actual margins at the end of December 2024 to those forecast margins at September 2024. • For revenue recognised for variations, we validated the value of the variation to signed customer variation order. • We tested a sample of accounts receivables, contract assets and contract liabilities to supporting documentation, including signed contract, variation orders and post year end cash receipts, where appropriate. We found no material exceptions in our testing.
Key observations communicated to the Group's Audit Committee	Nothing has come to our attention which indicates that revenue was unreasonable or incorrectly recognised in accordance with IFRS 15.

Valuation of the investment in subsidiary undertakings (Parent)

Key audit matter description	At 30 September 2024, the Company had an investment in Tamdown Group Limited of £20,545,000 in its statement of financial position. The value is highly material to the company's statement of financial position and therefore there is a risk of a material impairment charge. Indicators of impairment were identified by management resulting in an impairment review of the investment in accordance with IAS36. We considered this to be a key audit matter due to the highly material balance recognised in the Company's statement of financial position and the significant judgement and estimates involved in the impairment review process.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Overview of our audit approach continued

Valuation of the investment in subsidiary undertakings (Parent) continued

How the scope of our audit responded to the key audit matter	Our audit work included, but was not limited to, the following: • We considered the value of the net assets held within the investment entity. • We considered the current information available in relation to the performance of the relevant entities. • We engaged the support of our corporate finance modelling specialists to assist in assessing the appropriateness of management's models and certain key judgements and assumptions. • We completed sensitivity analysis on management's calculations to evaluate the impact of changes in key assumptions on the investment and its potential impairment. • We obtained management's forecasts and performed various tests over the reasonableness of the inputs and assumptions within them.
Key observations communicated to the Group's Audit Committee	Nothing has come to our attention from our testing which indicates a requirement for impairment of the investment in accordance with IAS36.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £586,000 (2023: £857,000) which was determined on the basis of 1% of the Group's revenue from continuing operations (2023: 1% of Group's revenue from continuing operations). Group's revenue from continuing operations was deemed to be the appropriate benchmark for the calculation of Group materiality as this is the main measure by which the users of the financial statements will consider the future financial performance and success of the Group's continuing operations. Group revenue from continuing operations is also a Key Performance Indicator used by management as seen in the Strategic Report.

Materiality in respect of the Parent Company was set at £375,000 (2023: £395,000), determined on the basis of 1% (2023: 1%) of the Parent Company's gross assets. Gross assets were deemed to be the appropriate benchmark for the calculation of materiality because the Parent Company is a holding company and this is the metric by which the performance and risk exposure of the Parent Company is principally assessed.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £410,200 (2023: £514,000) and at £262,500 (2023: £237,000) for the Parent Company which represents 70% (2023: 60%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £29,300 and £18,750 in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Overview of our audit approach continued

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation/distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 5 reporting components of the Group, all 5 reporting components of the Group are based in the UK and represent the principal business units of continuing operations within the Group.

Full scope audits – Of the 5 components identified, full scope audits of the complete financial information of 2 components were undertaken by the Group Audit Team, being Nexus Infrastructure plc and Tamdown Group Limited. These entities were selected based upon their financial significance to the Group and risk characteristics.

Specified procedures – Of the 5 components identified, specified audit procedures were undertaken by the Group Audit Team on material account balances and classes of transactions of 3 components. Components from continuing operations were Nexus Park Limited, Tamdown Services Limited and Tamdown Plant Hire Limited.

Our full scope audit and specified audit procedures obtained sufficient coverage of the Group's revenue of 100%, total assets of 100% and loss before tax from continuing operations of 100%.

	Number of components	Revenue	Total assets	Loss before tax from continuing operations
Full scope audit	2	100%	75%	79%
Specific procedures	3	—%	25%	21%
		100%	100%	100%

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls over purchases and payroll.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements.

We specifically considered the Group and Parent Company's exposure to physical and transitional climate-related risks, given the sector in which the Group operates is considered 'high intensity', exposed to climate-related risks across its value chain. We performed a climate-related risk assessment, requesting from management relevant documentation to support the statements made in the accounts and to assess whether there is any room for material misstatement in the financial statements as a result of climate-related matters. We designed our audit procedures to specifically consider those assets where we anticipated, based on the work performed, that the highest impact arising from climate change might fall. We paid particular attention to climate-induced indicators of impairment on the year-end property, plant and equipment, right of use assets and debtor balances.

We considered the climate-related regulatory and legislative requirements the Group and Parent Company are subject to.

We have assessed the impact of climate on the business as not being material to the financial statements.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

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 the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent auditor's report continued

to the members of Nexus Infrastructure plc

Auditor responsibilities for the audit of the financial statements continued

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
    - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in revenue recognition.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board meetings, inspection of legal and regulatory correspondence
- audit procedures performed by the engagement team in connection with the risks identified included:
    - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
    - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
    - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
    - enquiry of management and legal advisors around actual and potential litigation and claims; and
    - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to revenue recognition as reported in the key audit matter section of our report.
- the Group and the Parent Company operate in a highly competitive construction sector. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Moyser FCA FCCA

(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

5 February 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated statement of comprehensive income

for the year ended 30 September 2024

	Note	2024 £'000	2023 £'000
Continuing operations			
Revenue	4	56,713	88,691
Cost of sales		(49,049)	(82,719)
Gross profit		7,664	5,972
Administrative expenses		(9,640)	(10,779)
Impairment loss	20	(1,789)	(2,935)
Other Income	5	1,819	—
Operating loss before exceptional items		(1,946)	(7,742)
Exceptional items	8	(279)	(645)
Operating loss		(2,225)	(8,387)
Finance income	11	151	447
Finance expense	11	(690)	(599)
Loss before tax		(2,764)	(8,540)
Taxation	12	—	46
Loss from continuing operations		(2,764)	(8,494)
Discontinued operations			
Profit from discontinued operations (after tax)	21	—	67,292
(Loss)/profit and total comprehensive (loss)/income for the year attributable to equity holders of the parent		(2,764)	58,799
Earnings/(losses) per share			
Basic (p per share) – total operations	14	(30.6)	238.96
Diluted (p per share) – total operations	14	(30.6)	238.96
Basic (p per share) – continuing operations	14	(30.6)	(34.52)
Diluted (p per share) – continuing operations	14	(30.6)	(34.52)
Basic (p per share) – discontinued operations	14	—	273.48
Diluted (p per share) – discontinued operations	14	—	273.48

There are no recognised gains and losses other than those shown in the income statement above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 62 to 83 form an integral part of the financial statements and accounting policies.

Consolidated and company statement of financial position

as at 30 September 2024

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Non-current assets					
Property, plant and equipment	15	**5,079**	5,377	**60**	405
Right of use assets	16	**10,273**	11,435	**32**	42
Goodwill	17	**2,361**	2,361	**—**	—
Other receivables	20	**—**	—	**6,329**	6,278
Investments in subsidiaries	18	**—**	—	**20,545**	20,545
Total non-current assets		**17,713**	19,173	**26,966**	27,270
Current assets					
Inventories	19	**—**	44	**—**	44
Trade and other receivables	20	**21,836**	24,135	**374**	453
Contract assets	4	**2,647**	2,784	**—**	—
Cash and cash equivalents	25	**12,801**	14,626	**9,383**	11,797
Total current assets		**37,284**	41,589	**9,757**	12,294
Total assets		**54,997**	60,762	**36,723**	39,564
Current liabilities					
Trade and other payables	22	**13,568**	15,540	**701**	1,464
Contract liabilities	4	**266**	552	**—**	—
Lease liabilities	16	**1,531**	1,826	**9**	10
Corporation tax liability		**12**	18	**—**	—
Total current liabilities		**15,377**	17,936	**710**	1,474

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Non-current liabilities					
Lease liabilities	16	**9,638**	9,818	**23**	32
Deferred tax liabilities	23	**—**	—	**—**	—
Total non-current liabilities		**9,638**	9,818	**23**	32
Total liabilities		**25,015**	27,754	**733**	1,506
Net assets		**29,982**	33,010	**35,990**	38,060
Equity attributable to equity holders of the Company					
Share capital	24	**181**	181	**181**	181
Share premium account		**9,419**	9,419	**9,419**	9,419
Retained earnings		**20,382**	23,410	**26,390**	28,460
Total equity		**29,982**	33,010	**35,990**	38,060

Retained earnings of the Company

The loss of the Company in the financial year amounted to £1,799,000 (2023: profit £70,577,000).

The financial statements on pages 56 to 61 were approved by the Board of Directors on 5 February 2025 and signed on its behalf by

Charles Sweeney
Director

Dawn Hillman
Director

Company number 05635505

The notes on pages 62 to 83 form part of the financial statements and accounting policies.

Consolidated statement of changes in equity

for the year ended 30 September 2024

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Equity as at 1 October 2022		911	9,419	23,810	34,140
Profit for the period		—	—	58,799	58,799
Total comprehensive income for the period		—	—	58,799	58,799
Transactions with owners					
Dividend paid	13	—	—	(90)	(90)
Share buyback		(743)	—	(59,808)	(60,551)
Share-based payments	28	—	—	700	700
Issue of share capital		13	—	—	13
		(730)	—	(59,198)	(59,929)
Equity as at 30 September 2023		181	9,419	23,410	33,010
Loss for the period		**—**	**—**	**(2,764)**	**(2,764)**
Total comprehensive (loss) for the period		**—**	**—**	**(2,764)**	**(2,764)**
Transactions with owners					
Dividend paid	13	**—**	**—**	**(271)**	**(271)**
		—	**—**	**(271)**	**(271)**
Equity as at 30 September 2024		**181**	**9,419**	**20,382**	**29,882**

The notes on pages 62 to 83 form part of the financial statements and accounting policies.

Company statement of changes in equity

for the year ended 30 September 2024

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Equity as at 1 October 2022		911	9,419	17,081	27,411
Profit for the period		—	—	70,577	70,577
Total comprehensive income for the period		—	—	70,577	70,577
Transactions with owners					
Dividend paid	13	—	—	(90)	(90)
Share buyback		(743)	—	(59,808)	(60,551)
Share-based payments	28	—	—	700	700
Issue of share capital		13	—	—	13
		(730)	—	(59,198)	(59,929)
Equity as at 30 September 2023		181	9,419	28,460	38,060
Loss for the period		**—**	**—**	**(1,799)**	**(1,799)**
Total comprehensive (loss) for the period		**—**	**—**	**(1,799)**	**(1,799)**
Transactions with owners					
Dividend paid	13	**—**	**—**	**(271)**	**(271)**
		—	**—**	**(271)**	**(271)**
Equity as at 30 September 2024		**181**	**9,419**	**26,390**	**35,990**

The notes on pages 62 to 83 form part of the financial statements and accounting policies.

Consolidated and company statement of cash flows

for the year ended 30 September 2024

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Cash flow from operating activities					
(Loss)/profit before tax from continuing and discontinued operations		**(2,764)**	58,753	**(1,799)**	70,577
Adjusted by:					
Gain on sale of subsidiaries	21	**—**	(67,292)	**—**	(72,291)
Profit on disposal of property, plant and equipment – owned	9	**(153)**	(573)	**—**	—
Share-based payments	28	**—**	700	**—**	700
Finance expense	11	**690**	599	**62**	5
Finance income	11	**(151)**	(447)	**(126)**	(371)
Depreciation of property, plant and equipment – owned	15	**745**	726	**127**	171
Depreciation of property, plant and equipment – right of use	16	**1,882**	1,618	**9**	—
Operating profit before working capital changes		**249**	(5,916)	**(1,727)**	(1,209)
Working capital adjustments:					
Decrease/(increase) in trade and other receivables		**1,443**	6,949	**280**	(85)
Decrease/(increase) in contract assets		**138**	(91)	**—**	—
Decrease/(increase) in inventory		**44**	(744)	**44**	(1)
(Decrease)/increase in trade and other payables		**(1,144)**	(7,399)	**(1,018)**	(4,738)
(Decrease)/increase in contract liabilities		**(261)**	(59)	**—**	—
Cash (used in)/generated from operating activities		**468**	(7,260)	**(2,421)**	(6,033)
Interest paid		**(690)**	(599)	**(62)**	—
Taxation recovered		**—**	241	**—**	—
Net cash (used in)/generated from operating activities		**(221)**	(7,618)	**(2,483)**	(6,033)

Consolidated and company statement of cash flows continued

for the year ended 30 September 2024

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Cash flow from investing activities					
Purchase of property, plant and equipment – owned	15	**(801)**	(759)	**—**	(301)
Proceeds from disposal of property, plant and equipment – owned	15	**513**	1,408	**227**	—
Sale of discontinued operations	21	**—**	60,168	**—**	75,291
Loan to related party		**—**	—	**(1,000)**	—
Repayment of loan from related party		**—**	—	**1,000**	—
Interest received	11	**151**	447	**126**	371
Net cash generated (used in)/from investing activities		**(137)**	61,264	**353**	69,328
Cash flow from financing activities					
Dividend payment	13	**(271)**	(90)	**(271)**	(90)
Share buyback	24	**—**	(60,551)	**—**	(60,551)
Principal elements of lease repayments		**(1,196)**	(2,560)	**(13)**	(1)
Net proceeds from the issue of share capital		**—**	13	**—**	13
Net cash (used in)/generated from financing activities		**(1,467)**	(63,188)	**(284)**	(60,629)
Net change in cash and cash equivalents		**(1,825)**	(9,542)	**(2,414)**	8,698
Cash and cash equivalents at the beginning of the year		**14,626**	24,168	**11,797**	3,099
Cash and cash equivalents at the end of the year		**12,801**	14,626	**9,383**	11,797

Cash and cash equivalents comprise cash at bank.

The notes on pages 62 to 83 form part of the financial statements and accounting policies.

Notes to the financial statements

for the year ended 30 September 2024

1. Accounting policies

General information

The principal activity of Nexus Infrastructure plc ("the Company") and its subsidiaries (together "the Group") is the provision of essential infrastructure solutions to the UK housebuilding and commercial sectors.

Those services comprise:

- civil engineering and construction contracts.

The principal trading subsidiaries are Tamdown Group Limited, Tamdown Services Limited, Tamdown Plant Hire Limited and Nexus Park Limited.

The subsidiaries TriConnex Limited and eSmart Networks Limited were classified as discontinued during the year to 30 September 2023 due to the sale of these subsidiaries in February 2023. Their results have been presented within the income statement as discontinued operations.

The Company is a public limited company (by shares) which is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and is incorporated and registered in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. The address of the registered office is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

The registered number of the Company is 05635505.

Basis of preparation

The consolidated and Company financial statements are for the year ended 30 September 2024. The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated and Company financial statements have been prepared under the historical cost convention and are presented in sterling, rounded to the nearest thousand except where indicated otherwise.

The accounting policies have been applied consistently, other than where new policies have been adopted.

The preparation of financial statements in conformity with UK-adopted International Accounting Standards requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

For a summary of critical accounting estimates and judgements please see note 2 to the financial statements.

The financial statements for the year ended 30 September 2024 for Nexus Park Limited, Tamdown Plant Hire Limited and Tamdown Services Limited have been exempted from audit under Section 479A of the Companies Act 2006 by way of parental guarantee from Nexus Infrastructure plc.

Company results

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act and has not presented its own statement of comprehensive income. The Group loss for the year includes a loss for the Company of £1,799,000 (2023: Profit £70,577,000).

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The consolidated financial statements present the results of the Company and its subsidiaries as if they form a single entity. Inter-company transactions and balances are therefore eliminated in full. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Going concern

In determining the appropriate basis of preparation of these financial statements, the Directors are required to consider whether the Group can continue in operational existence. Budgets for the two-year period to September 2026 have been prepared and approved by the Board; they reflect a cautious view on the trading outlook based on the current market. When producing the budgets the Group considered the government plans to increase housebuilding, overall improvements in the housebuilding sector and the impact these have on revenues. The Group also considered the gross margin improvement in Tamdown and cost reduction measures taken.

These budgets were then subject to a range of sensitivities including a severe but plausible scenario together with mitigating actions. Changes to the principal assumptions included:

- a reduction in work secured of approximately 20%;
- a reduction in revenue delivered from order book of approximately 10%; and
- a reduction in gross profit of approximately 2% for contracts in the pipeline.

Based on the results of the analysis undertaken, the Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they arise for at least 12 months from the approval of these financial statements, and consequently, the Directors have adopted the going concern basis of accounting in the preparation of these financial statements.

Notes to the financial statements continued

for the year ended 30 September 2024

1. Accounting policies continued

New and amended standards adopted by the Group

The Group has considered amended standards which apply to the financial period and consider that there have been no new standards, interpretations or amendments to accounting standards which the Group needed to consider applying for their annual report period commencing 1 October 2023. The amendments the Group considered are:

- Definition of Accounting Estimates – amendments to IAS 8;
- International Tax Reform – Pillar Tow Model Rules – amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS12; and
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2.

Standards, interpretations and amendments in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

The accounting standards and interpretations which the Group are considering are:

- Lease liability in a sale and leaseback transaction – amendments to IFRS 16;
- Classification of liabilities as current or non-current – amendments to IAS 1;
- Non-current liabilities with covenants – amendments to IAS 1; and
- Supplier finance arrangement – amendments.

Revenue recognition

Revenue represents the fair value of consideration received or receivable for goods and services provided to external customers, net of trade discounts and excluding value added tax and similar sales-based taxes.

The services provided by the Group are:

- contract revenue from civil engineering and construction contracts.

In line with IFRS 15, the Group recognises revenue based on the application of the standard's principle-based 'five-step' model to the Group's contracts with customers using the input approach. The revenue is recognised on the basis of direct measurement of the value to the customer of the goods transferred to the measurement date relative to the remaining goods promised under the contract.

Civil engineering and construction contracts

The performance obligations and transaction price are determined within contracts between the customer and the Company. Each contract has one performance obligation, the provision of specific construction activities. Contract modifications are added to existing contracts where there are changes to the scope or design of the original contracts. There are no variable consideration elements attached to any of the contracts.

The revenue is recognised over time as the Company's performance of its obligations creates or enhances an asset that the customer controls. Payment of the transaction price is typically due up to a maximum of 45 days after the valuation is submitted.

Revenue is recognised over the period of the contract by reference to the stage of completion. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Contract costs are recognised as expenses when incurred. When it is probable that total costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract assets (as discussed in IFRS 15.107) are recognised when the Group recognises revenue before the customer pays consideration or before payment is due. This asset is assessed for impairment in accordance with IFRS 9.

Contract liabilities (as discussed in IFRS 15.106) are recognised if a customer pays consideration before the entity transfers a good or service.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with other Group companies. All operating segments' operating results are regularly reviewed by the Executive Board, who are identified as the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance.

Inventory

Inventory is stated at the lower of costs and net realisable value. Cost of inventory is recognised at purchase cost and is determined as follows:

- Raw materials — Weighted average rate method
- Consumables — Weighted average rate method

Net realisable value for raw materials is based on an estimated selling price less any further costs expected to be incurred for completion and disposal. Consumables are generally not resold.

Inventory is assessed for write-downs and, if written down, the write-off is recognised immediately in the income statement.

Retirement benefits: defined contribution schemes

Obligations for contributions to the defined contribution scheme are charged to the consolidated statement of comprehensive income in the year to which they relate.

Exceptional items

Items that are unusual or infrequent in nature are presented in the consolidated statement of comprehensive income as exceptional items.

Notes to the financial statements continued

for the year ended 30 September 2024

1. Accounting policies continued

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful life. Land and buildings in construction are not depreciated. Other assets are depreciated at the following rates:

- Plant and machinery 25% reducing balance
- Motor vehicles 25% reducing balance
- Fixtures and fittings 3-10 years straight-line
- Leasehold improvements over the life of the lease

Depreciation charge commences when the assets are available for use.

The assets' residual values, useful life and depreciation methods are reviewed annually, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss.

Right of use assets

Right of use assets are measured at cost less accumulated depreciation and accumulated impairment losses. Right of use assets are recognised with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments and penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income.

If an item is purchased at the end of the lease period, it will be shown as an addition transferred from right of use assets.

Finance Income and Expenses

Finance income includes interest receivable on bank deposits.

Finance expenses includes interest on hire purchase agreements and leases for right of use assets.

Intangible assets – goodwill

Goodwill is the excess of the costs of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. It is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and tested for goodwill impairment on an annual basis, or more regularly where there are indicators of impairment. This requires an estimation of the value-in-use of the cash generating units to which the assets have been allocated. The value-in-use calculation requires the Directors to estimate the future cash flows expected to be generated by the cash generating units, and a suitable discount rate and long-term growth rate to apply in order to calculate present value. During the period, these estimates resulted in no impairment charge (2023: £nil) relating to goodwill. Refer to note 17 for the details of impairment review and the sensitivities applied.

Intangible assets – impairment

Intangible assets with indefinite lives are subject to impairment tests annually at the financial year end. The carrying values of non-financial assets with finite lives are reviewed for impairment when there is an indication that assets might be impaired. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly.

When it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the consolidated statement of comprehensive income, except to the extent they reverse previous gains recognised in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held with financial institutions with maturities of three months or less from acquisition. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group does not have a bank overdraft.

Financial instruments

The Group classifies its financial assets into the following three measurement categories based on the way the asset is managed and its contractual cash flow characteristics:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

Notes to the financial statements continued

for the year ended 30 September 2024

1. Accounting policies continued

Financial instruments continued

Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Fair value through profit or loss

Assets that do not meet the criteria of amortised cost or FVOCI are measured at fair value through profit or loss.

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, contract assets, trade and other payables and contract liabilities. Based on the way these financial instruments are being managed, and their contractual cash flow characteristics, all the Group's financial instruments are measured at amortised cost.

Financial instruments – impairment

The Group assesses the expected credit losses associated with its financial assets measured at amortised cost on a forward-looking basis. The Group applies the simplified approach, as permitted by IFRS 9, to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets on an individual customer basis.

Expected credit losses are assessed on an individual basis by considering possible defaults for the next 12 months. A monthly review of debt is included in contract review meetings. These meetings also consider the progress on the contract and assess any final margin adjustments which may be required. The customers financial position is monitored by tracking of accounts filed and public announcements. Any debt outstanding for more than four years is written off in full. Any impairment gain or loss is recognised in the profit and loss statements.

Investments

Subsidiaries

The Company has investments in subsidiaries which are carried at historical cost, less any provision for impairment.

The Group tests for impairment of its investment in subsidiaries on an annual basis, or more regularly where there are indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. This requires an estimation of the value-in-use of the cash generating units to which the investment has been allocated. The value-in-use calculation requires the Directors to estimate the future cash flows expected to be generated by the cash generating units, and a suitable discount rate and long-term growth rate to apply in order to calculate present value. During the period, these estimates resulted in no impairment charge (2023: £nil) relating to investments in the subsidiaries.

Share capital and retained earnings

Ordinary shares are classified as equity. Incremental costs attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings are classified as equity.

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability, which is a contractual obligation to deliver cash or similar to another entity or a potentially unfavourable exchange of financial assets or liabilities with another entity.

Dividends

Final equity dividends to the shareholders of Nexus Infrastructure plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities are recognised in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial and reporting purposes and the amounts used for taxation purposes, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries are jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

The recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Notes to the financial statements continued

for the year ended 30 September 2024

1. Accounting policies continued

Tax continued

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and represents a separate major line of business or geographical area of operations.

Certain comparative figures have been reclassified to discontinued operations, as a result of the sale of TriConnex Limited and eSmart Networks Limited on 3 February 2023 for £77.7m. The gain on the sale is shown in the statement of comprehensive income as profit for discontinued operations in FY23.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow will be required to settle the obligation, and the amount can be reliably estimated. Provisions are presented at the present value of the best estimate of the consideration required to settle the obligation present at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When the Group expects some or all of a provision in respect of a completed contract to be reimbursed, for example, under an insurance contract or a contractual right to recourse from supply chain partners, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain. A completed contract is deemed to be one where practical completion has taken place, the defect liability period has expired, and any outstanding retentions have been recovered.

The Group will disclose a contingent liability unless the possibility of an outflow of resources is remote. Where a contingent liability disclosure is made the Group will consider whether the financial impact can be estimated, the uncertainties relating to the estimate, the timing of any outflow and the possibility of any reimbursement.

2. Critical accounting estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances.

Judgements

The most significant areas of judgement arise from recoverability of debt and impairment of goodwill and investments.

a) Recoverability of debt

As part of the process of gaining new business it is necessary to carry out checks on the organisations for which the Group will carry out work. The value of individual contracts is substantial and the risk of default is always present. During the year detailed reviews are undertaken by the Directors, estimating the non-recoverability of debt. These reviews and estimations are seen as critical.

Judgement is necessary to assess the likelihood that a liability will arise, or a debt is not recoverable, and to quantify the possible amount of any expected credit loss. The inherent uncertainty of such matters means that actual amounts of transactions may differ materially from estimates made. Any difference between the amounts recognised and the actual amount is recognised immediately in the statement of comprehensive income.

b) Impairment of goodwill and investments

The Group tests goodwill annually for impairment, based on discounted future cash flows. The Company tests investments annually for impairment, based on discounted future cash flows. These calculations require judgement to assess the future cash flows and the growth level assessments. The inherent uncertainty of such matters means that actual amounts of transactions may differ materially from estimates made. Any difference between the amounts recognised and the actual amount is recognised immediately in the statement of comprehensive income.

Notes to the financial statements continued

for the year ended 30 September 2024

2. Critical accounting estimates and judgements continued

Estimates

The most significant area of estimation arises from accounting for profitability of contracts.

a) Profitability of contracts

Contract accounting requires estimates to be made for contract costs and income. In many cases, these contractual obligations span more than one financial period. The costs and income may be affected by a number of uncertainties that depend on the outcome of future events and may need to be revised as events unfold and uncertainties are resolved. Management bases its estimation of costs and income and its assessment of the expected outcome of each contractual obligation on the latest available information, which includes detailed contract valuations and forecast of the costs to complete. The estimates of the contract position, reflecting both the forecasted costs and the reliable estimate of the forecasted revenue on each contract, and the profit or loss earned to date, are updated regularly and significant changes are highlighted through established internal reporting and review procedures. The impact of any change in the accounting estimates is then reflected in the financial statements.

3. Capital management

The Group's capital is made up of share capital, share premium and retained earnings totalling £29,982,000 (2023: £33,010,000).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources.

Note 27(c) to the financial statements provides details of how the Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

4. Revenue

Revenues from external customers for continuing operations are generated from the supply of services relating to civil engineering and construction contracts. Revenues from external customers for discontinued operations are generated from the supply of design, installation and connection of multi-utility networks, and energy transition projects. Revenue is recognised in the following operating divisions:

	2024 Continuing operations £'000	2024 Total £'000
Segment revenue	56,713	56,713
Revenue from external customers	56,713	56,713
Timing of revenue recognition		
Over time	56,713	56,713
Customer type		
Residential	56,713	56,713
	56,713	56,713

	2023 Continuing operations £'000	2023 Discontinued operations £'000	2023 Total £'000
Segment revenue	88,691	23,484	112,175
Inter-segment revenue	—	—	—
Revenue from external customers	88,691	23,484	112,175
Timing of revenue recognition			
Over time	88,691	23,484	112,175
Customer type			
Residential	87,839	17,992	105,831
Non-residential	852	5,492	6,344
	88,691	23,484	112,175

Notes to the financial statements continued

for the year ended 30 September 2024

4. Revenue continued

The Group has recognised the following assets and liabilities related to contracts with customers:

	2024 £'000	2023 £'000
Contract assets		
Accrued income – continuing operations	**2,647**	2,784
Total	**2,647**	2,784

The decrease in contract assets during the year is due to the timing of applications/invoices to external customers and materials held on site for imminent works.

	2024 £'000	2023 £'000
Contract liabilities		
Deferred income – continuing operations	**266**	552
Total	**266**	552

The decrease in contract liabilities during the year is due to the timing of invoices to external customers exceeding the revenue recognised.

The following table shows how much of the revenue from external customers relates to the contract liabilities at the beginning of the year:

	30 September 2024 £'000	30 September 2023 £'000
	552	1,664

Management expects that £36,582,568 representing 71.5% (2023: £31,477,000 representing 67.4%) of the transaction price allocated to unsatisfied performance obligations as at 30 September 2024 will be recognised within one year and the remaining £14,568,000 representing 28.5% (2023: £15,193,000 representing 32.6%) within two to five years.

The Group has not recognised any assets in relation to costs to fulfil a contract (2023: £nil).

More than one customer is responsible for over 10% of revenue and details are presented below:

	2024 £'000	2023 £'000
Tamdown		
Customer 1	**—**	14,995
Customer 2	**—**	15,000
Customer 3	**11,916**	12,962
Customer 4	**12,112**	11,000
Customer 5	**14,597**	8,759
Customer 6	**7,138**	—

5. Other income

Other income of £1.8m comes from the settlement of a claim against a supplier for damages caused by the supply of faulty services.

	2024 £'000	2023 £'000
Income from claim	**1,819**	—
	1,819	—

Notes to the financial statements continued

for the year ended 30 September 2024

6. Segmental analysis – income statement

The Group has one operating division under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8: Operating Segments:

- Tamdown.

All of the Group's operations are carried out entirely within the United Kingdom.

The results for TriConnex and eSmart Networks have been presented as discontinued under IFRS 5, with the Tamdown and Group administration expenses comprising the continuing operations below. The related assets and liabilities of these operations have been similarly presented.

Segment information about the Group's operations is presented below:

	2024 £'000	2023 £'000
Revenue from continuing operations		
Tamdown	56,713	87,839
Nexus Infrastructure plc	—	841
Nexus Park Ltd	—	11
Total revenue from continuing operations	56,713	88,691
Revenue from discontinued operations		
TriConnex	—	17,992
eSmart Networks	—	5,492
Total revenue from discontinued operations	—	23,484
Total revenue	56,713	112,175
Gross profit from continuing operations		
Tamdown	7,664	5,120
Nexus Infrastructure plc	—	841
Nexus Park Ltd	—	11
Total gross profit from continuing operations	7,664	5,972
Gross profit from discontinued operations		
TriConnex	—	4,649
eSmart Networks	—	1,256
Total gross profit from discontinued operations	—	5,905
Total gross profit	7,664	11,877

	2024 £'000	2023 £'000
Operating (loss)/profit from continuing operations after exceptional items		
Tamdown	(353)	(6,031)
Group administrative expenses	(1,863)	(2,356)
Nexus Park Ltd	(9)	—
Total operating (loss) from continuing operations after exceptional items	(2,225)	(8,387)
Operating profit/(loss) from discontinued operations after exceptional items		
TriConnex	—	850
eSmart Networks	—	(1,102)
Total operating (loss) from discontinued operations after exceptional items	—	(252)
Total operating (loss) after exceptional items	(2,225)	(8,639)

The value of depreciation included in the measure of segment profit is:

	2024 £'000	2023 £'000
Tamdown	1,616	1,284
Group	1,011	1,060
Total depreciation – continuing operations	2,627	2,344
Total depreciation	2,627	2,344

Notes to the financial statements continued

for the year ended 30 September 2024

7. Segmental analysis – statement of financial position

Balance sheet analysis of operating segments:

	2024 Assets £'000	2024 Liabilities £'000	2024 Net assets £'000
Continuing operations			
Tamdown	**29,307**	**14,196**	**15,111**
Group	**25,690**	**10,819**	**14,871**
Total for continuing operations	**54,997**	**25,015**	**29,982**

	2023 Assets £'000	2023 Liabilities £'000	2023 Net assets £'000
Continuing operations			
Tamdown	31,729	16,355	15,374
Group	29,034	11,399	17,636
Total for continuing operations	60,763	27,754	33,010

Group represents head office expenses after deducting income received from transitional services agreements. Assets classified within Group principally comprise goodwill and a right of use asset. Liabilities classified within Group principally comprise lease liabilities and creditors.

8. Exceptional items

	2024 £'000	2023 £'000
Continuing operations		
Redundancy costs	**279**	645
Total	**279**	645

9. Operating loss

The operating loss is stated after charging/(crediting):

	2024 £'000	2023 £'000
Continuing operations		
Depreciation of property, plant and equipment	**745**	726
Depreciation of right of use assets	**1,882**	1,618
Profit on disposal of assets	**(153)**	(573)
Audit and non-audit services:		
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	**88**	110
Fees payable to the Company's auditors for the audit of the Company's subsidiaries pursuant to legislation	**90**	85

There have been no fees payable to the Company's auditors in respect of non-audit remuneration.

Notes to the financial statements continued

for the year ended 30 September 2024

10. Staff costs

	Group 2024 £'000	Group 2023 £'000
Wages and salaries	**14,668**	19,585
Share-based payments	**—**	700
Social security costs	**1,606**	2,205
Other pension costs	**259**	382
Total – continuing operations	**16,533**	22,872
Wages and salaries	**—**	3,333
Social security costs	**—**	372
Other pension costs	**—**	60
Total – discontinued operations	**—**	3,765
Total operations	**16,533**	26,637

The average monthly number of employees (including Directors) during the year was:

	2024	2023
Continuing operations		
Tamdown	**233**	377
Group	**15**	29
Discontinued operations		
TriConnex	**—**	246
eSmart Networks	**—**	110
	248	762

The average number of people employed by the Company (including Directors) during the year was 15 (2023: 29).

The Directors of the Group are considered by the Board to be the key management of the Group, for which remuneration in the year ended 30 September 2024 totalled £644,000 (2023: £862,000), including short-term employee benefits £27,000 (2023: £42,000), employer pension contributions £4,000 (2023: £34,000) and share-based payment charge £nil (2023: £450,000). Further details of the Directors' remuneration are provided in the audited section of the Remuneration Committee report on pages 43 to 44.

11. Finance income and expense

	2024 £'000	2023 £'000
Finance income		
Continuing operations		
Interest on bank deposits	**151**	447
Discontinued operations		
Interest on bank deposits	**—**	26
Finance expense		
Continuing operations		
Interest on hire purchase agreements	**—**	(56)
Interest on lease liabilities	**(690)**	(543)
	(690)	(599)
Discontinued operations		
Interest on lease liabilities	**—**	(26)
	—	(26)
Finance expense (net)	**(539)**	(152)

Notes to the financial statements continued

for the year ended 30 September 2024

12. Taxation

	2024 £'000	2023 £'000
Current tax – continuing operations:		
UK corporation tax on profits for the year	—	—
Adjustment in respect of prior periods	—	50
Total current tax	—	50
Deferred tax – continuing operations:		
Origination and reversal of timing difference	75	(34)
Adjustment in respect of prior periods	(75)	(54)
Effect of tax rate change on opening balance	—	(8)
Total deferred tax – discontinued operations	—	(96)
Total deferred tax	—	(96)
Total tax charge	—	(46)

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax as applied in the UK. The differences are explained below:

	2024 £'000	2023 £'000
(Loss)/profit before tax	(2,764)	58,813
(Loss)/profit before tax multiplied by the respective standard rate of corporation tax applicable in the UK (25%) (2023: 22.1%)	(691)	12,998
Effects of:		
Fixed asset differences	2	(11)
Non-deductible expenses	48	1,760
Income not taxable for tax purposes	—	(16,713)
Chargeable gains/losses	—	(58)
Group income	—	247
Adjustment in respect of prior periods – current tax	—	38
Adjustment in respect of prior periods – deferred tax	(75)	(55)
Remeasurement of deferred tax for changes in tax rates	—	(251)
Movement in deferred tax not recognised	715	1,999
Total tax charge	—	(46)

	2024 £'000	2023 £'000
Income tax expense from continuing operations	—	(46)
Income tax expense from discontinued operations	—	—
Total tax charge/(credit)	—	(46)

There was no income tax (charged)/credited directly to equity in the year (2023: £nil).

At the balance sheet date, the Group has unused tax losses of £10.40m (2023: £7.85m) and other fixed asset and short-term temporary differences of £103,000 (2023: £142,000) available for offset against future profits with an indefinite expiry period. Based on the projections, there are insufficient future taxable profits to justify the recognition of a deferred tax asset. On this basis, no deferred tax asset has been recognised in the current year; the unrecognised deferred tax asset calculated at the substantively enacted rate in the UK of 25% amounts to £2.63m as at 30 September 2024 (2023: £1.99m).

Notes to the financial statements continued

for the year ended 30 September 2024

13. Dividends

Group and Company	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2024 of 1.0p per share (2023: 1.0p per share)	**90**	90
Final dividend for the year ended 30 September 2023 of 2.0p per share (2022: £nil per share)	**181**	—
	271	90

The proposed final dividend for the year ended 30 September 2024 of 2.0p per share (2023: 2.0p per share) makes a total dividend for the year of 3.0p per share (2023: 3.0p per share). The proposed final dividend is subject to approval by shareholders at a General Meeting and has not been included as a liability in these financial statements. The total estimated final dividend to be paid is £180,686 (2023: £180,686).

14. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of shares in issue for the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue for the year to assume conversion of all dilutive potential shares.

The calculation of the basic and diluted earnings per share is based on the following data:

	2024 £'000	2023 £'000
Weighted average number of shares in issue for the year	**9,034,307**	24,605,883
Effect of dilutive potential ordinary shares:		
Share options (number)	**—**	—
Weighted average number of shares for the purpose of diluted earnings per share	**9,034,307**	24,605,883
(Loss)/profit for the year attributable to equity shareholders	**(2,764)**	58,799
Basic earnings (p per share)	**(30.60)**	238.96
Diluted earnings (p per share)	**(30.60)**	238.96
Continuing operations		
Loss for the year from continuing operations	**(2,764)**	(8,494)
Basic losses (p per share)	**(30.60)**	(34.52)
Diluted losses (p per share)	**(30.60)**	(34.52)
There are no share options in place so no dilutive effect on the earnings per share		
Discontinued operations		
Profit for the year from discontinued operations	**—**	67,292
Basic earnings (p per share)	**—**	273.48
Diluted earnings (p per share)	**—**	273.48

Notes to the financial statements continued

for the year ended 30 September 2024

15. Property, plant and equipment

Group	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 October 2022	4,050	2,131	135	1,884	8,200
Additions	—	183	299	347	829
Disposals	—	(2,826)	(54)	(68)	(2,948)
Transfer from right of use assets	—	2,384	—	—	2,384
At 30 September 2023	4,050	1,872	380	2,163	8,465
Additions	**—**	**618**	**184**	**—**	**802**
Disposals	**(658)**	**(661)**	**(30)**	**(416)**	**(1,765)**
At 30 September 2024	**3,392**	**1,829**	**534**	**1,747**	**7,502**
Accumulated depreciation					
At 1 October 2022	742	1,523	86	390	2,741
Charge for the year	170	156	33	357	726
Disposals	—	(1,983)	(49)	(28)	(2,060)
Transfer from right of use assets	—	1,681	—	—	1,681
At 30 September 2023	912	1,377	70	729	3,088
Charge for the year	**169**	**156**	**116**	**293**	**745**
Disposals	**(658)**	**(540)**	**(13)**	**(189)**	**(1,400)**
At 30 September 2024	**423**	**993**	**173**	**833**	**2,423**
Net book value					
At 30 September 2022	3,308	608	49	1,494	5,459
At 30 September 2023	3,138	495	310	1,434	5,377
At 30 September 2024	**2,968**	**834**	**361**	**913**	**5,079**

Notes to the financial statements continued

for the year ended 30 September 2024

15. Property, plant and equipment continued

Company	Fixtures and fittings £'000
Cost	
At 1 October 2022	345
Additions	301
At 30 September 2023	646
Disposals	**(408)**
At 30 September 2024	**228**
Accumulated depreciation	
At 1 October 2022	70
Charge for the year	171
At 30 September 2023	241
Charge for the year	**127**
Disposals	**(190)**
At 30 September 2024	**168**
Net book value	
At 30 September 2022	275
At 30 September 2023	405
At 30 September 2024	**60**

16. Right of use assets and lease liabilities

The Group has leases for freehold property, plant and machinery, motor vehicles, and fixtures and fittings. Leases for freehold property relate mainly to office properties, whilst the plant and machinery leases are predominantly large machinery used in site operations.

The statement of financial position shows the following information relating to right of use assets and leases:

	2024 £'000	2023 £'000
Right of use assets		
Freehold property	**9,583**	10,217
Plant and machinery	**415**	610
Motor vehicles	**275**	604
Fixtures and fittings	**—**	4
	10,273	11,435
Lease liabilities		
Current	**1,531**	1,826
Non-current	**9,638**	9,818
	11,169	11,644

Additions to the right of use assets during the year were £710,000 (2023: £1,088,000). Disposals of £514,000 (2023: £1,408,000) were also recorded. The right of use assets transferred to property, plant and equipment during the year was £nil (2023: £2,384,000).

The statement of comprehensive income shows the following amounts relating to right of use assets and leases:

	2024 £'000	2023 £'000
Depreciation		
Freehold property	**677**	697
Plant and machinery	**895**	606
Motor vehicles	**310**	315
Fixtures and fittings	**—**	—
	1,882	1,618
Interest expense	**(690)**	(599)
Expenses relating to short-term leases	**—**	127
Expenses relating to low-value leases that are not shown above as short-term leases	**19**	7

Notes to the financial statements continued

for the year ended 30 September 2024

16. Right of use assets and lease liabilities continued

The total cash outflow for leases during the year was £1,886,000 (2023: £3,159,000).

The present value of lease liabilities is as follows:

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Within one year	**2,097**	1,830	**9**	10
Two to five years	**3,509**	4,308	**23**	32
Over five years	**13,467**	14,842	**—**	—
Future finance charge on lease liabilities	**(7,904)**	(9,336)	**—**	—
Present value of lease liabilities	**11,169**	11,644	**32**	42

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

17. Goodwill

	2024 £'000	2023 £'000
Carrying value	**2,361**	2,361

Impairment testing

The Group tests goodwill annually for impairment. During the year, impairment tests were undertaken over the goodwill of Tamdown Group Limited £2,361,000 (2023: £2,361,000).

There is considered to be one cash generating unit in the Group which will provide the future economic benefit to the Group; this cash generating unit is Tamdown Group Limited, which is the main operational business.

A post-tax discount rate of 12.0% (2023: 12.0%) has been used in the cash flow calculation, which is based upon the capital structure of the Group. The pre-tax discount rate would be 16.0% (2023: 16.0%). Changes to the capital structure may impact upon the Group's discount rate in future periods. The key assumptions utilised within the forecast model relate to the level of future sales, which have been estimated based upon the Directors' expectations, current trading and recent actual trading performance. The value-in-use calculation indicates that Tamdown Group Limited has a recoverable amount which is greater than the carrying amount of assets allocated to them. The Directors have undertaken sensitivity analysis including decreasing revenue through work winning (reduced by 20%) and activity from the order book (reduced by 10%) and gross margins (reduced by 2%), which indicates that a reasonable change in assumption will not give rise to an impairment.

The recoverable amount was determined using a value-in-use calculation based upon Directors' forecasts for the trading results for the three years ending 30 September 2027 extended to 30 September 2029 using estimated growth rates of 21.5% (2025), 24.9% (2026) and 11.5% (2027). Post 2027 an average growth rate of 7.5% has been used.

The following table sets out the key assumptions for Tamdown Group Limited, which has goodwill attached to it:

	2025	2026	2027	2028	2029
Revenue (% annual growth rate)	21.5%	24.9%	11.5%	7.5%	10.0%
Gross margin	13.9%	15.0%	15.0%	15.0%	15.0%
Operating margin	1.9%	4.2%	4.9%	5.2%	5.5%

18. Investments in subsidiaries

	2024 £'0000	2023 £'000
Investments in subsidiary companies	**20,545**	20,545

The following are subsidiaries of Nexus Infrastructure plc, which owns 100% of the ordinary share capital, all of which are registered in England and Wales:

	Activity
Tamdown Group Limited	Construction services
Tamdown Services Limited[1]	Supply of labour to the construction industry
Tamdown Plant Hire Limited[1]	Engineering plant hire
Nexus Park Limited	Development of building projects

1 Held by Tamdown Group Limited.

The registered address of all subsidiaries is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

Investments in Group undertakings are recorded at cost less any impairment charge.

The financial statements for the year ended 30 September 2024 for Nexus Park Limited, Tamdown Plant Hire Limited and Tamdown Services Limited have been exempted from audit under Section 479A of the Companies Act 2006 by way of parental guarantee from Nexus Infrastructure plc.

Notes to the financial statements continued

for the year ended 30 September 2024

19. Inventories

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Consumables	—	44	—	44
	—	44	—	44

The value of raw materials purchased as inventory and later recognised as an expense in the year ended 30 September 2024 amounted to £nil (2023: £nil).

There were no write-downs of raw materials during the year.

20. Trade and other receivables

Non-current assets	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Amounts owed by Group undertakings	—	—	6,329	6,278
	—	—	6,329	6,278

Current assets	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Trade receivables from contracts with customers	20,536	23,272	64	340
Other receivables	678	525	8	2
Prepayments	622	338	96	111
Amounts owed by Group undertakings	—	—	206	—
	21,836	24,135	374	453

Prior year restatement

The Company's financial position as at 30 September 2023 has been restated to recognise the longer-term nature of the amounts due by Group undertakings.

As a result, the company has reclassified balances as follows:

	As reported 30 September 2023 £'000	Restatement £'000	As restated 30 September 2023 £'000
Non-current assets			
Amounts owed by Group undertakings	—	6,278	6,278
Current assets			
Trade and other receivables	6,731	(6,278)	453

	As reported 1 October 2022 £'000	Restatement £'000	As restated 1 October 2022 £'000
Non-current assets			
Amounts owed by Group undertakings	—	5,995	5,995
Current assets			
Trade and other receivables	6,312	(5,995)	357

Basic and diluted earnings per share for the prior year have not been restated as a result of the above as there has been no impact on the statement of comprehensive income.

Notes to the financial statements continued

for the year ended 30 September 2024

20. Trade and other receivables continued

Overdue trade receivables	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
By less than three months	**2,740**	3,444	**64**	339
Over three but less than six months	**427**	1,465	**—**	—
Over six months but less than one year	**1,401**	1,574	**—**	—
Over one year	**3,234**	3,248	**—**	—
	7,802	9,731	**64**	339

The carrying value of trade receivables is stated after the following allowance for expected credit losses:

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
At 1 October	**1,070**	1,056	**—**	—
Charged to the statement of comprehensive income	**2,004**	99	**—**	—
(Written back) to the statement of comprehensive income	**(215)**	(85)	**—**	—
At 30 September	**2,859**	1,070	**—**	—

The statement of comprehensive income includes a credit loss of £2,962,000 in 2023 which relates to the impact of ilke Homes going into administration. Also included are expected future losses on trade receivables. Amounts owed by Group undertakings are unsecured, repayable on demand and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. No allowance for expected credit losses related to amounts owed by Group undertakings is deemed necessary as the amounts due are from 100% owned subsidiaries which would be supported by the parent company. The above trade and other receivables are shown net of their expected credit loss allowances, which total £2.86m (2023: £1.07m). The Group's standard invoice payment terms are 35 days.

Due to the nature of the current receivables, their carrying value is considered to be the same as their fair value.

21. Assets held for sale and associated liabilities, and discontinued operations

On 30 December 2022, the Group announced its intention to dispose of the subsidiaries TriConnex Ltd and eSmart Networks Ltd. The disposal completed on 3 February 2023 and the former subsidiaries were reported in the financial statements for the period to 30 September 2023 as discontinued operations. Financial information relating to the discontinued operations for the period to the date of disposal are set out below. The financial performance and cash flow information presented are for the four months ended 31 January 2023.

	Total 2023 £'000	TriConnex 2023 £'000	eSmart Networks 2023 £'000
Revenue	23,484	17,992	5,492
Expenses	(23,795)	(16,942)	(6,853)
(Loss)/profit before income tax	(312)	1,049	(1,361)
Income tax expense	60	(199)	259
(Loss)/profit after income tax of discontinued operations	(252)	850	(1,102)
Gain on sale of subsidiaries (see below)	67,545	—	—
Total gain on sale of subsidiary	67,292	—	—

Consideration received	Total 2023 £'000	TriConnex 2023 £'000	eSmart Networks 2023 £'000
Cash	77,700	—	—
Carrying amount of net assets sold	7,746	9,080	(1,333)
Costs related to the sale of the discontinued operations	(2,409)	—	—
Gain on sale after income tax	67,545	—	—

Notes to the financial statements continued

for the year ended 30 September 2024

21. Assets held for sale and associated liabilities, and discontinued operations continued

The carrying amounts of assets and liabilities as at the date of sale (3 February 2023) were:

	Total 2023 £'000
Non-current assets	
Property, plant and equipment	798
Right of use assets	1,585
Total non-current assets	2,383
Current assets	
Inventories	3,625
Trade and other receivables	14,450
Contract assets	23,232
Corporation tax asset	330
Cash	15,123
Total current assets	56,760
Total assets	59,143
Current liabilities	
Trade and other creditors	15,123
Contract liabilities	34,449
Lease liabilities	513
Corporation tax liability	314
Total current liabilities	50,399
Non-current liabilities	
Lease liabilities	883
Deferred tax liabilities	115
Total non-current liabilities	998
Total liabilities	51,397
Net assets	7,746

22. Trade and other payables

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Trade payables	**12,055**	13,683	**201**	108
Other payables	**373**	492	**149**	33
Accruals	**656**	804	**309**	367
Social security and other tax payable	**484**	561	**42**	51
Amounts owed to Group undertakings	**—**	—	**—**	905
Current	**13,568**	15,540	**701**	1,464

Other payables comprises payroll-related liabilities.

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

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

23. Deferred tax

Net deferred tax position

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
At 1 October	**—**	96	**—**	**—**
Charge/(credit) for the year	**—**	(96)	**—**	—
Transfer to assets held for sale	**—**	—	**—**	—
At 30 September	**—**	—	**—**	**—**

The unrecognised deferred tax asset on losses is £2.63m (2023: £1.99m).

Notes to the financial statements continued

for the year ended 30 September 2024

24. Share capital

In the prior year, the Group purchased 37,147,878 ordinary shares of £0.02 for cancellation at £1.63 per ordinary share, as part of a capital distribution. This returned £60.5m to shareholders by way of a tender Offer following the sale of TriConnex and eSmart Networks.

Shares are fully paid at par and the rights attached to the ordinary shares are disclosed within the articles of association.

Group and Company	2024 £'000	2023 £'000
9,034,307 (2023: 9,034,307) ordinary shares of £0.02 each (authorised and in issue)	181	181
	181	181

25. Cash flow information

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Cash and cash equivalents	12,801	14,626	9,383	11,797
Lease liabilities	(11,169)	(11,644)	(32)	(43)
Net cash/(debt)	1,632	2,982	9,351	11,754

	Assets	Liabilities from financing activities	
	Cash and cash equivalents £'000	Lease liabilities £'000	Total £'000
Net cash/(debt) at 1 October 2022	24,168	(12,456)	11,712
Cash flows	(9,542)	1,472	(8,070)
New leases	—	(1,088)	(1,088)
Finance expense	—	(564)	(564)
Other changes	—	3	3
Discontinued operations	—	989	989
Net cash/(debt) at 30 September 2023	14,626	(11,644)	2,982

	Assets	Liabilities from financing activities	
	Cash and cash equivalents £'000	Lease liabilities £'000	Total £'000
Net cash/(debt) at 1 October 2023	14,626	(11,644)	2,982
Cash flows	(1,825)	—	(1,825)
Financing cash flow	—	1,875	1,875
New leases	—	(710)	(710)
Finance expense	—	(690)	(690)
Net cash/(debt) at 30 September 2024	12,801	(11,169)	1,632

26. Financial instruments

a) Cash and cash equivalents

	2024 £'000	2023 £'000
Current assets		
Cash at bank	12,801	14,626
	12,801	14,626

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2024 £'000	2023 £'000
Balance as above	12,801	14,626
Balance per statement of cash flow	12,801	14,626

Notes to the financial statements continued

for the year ended 30 September 2024

26. Financial instruments continued

b) Assets and liabilities

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company As restated 2023 £'000
Non-current assets				
Amounts owed by Group undertakings	—	—	6,329	6,278
Current assets				
Trade receivables	20,536	23,272	64	340
Other receivables	678	525	8	2
	21,214	23,797	72	342
Cash and cash equivalents	12,801	14,626	9,383	11,797
Total financial assets	34,015	38,423	9,455	12,139
Non-current liabilities				
Lease liabilities	9,638	9,818	23	32
	9,638	9,818	23	32
Current liabilities				
Trade payables	12,055	13,683	201	108
Other payables	374	492	149	33
Accruals	656	804	309	367
Lease liabilities	1,531	1,826	9	10
Amounts owed to Group undertakings	—	—	—	905
	14,616	16,805	668	1,423
Total financial liabilities at amortised cost	24,253	26,623	691	1,455

27. Financial risk management

The Group and Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, capital risk and market risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board; they have assessed the exposure, policies and market conditions and consider there to be no change to the policies outlined below:

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

The maximum exposure to credit risk is the value of the outstanding amount of cash balances, trade and other receivables and contract assets:

	2024 £'000	2023 £'000
Continuing operations		
Group		
Trade and other receivables	20,536	23,272
Contract assets	2,647	2,784
Cash and cash equivalents	12,801	14,626
Company		
Trade and other receivables	374	453
Cash and cash equivalents	9,383	11,797

The Group considers that credit risk on cash and cash equivalents is low based on the external credit ratings of the banks used. Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposure. The maximum exposure is the amount of the deposit.

Management consider default to be when companies do not make payment when due; this would further be considered as impaired when it becomes clear that no payment will be made. During FY23, ilke Homes went into administration creating a credit loss within Tamdown Group Limited of £2,962,000. Management considered this to be an unusual event. Provision of services by members of the Group results in trade receivables. Following a full review of receivables, management consider this to continue to be of low risk.

Notes to the financial statements continued

for the year ended 30 September 2024

27. Financial risk management continued

b) Liquidity risk

Continuing operations

Group

The Group currently holds cash balances in sterling to provide funding for normal trading activity. Trade and other payables are monitored as part of normal management routine. The Group's financial liabilities have contractual maturities as summarised below:

2024	Within one year £'000	Two to five years £'000	Over five years £'000
Lease liabilities	1,531	3,682	5,956
Trade payables	12,055	—	—
Accruals and payments on account	656	—	—

2023	Within one year £'000	Two to five years £'000	Over five years £'000
Lease liabilities	1,826	3,668	6,150
Trade payables	13,683	—	—
Accruals and payments on account	804	—	—

The borrowings are net of any transaction costs incurred. The transaction costs are recognised in the income statement over the period of the borrowings.

Company

The Company holds minimum cash balances. Trade and other payables are monitored as part of normal management routine. Liabilities are disclosed as follows:

2024	Within one year £'000	Two to five years £'000	Over five years £'000
Trade payables	201	—	—
Amounts owed to Group undertakings	—	—	—
Accruals and payments on account	309	—	—
Other payables	149	—	—

2023	Within one year £'000	Two to five years £'000	Over five years £'000
Trade payables	108	—	—
Amounts owed to Group undertakings	905	—	—
Accruals and payments on account	367	—	—
Other payables	33	—	—

c) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure which optimises the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Decisions regarding the balance of equity and borrowings, dividend policy and all major borrowing facilities are reserved for the Board.

d) Foreign exchange and interest rate risk

The Group has no significant exposure to currency risk or interest rate risk.

28. Share-based payments

No share schemes were operational during 2024.

The total share-based payments charged to the statement of comprehensive income for 2023 was a charge of £700,003.

29. Related party transactions

The Group's key management personnel are the Executive and Non-Executive Directors, as identified in the Remuneration Committee report on pages 41 to 44.

During the year the Group transacted total sales with the following companies of which Mike Morris was also a director until 15 August 2024:

	2024 £'000	2023 £'000
Advanced Water Infrastructure Networks Limited	—	2
Advanced Electricity Networks Limited	—	1
Advanced Utility Networks Limited	290	52
eSmart Networks Limited	230	390
TriConnex Limited	382	783

Notes to the financial statements continued

for the year ended 30 September 2024

30. Contingent assets and liabilities

Group and Company

Nexus Infrastructure plc has issued a letter of support to Tamdown Group Limited for 12 months from the signing of the accounts.

Under a Group registration, the Company is jointly liable for value added tax by other Group companies. As at 30 September 2024, there was a value added tax asset of £678,000 (2023: £486,000).

During the financial period to 30 September 2023, a subsidiary had lodged a claim against a supplier for damages caused by the supply of faulty services. The parties referred the matter to an 'alternative resolution' process. A contingent asset of £1.825m was recognised in the 2023 annual report and was received in December 2023.

Similar to other comparable companies, the Group is involved in a small number of commercial disputes which may give rise to claims by clients. The Group defends such claims where appropriate and, where costs are likely to be incurred in defending and concluding such matters, and can be measured reliably they are provided for in the financial statements. Management assess the specific circumstance of each case. The Group recognises expected reimbursements from insurance when it is virtually certain that the reimbursement will be received. No separate disclosure is made of the detail of such claims or proceedings, or the costs recovered by insurance, as to do so could seriously prejudice the position of the Group.

31. Capital commitments

Group and Company

At 30 September 2024, the Group had capital commitments of £1.13m relating to plant and equipment (2023: £nil). The Company had no capital commitments (2023: £nil).

32. Events after the reporting year

Group and Company

Acquisition of Coleman Construction & Utilities Limited

On 29 October 2024, Nexus Infrastructure plc acquired 100% of the issued shares in Coleman Construction & Utilities Limited, a civil engineering and construction business trading in the water, rail, highways, and rivers & marine sectors, for a consideration of £5.38m. The acquisition aligns to Nexus' strategic objective of diversifying into additional key sectors critical to the UK infrastructure.

The financial effects of this transaction have not been recognised at 30 September 2024. The operating results and assets and liabilities of the acquired company will be consolidated from 30 October 2024.

Details of the consideration transferred are:

	£'000
Purchase consideration	
Cash paid	3,075
Contingent consideration	187
Settlement of inter-company balances and loans	818
Deferred cash consideration to a maximum of	1,300
Total purchase consideration	5,380

The provisionally determined fair values of the assets and liabilities of Coleman Construction & Utilities Limited as at the date of acquisition are as follows:

	£'000
Cash and cash equivalents	548
Property, plant and equipment	688
Inventories	0
Receivables	2,997
Payables	(990)
Borrowings	(34)
Net deferred tax assets	(58)
Net identifiable assets acquired	3,151
Add: Goodwill	2,229
Net assets acquired	5,380

The goodwill is attributable to Coleman Construction & Utilities' strong position and profitability in trading in the water sector, with synergies expected to arise after the Company's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes.

The contingent consideration arrangement requires Nexus Infrastructure plc to pay a maximum first earn-out consideration of £560,000 and a maximum second earn-out consideration of £736,000 subject to minimum EBITDA levels of £650,000 for the first earn-out and £750,000 for the second earn-out consideration.

Acquisition-related costs of £462,000 will be included in administrative expenses in the statement of profit or loss in the reporting period ending 30 September 2025.

Further information

Registered office
Nexus Park
Avenue East
Skyline 120
Great Notley
Braintree
Essex CM77 7AL

Registered number
05635505
Registered in England and Wales

Company Secretary
Dawn Hillman

Bankers
Barclays Bank
Level 12
1 Churchill Place
London E14 5HP

AIB Group (UK) plc
Podium Floor
St Helen's
1 Undershaft
London EC3A 8AB

Nomad and Broker
Zeus Capital
12th Floor
125 Old Broad Street
London EC2N 1AR

Auditor
MHA
6th Floor
2 London Wall Place
London EC2Y 5AU

Solicitors
Mills & Reeve
Botanic House
100 Hills Road
Cambridge CB2 1PH

Registrar
MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds LS1 4DL

Financial PR
Alma Strategic Communications
71-73 Carter Lane
London EC4V 5EQ

Shareholder information

Shareholder enquiries

Any shareholder with enquiries should, in the first instance, contact our Registrar using the address provided.

Share price information

London Stock Exchange

Symbol: NEXS.

Investor relations

Nexus Infrastructure plc

Nexus Park
Avenue East
Skyline 120
Great Notley
Braintree
Essex CM77 7AL

Email: investors@nexus-infrastructure.com

Tel: 01376 559 550

Financial calendar

Annual General Meeting ("AGM")

The Company's AGM will be held on 12 March 2025.

Designed by
lyonsbennett
www.lyonsbennett.com

Nexus Infrastructure plc
Nexus Park, Avenue East
Skyline 120, Great Notley
Braintree, Essex CM77 7AL

www.nexus-infrastructure.com