

POWERING THE FUTURE

BUILDING FOR THE FUTURE



OUR MISSION

**TO BE A WORLD CLASS SERVICE PROVIDER
DELIVERING AN UNRIVALLED EXPERIENCE TO
OUR CLIENTS, OUR WORKFORCE, AND THE LOCAL
COMMUNITIES WE WORK IN, EVERYTHING WE
DO IS UNDERPINNED BY OUR CORE VALUES.**

→ Read more on page 04

OUR VALUES

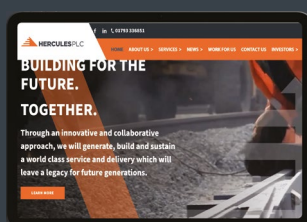
**AT HERCULES, OUR VALUES DEFINE WHO WE
ARE AND GUIDE OUR ACTIONS EVERY DAY:**

- **COLLABORATIVE**
- **COMMITTED**
- **TRUSTWORTHY**
- **INNOVATE**
- **UNITED**

→ Read more on page 05

OUR WEBSITE

→ Read more on our website
herculesplc.com



WE'VE RE-BRANDED

We are delighted to announce that Hercules Site Services PLC has officially rebranded and will now operate under the new name Hercules PLC!

This marks a bold new chapter in our journey, one that stays true to who we are while reflecting where we're heading.



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PERFORMANCE HIGHLIGHTS

Revenue

£121.2M

▲
19%



Underlying EPS

4.74p

▲
36%



Underlying EBITDA

£6.4M

▲
35%



Underlying PBT

£4.0M

▲
55%



Cash generated in the year

£7.6M

▲
1%



*Adjusted EBITDA definition – earnings before interest, tax, depreciation, amortisation, profit/loss on sale of fixed assets, exceptional items and R&D expenditure.

AT A GLANCE

WE GENERATE, BUILD AND SUSTAIN

Hercules PLC is a leading provider for labour supply and contracting services to the UK's construction and infrastructure sectors.

WHO WE ARE

Founded in 2008 by CEO, Brusk Korkmaz, with a vision to transform the way the construction and infrastructure industries operate, Hercules PLC, referred to as "the Company", "the Group" or "Hercules" has grown rapidly to become a trusted partner across multiple sectors. The Group combines deep industry expertise with innovative technology and a steadfast commitment to safety and sustainability. We work closely with our blue-chip clients to understand their specific requirements and provide solutions that enhance productivity, efficiency, and quality.

WHAT WE DO

Our services span two core areas, each designed to support the complex needs of today's construction and infrastructure projects:

LABOUR SUPPLY**88%**

Hercules is one of the UK's largest suppliers of skilled labour, providing flexible and reliable workforce solutions tailored to meet the demands of each project. Our team of highly trained professionals enables our clients to complete projects on time and within budget, while maintaining high standards of safety and quality. In June 2025, the Group strengthened its labour supply capability through the acquisition of Advantage NRG, enhancing our presence in the power and energy sectors and further diversifying our skilled workforce offering.

CONSTRUCTION SERVICES**12%**

Consists of our Civils Projects team which specialises in the end-to-end management and delivery of civil engineering projects, primarily in the water sector for major Tier 1 clients. They have also delivered non-infra gas projects. The Hercules Academy established in 2024, supports the Group's long-term growth strategy by enhancing and expanding our internal talent pipeline, helping to address industry-wide skills shortages, and ensuring a sustainable workforce for the future.

HERCULES PLAYS
A VITAL ROLE IN UK
INFRASTRUCTURE,
SUPPORTING
MAJOR RAIL, ROAD,
UTILITIES, AND
ENERGY PROJECTS

BUSINESS MODEL

Hercules' business model creates value through an integrated offering of workforce solutions, training, and civil engineering project delivery.

INPUTS

SKILLED
WORKFORCE

TRAINING
CAPABILITY

CLIENT
FRAMEWORK

TECHNOLOGY
PLATFORMS

CORE ACTIVITIES

LABOUR
SUPPLY

TRAINING

CIVIL ENGINEERING
PROJECT DELIVERY

OUTPUTS



HIGH-QUALITY
WORKFORCE



RELIABLE CLIENT
PARTNERSHIPS



SUSTAINABLE
SHAREHOLDER
RETURNS

OUR VALUES

At Hercules, our values define who we are and guide our actions every day.

COLLABORATIVE

In our approach and partnerships.

COMMITTED

To the highest safety standards, and quality assurance, driving excellence in all that we do.

TRANSPARENCY

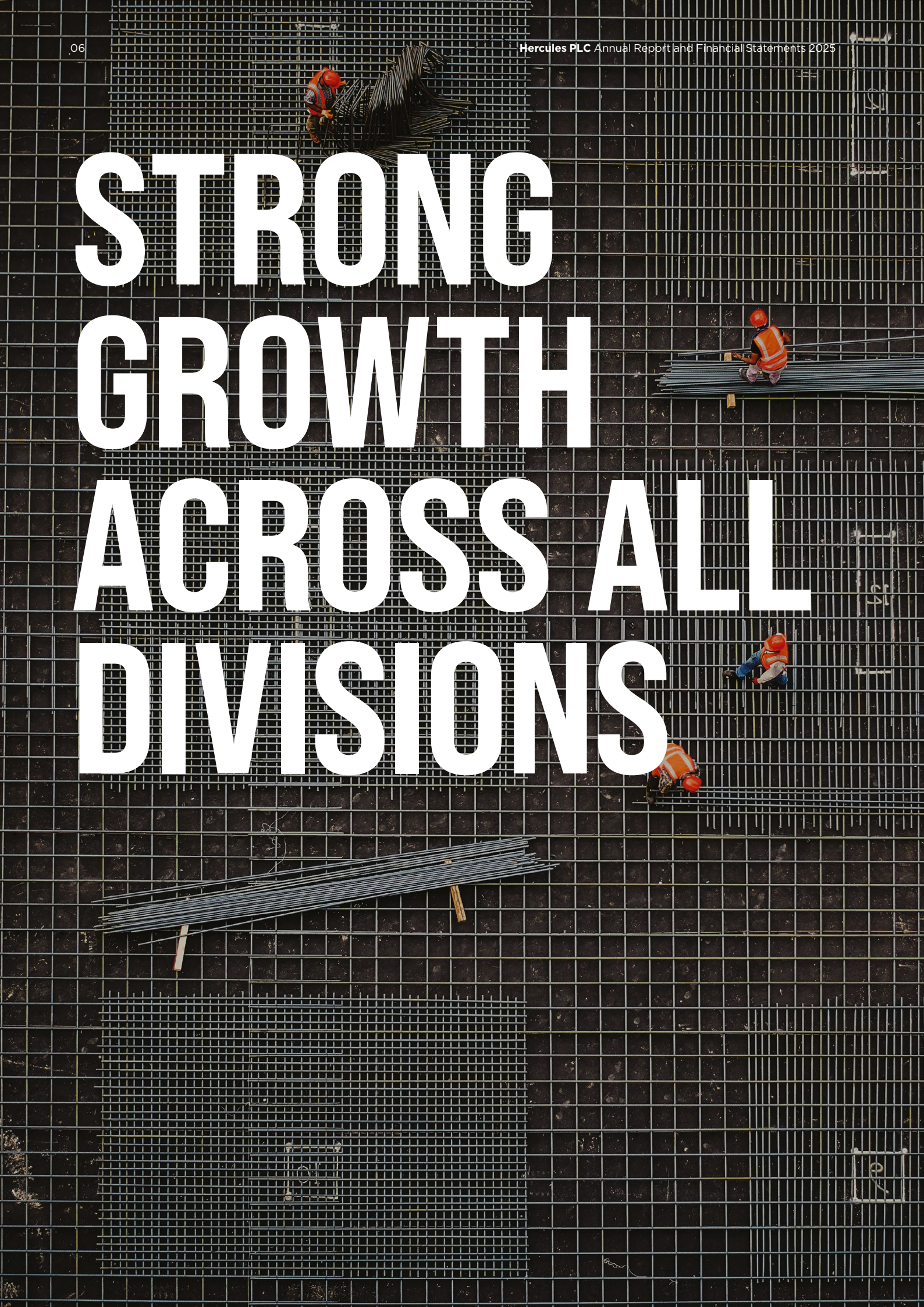
In all that we do.

INNOVATIVE

To ensure that we are industry leading.

UNITED

We recognise strength in everyone.

An aerial photograph of a construction site. The ground is covered with a dense grid of steel reinforcement bars (rebar). Several construction workers wearing orange safety vests and hard hats are visible, working on the grid. There are large piles of rebar and some wooden supports scattered across the site.

STRONG GROWTH ACROSS ALL DIVISIONS

CHAIRMAN'S REPORT



HENRY PITMAN
NON-EXECUTIVE CHAIRMAN

**DURING THE YEAR
WE SUCCESSFULLY
IMPLEMENTED
OUR STRATEGY
THROUGH TARGETED
ACQUISITIONS...
POSITIONING
THE GROUP TO
BENEFIT FROM
THE SIGNIFICANT
INVESTMENT
BEING MADE IN UK
INFRASTRUCTURE IN
THE COMING YEARS**

FY 2025 has been an important year for Hercules. Group revenue rose by 19% to £121.2m, (FY 2024: £101.9m), underlying EBITDA increased by 34% to £6.4m (FY 2024: £4.7m), and statutory PBT was £0.9m (FY 2024: £2.2m), all in line with market expectations.

The reduction in statutory PBT reflects amortisation of acquisition-related intangibles, share-based charges and exceptional acquisition-related items, IT system implementation costs, and business development expenditure. Record revenue and underlying EBITDA reflect strong operational delivery and the early benefits of our strategic expansion.

During the year we successfully implemented our strategy through targeted acquisitions and by the sale of our Vacuum Excavator business, positioning the Group to benefit from the significant investment being made in UK infrastructure in the coming years.

However, following the end of the financial year we unexpectedly had to devote significant management time and cost to remediating a number of operating process and internal control matters that were identified. Although this work was time-consuming and costly, the results have provided a valuable opportunity to strengthen the Group's operational systems and controls and ensure that future expansion will be supported by a more robust, scalable and resilient platform. It is important to say that none of the individual items identified during the review were of themselves significant, and the Board are satisfied that the expenditure items that were queried were properly incurred. However, in aggregate, these items spoke to a clear need to improve and enhance controls over the Group's operational expenditure.

Revenue increase

19%

Operatives across all sites

c.1,700

Revenue: increased CAGR
23% over the last three years

23%

At the time of the Company's admission to the AIM market in April 2022, management introduced a set of enhanced accounting procedures, processes and controls that were satisfactory for a company coming to the public markets at that time. Since the IPO, the scale and range of the Company's activities have grown and evolved substantially, both organically and by way of acquisition, with overall revenue growth of around 300% during this period. By way of example, two acquisitions were made during FY 2025, alongside a significant disposal, and another acquisition was completed early in October 2025. The accounting work arising from these transactions was greater than originally expected.

During the course of FY 2025, audit concerns were raised that some of the company's systems, procedures and controls relating to the risk profiling and onboarding of a small subset of training and consultancy providers had not developed, or had not been followed appropriately, in line with the requirements of the Group. The operating processes, procedures and controls of fast-growing companies require ongoing review and enhancement to ensure they continue to match the operating demands of an expanding business.

CHAIRMAN'S REPORT CONTINUED

Historically, some new supplier requirements were controlled on site or were automatically classified as “negligible-risk,” and the on-boarding procedures for these suppliers did not consider the increased scale and sophistication of our business or the requirement for more robust risk assessment and processing at a central level.

As a result, audit evidence was, at times, inconsistent or incomplete, and in some cases a complete audit trail was not available for a limited amount of expenditure relating to these suppliers, particularly in respect of a small number of external training and consultancy providers. Source data from certain suppliers was found to be incomplete and, in some cases, lacked the level of sophistication or integration required to align effectively with the Company's accounting records. The Board took this seriously, particularly given the resulting difficulties in obtaining sufficient independent evidence to verify the relevant expenditure. Accordingly, following discussion with the auditors, the Board engaged specialist investigating accountants and independent lawyers to provide further clarity on the training and consultancy expenditure and to advise on the appropriate remediation of the related systems, procedures and controls. This meant that the additional investigation and review procedures required to resolve these matters absorbed time that would otherwise have been spent completing the year-end audit. The Board and the auditors required these matters to be fully investigated and addressed before the FY 2025 audit could progress. The Board also wanted to ensure that they had comfort in the adequacy of the Company's systems and controls going forward.

Following extensive internal review and external investigation, the Board recognises that some gaps in audit evidence remain and that, in some cases, the audit trail is incomplete.

However, the specialist accounting and legal workstreams, and the detailed remediation work commissioned across the Company's systems, processes, and controls, have provided the Board with confidence the relevant systems and processes have been largely remediated and expects the remaining remediation work to be completed by 30 September 2026.

Due to the lack of audit evidence, and the difficulties in recreating a complete audit trail, and despite the significant additional work undertaken, the Auditor's Report is qualified in connection with the validity and legitimacy of certain training and consultancy expenditure in order to allow the auditors to reach an opinion on the external costs referred to above. Additionally, the scope of the audit work has been necessarily limited by the Board's wish to complete the audit process and publish the FY 2025 financial statements for shareholders without further delay.

While the Board regrets the underlying control issues, and the subsequent delay they have caused in the signing and publishing of the FY 2025 accounts, we see this an opportunity to ensure that the Company and the Group will have the core procedures, processes and controls that can be maintained and further enhanced to future-proof the Group's accounting and governance systems, that will allow us to continue our growth path from a sound, remediated foundation.

We very much appreciate the support and advice provided by our external advisors during this complicated and important process.

STRATEGIC ACQUISITIONS

During 2025 we completed a series of significant acquisitions that have materially broadened the Group's capabilities and positioned Hercules to participate more fully in the long-term, government-backed investment programmes across critical national infrastructure.

The acquisition of Advantage NRG (June 2025) marks Hercules' entry into the strategically important Power & Energy Transmission and Distribution sector. Work continued throughout the year towards a further acquisition of Lyons Power Services, which completed post year end (October 2025). In addition, acquiring the business and assets of Quality Transport Training Ltd (QTT) (June 2025) enhanced the capacity of the Hercules Academy, enabling us to scale training provision and support the UK's expanding infrastructure pipeline with a skilled, job-ready workforce.

The Board has maintained a strong focus on disciplined expansion. Acquisitions create sustainable value only when they are well selected and aligned with Hercules' culture and operational rigour. In approving these transactions, we assess strategic fit, increased profitability, leadership strength, risk profile, integration readiness and above all, high standards of governance and safety.



**DURING 2025
WE COMPLETED
A SERIES OF
SIGNIFICANT
ACQUISITIONS THAT
HAVE MATERIALLY
BROADENED
THE GROUP'S
CAPABILITIES**

OUR MARKET

Our strategy is underpinned by a positive long-term outlook for UK infrastructure investment. In June 2025, the Government outlined a 10-year national infrastructure plan supported by at least £725bn of funding. This commitment is now translating into momentum across our target sectors, including power, water, transport and nuclear.

Key regulatory and investment frameworks reinforce this outlook. Ofgem's RII0-3 price control, running from 1 April 2026 to 31 March 2031, supports the next phase of network investment across electricity transmission and gas. In the Water sector, Ofwat's final determinations provide for £104bn of investment during the 2025–2030 Asset Management Period (AMP8). In nuclear, the Government's Final Investment Decision for Sizewell C in June 2025 strengthens the long-term prospects for major nuclear programmes, alongside opportunities emerging from Small Modular Reactors.

These sector programmes sit alongside a pipeline of nationally significant projects, including the Lower Thames Crossing, the A66 Northern Trans-Pennine upgrade and energy transition initiatives such as Net Zero Teesside.

DIVIDEND

Due to our continuing acquisition activity and investments into our systems to support the continued growth of the business, no final dividend will be paid in respect of FY 2025 (FY 2024: 1.12p). The Board will keep the Company's dividend policy under review.

OUTLOOK

Our underlying performance in FY 2025 reflects the strength of our operational strategy and the growing momentum across the Group. We enter FY 2026 with a broader capability set, a strengthened market position and a solid platform for continued growth.

In H1 FY 2026 there have been significant delays in the commencement of a number of key projects. However, the Board believes that the market opportunities ahead for Hercules are both substantial and durable. We remain committed to disciplined, selective expansion, ensuring that growth is delivered safely, sustainably and in a way that maximises long-term shareholder value.

The Labour supply division remains the Group's largest revenue contributor and is central to our delivery model and client relationships. The labour supply market has held up very well, although we have seen some margin pressure.

Advantage NRG has been a very successful acquisition. It has enhanced our capability and broadened our exposure in Power & Energy, particularly in Transmission and Distribution. In December 2025, we announced plans to expand these services into Scotland, further extending our geographic reach.

Hercules intends to continue to explore appropriate acquisition opportunities, particularly within the Power & Energy Transmission and Distribution sector and the Water sector where we see significant potential. All opportunities will be assessed against the clear criteria already outlined, with Board oversight of integration planning and execution.

I would like to thank all colleagues across the Group, including those who joined us through recent acquisitions, for their professionalism, dedication and adaptability during a year of significant change. I also extend my thanks to our clients and partners for their continued trust and collaboration, and to our shareholders for their ongoing support.

HENRY PITMAN
NON-EXECUTIVE CHAIRMAN

21 May 2026

A YEAR OF STRATEGIC EXPANSION



CHIEF EXECUTIVE OFFICER'S REVIEW

This year Hercules has continued its strategic expansion. The acquisition of Advantage NRG (June 2025) marks Hercules' entry into the strategically important Power & Energy Transmission and Distribution sector. Work continued throughout the year towards a further acquisition of Lyons Power Services which completed post year end (October 2025). Our ambition is clear: to build a Group with the scale, delivery discipline and expertise required to support clients working on essential infrastructure.



BRUSK KORKMAZ
CHIEF EXECUTIVE OFFICER

We delivered record revenue in FY 2025 of £121.2m (FY 2024: £101.9m, +19%), underlying EBITDA was £6.4m (FY 2024: £4.7m, +34%), and statutory PBT was £0.9m (FY 2024: £2.2m), all in line with market expectations.

While acquisitions are an important step, the real work begins with integration. Our focus has been to bring these businesses into the Group in a way that protects what makes them strong: customer relationships, specialist expertise and local leadership, while aligning to consistent standards in safety, operational planning, commercial controls and governance. We are taking a structured approach with clear priorities, leadership accountability and consistent reporting so that we can track progress and address issues early.

Safety and wellbeing remain central to how we operate. As we extend our footprint and bring new teams into the Group, our standards must be consistent everywhere. We continue to reinforce practical controls, leadership visibility and learning behaviours that seek to prevent incidents before they occur, supported by training and clear expectations.

Our strategy is supported by long-term investment programmes across UK infrastructure. In June 2025, the Government set out a 10-year infrastructure strategy backed by at least £725bn of government funding over the coming decade. In power networks, RIIO-3 will run from 1 April 2026 to 31 March 2031, shaping the next regulatory cycle for electricity transmission and gas networks. In water, Ofwat's PR24 final determinations support £104bn of investment for 2025–2030 (AMP8).

In nuclear, the Government has taken a Final Investment Decision for Sizewell C, while Great British Nuclear continues its small modular reactor technology selection process, together reinforcing the longer-term pipeline in the sector.

Alongside these programmes is a visible pipeline of intended major schemes and upgrades referred to above, including Lower Thames Crossing, the A66 Northern Trans-Pennine upgrade, and decarbonisation initiatives such as Net Zero Teesside. Our focus is to convert these opportunities into controlled growth by deepening client relationships, integrating capability effectively, and ensuring rigorous operational and commercial discipline.

Our Labour supply division remains the Group's largest contributor to revenue and continues to perform strongly. With the addition of Advantage NRG, we are well positioned to accelerate growth in Power & Energy Transmission and Distribution, expanding our capability and deepening customer relationships in this sector. We have moved into Scotland post year end, which will extend our reach and support further growth, underpinned by consistent standards, strong controls and safe, reliable delivery.

I want to thank all our colleagues for their commitment during a year of significant change, and I extend a warm welcome to those who have joined through acquisition. I also thank our clients and partners for their continued collaboration and trust. We have entered FY 2026 with expanded capability, and a clear plan to deliver the benefits of our investments safely and sustainably.

BRUSK KORKMAZ
CHIEF EXECUTIVE OFFICER

21 May 2026

CHIEF FINANCIAL OFFICER'S REPORT

INVESTING FOR LONG-TERM GROWTH

INTRODUCTION

The Group has again grown revenue in FY 2025, while also investing in long-term business opportunities throughout the year.

The Group acquired Advantage NRG Ltd and purchased the assets of QTT in June 2025.



PAUL WHEATCROFT
CHIEF FINANCIAL OFFICER

Discontinued operations (suction excavator services subsidiary)

Hercules Site Services (suction excavators) Ltd was in the process of being sold when the FY 2024 accounts were compiled. The sale was concluded in February 2025. The results of this subsidiary have been disclosed separately both for FY 2024 and FY 2025 within these accounts and included in the discontinued operations line in the income statement.

Alternative performance measures

Underlying EBITDA, profit before and after tax have been calculated as alternative performance measures in order to provide a more meaningful measure and year-on-year comparison of the profitability of the underlying business. Underlying performance measures exclude amortisation of acquisition related intangibles, all share-based charges, acquisition costs, some exceptional items, and strategic business development and IT systems development costs.

During the year from continuing operations the Company delivered:

An increase in gross profit % from 14.7% to 15.0%.

Underlying post-tax profit increased to £3.8m (2024: £2.2m).

Statutory post-tax profit was £0.6m (2024: £1.6m).

The discontinued operation produced a post-tax loss of £0.7m (2024: £3.3m loss).

This reduced the "All operations" statutory post-tax loss to £0.1m (2024: £1.7m loss).

Underlying EBITDA from continuing operations (page 14) - increased by 34% to £6.4m (2024: £4.7m).

Net cash generated from operations of £7.6m in the year (2024: £7.5m) and labour supply debtor days reduced slightly to 33 (2024: 39) days.

FINANCIAL PERFORMANCE

In the year ended 30 September 2025, revenue from continuing operations increased to £121.2m (2024: £101.9m), representing a 19% increase year-on-year.

Inflation is still expected to be moderate over the medium term; however, the outlook for FY 2026 has become more uncertain following the escalation of the Iran conflict. UK forecasters (LSE) have revised expectations upwards, with inflation now projected to average around ~4% in 2026 before easing in subsequent years as energy prices stabilise and demand softens. Interest rates have also been reducing but more slowly, and further significant reductions are unlikely until well after the Iran conflict is resolved. We don't currently however, see this affecting the level of work in the infrastructure sector in the next decade.

The increase in employers' national insurance contributions from April 2025 reduced FY 2025 profits by circa £0.6m, and a further £0.6m reduction of profits (total £1.2m) is expected in FY 2026, reflecting charges for a full year. This "hit" arises from the threshold changes across the board and additional NIC rate changes for administrative staff. The main rate changes for operatives were covered by clients.

The Directors anticipate continued growth for the Group driven by continuing significant investment in infrastructure: nuclear, renewables, power and energy and water, in particular.

Administrative costs from continuing operations were £16.4m (2024: £11.6m). The majority of this increase is due to £0.7m acquisition costs, circa £0.6m additional employers NIC costs, £0.6m on new business development, £0.9m amortisation and impairment (intangibles from acquisitions), and £0.8m IT systems upgrade development.

The Group must look to the future by investing heavily in key business systems, regional expansion (Scotland, Ireland, and elsewhere), and widening the client base.

STRATEGIC BUSINESS DEVELOPMENT

Hercules PLC is a business that has been built on creating and maintaining strong client relationships. Hercules primarily responds to the growth opportunities created by expansion within individual clients. This means that larger projects such as HS2 can have a disproportionate and uneven impact on the Group's results over their lifetime. These projects are expected to be replaced by similarly large projects, for example Sizewell C, Net Zero Teesside, and the Lower Thames Crossing. However, the timing of when the next wave of large projects will start, and end, and the depth of the requirements, is impossible to know in advance with any degree of accuracy.

The investment cycles in each sector (rail, water, and power and energy) are mostly five years long, start at different times, and can't be used to aid short-term forecasting and planning. However, they do give a very good guide and provide support as to the long-term direction of travel.

Hercules has a duty to its shareholders to develop the business to smooth such "project timing" risk by undertaking initiatives outside the normal course of the Company's core operating development activities. The objective is to support long-term growth, geographic expansion and sector diversification, using the direction of travel in the investment cycles as guidance.

These initiatives relate primarily to the exploration of new markets, new geographies and potential strategic opportunities. We embarked on such initiatives significantly in FY 2025.

Namely:

- » Creation of a strategic business development team, to identify and assess potential new markets, develop new strategic partnerships and evaluate opportunities for expansion that fall outside the Group's current operational focus.
- » Following a strategic review, to assess and establish a presence in new geographic markets, most notably Scotland, with Ireland currently at an earlier stage of evaluation. This includes market research, relationship development with potential new clients and supply chain partners, engagement with industry stakeholders, and assessment of commercial and operational considerations associated with market entry.
- » As part of the Group's broader strategy to explore and evaluate potential inorganic growth opportunities, assessing potential strategic acquisitions and strategic investments that could expand or complement the Group's existing service offerings. Hercules has completed four acquisitions in the last two years, and it is vital such activity continues.
- » Investing time and resources in assessing opportunities within industry sectors where Hercules has historically had limited or no presence, including power and energy infrastructure, rail, aviation and nuclear.

As these activities are significant and not part of the cost base required to deliver the Company's existing operations, these costs are presented separately to provide additional transparency over the Group's underlying trading performance.



**HERCULES PLC IS
A BUSINESS THAT
HAS BEEN BUILT
ON CREATING AND
MAINTAINING
STRONG CLIENT
RELATIONSHIPS**

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

IT SYSTEMS

The Group's core business systems (excluding the Hercules app) were put together between 2008 and 2016 and have not changed materially since. The Enterprise Resource Planning (ERP) system implemented in 2016 has struggled to keep up with the growth in the last nine years, especially given the growth in the business (245% increase in revenue) since 2022.

It became increasingly clear that major investment was required to prepare Hercules for the next 10-15 years of growth – both organic and by acquisition, and two years ago we started to look for replacement systems. Utilising external specialists, it became clear that there was not one system available that would cater for our current and medium-term requirements, so we eventually settled on two key systems, with add-ons and enhancements planned alongside. They key new systems are:

- » RSM Pay and Bill
- » Microsoft Dynamics 365 Business Central

We now have two subsidiaries live on Pay and Bill, and the core business is scheduled to go live in summer 2026. The ERP system will then become the remaining key implementation target scheduled for live running in 2027.

Both of these systems require complete business transformation, so take time, effort, resources and a degree of patience. This expenditure is essential as the Board and management focus on the future growth of the business.

We expect costs relating to the upgrade of our IT systems to continue into 2027 but then reduce to a more normal level of ongoing development after that.

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Labour supply	106,936	84,125
Civil projects	13,554	17,535
Other	755	274
Total all operations	121,245	101,934
Underlying profits analysis – EBITDA		
	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Profit from continuing operations	1,846	3,372
Added back		
Depreciation	1,022	941
Amortisation & impairment	889	33
Research & development	80	5
Loss on sales of assets	41	210
Exceptional costs (see below)	880	112
Major investments (see below)	1,442	-
Key project loss	120	-
Share-based payment expense	32	38
Underlying EBITDA from continuing operations	6,352	4,711
Discontinued operations	203	364
Underlying EBITDA all operations	6,555	5,075
Exceptional costs:		
Acquisition planning & completion costs	652	108
Employment settlement	10	9
HMRC Consultancy/settlement	157	19
Bad debt	40	(17)
LTIP's Board development	15	-
Adjudication	6	(12)
Academy launch	-	5
Total	880	112
Major Investments		
IT Systems upgrade preparation & development	809	-
Business development	633	-
Total	1,442	-

Underlying profit after tax analysis

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Underlying profit after tax reconciliation		
Net profit after tax from continuing operations	595	1,636
Amortisation & impairment	889	-
Research & development	80	5
Loss on sales of assets	41	210
Exceptional costs	880	112
Major investments	1,442	-
Key project loss	120	-
Share-based payment expense	32	-
Fair value gain	(302)	-
PY Tax	-	262
Underlying net profit after tax from continuing operations	3,777	2,225
Discontinued operations		
Trading loss	(662)	(3,307)
Amortisation & impairment	-	2,000
Exceptional costs	-	17
Underlying net profit after tax from all operations	3,115	935
Underlying earnings per share		
	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Earnings per share (EPS)		
Underlying net profit (see above)	£000	£000
Underlying net profit after tax from continuing operations	3,777	2,225
Loss from discontinued operations	(662)	(1,290)
Underlying net profit after tax from all operations	3,115	935
Underlying basic and diluted profit/(loss) pence per share:		
Continuing operations	4.74	3.47
Discontinued operations	(0.83)	(2.01)
Profit from all operations	3.91	1.46

STATEMENT OF FINANCIAL POSITION

As of 30 September 2025, the Group's net assets were £12.2m (2024: £11.7m) of which £7.2m (2024: £6.4m) were cash and cash equivalents.

Non-current assets at 30 September 2025 were £24.1m (2024: £9.8m). Current assets as at 30 September 2025 were £30.1m (2024: £25.9m).

Net current assets at 30 September 2025 were £4.4m (2024 net assets re-stated: £5.6m, see note 22).

The change in share premium in FY 2025 over FY 2024 reflects the net proceeds received from an issue of new shares of £2.2m on 2 October 2024.

The intention was to declare a dividend from the Advantage NRG subsidiary of £2.5m (which would have increased the Company's retained earnings balance to negative £78k) before 30 September 2025. However, as this was not possible the dividend was actually declared in January 2026.

Group loans & borrowings were £12.1m as at 30 September 2025 (2024: £7.3m). £6.1m of this is the balance utilised of a working capital facility provided by IGF of £16m that was introduced in November 2023. The remaining £6m reflects the loan provided in June 2025 by Wasdell Holdings Ltd ("Wasdell"), a related party (the Company's Non-Executive Director Martin Tedham is the owner of Wasdell). (See note 21).

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES

MANAGING RISKS AND OPPORTUNITIES TO DELIVER OUR STRATEGIC OBJECTIVES

How we identify risk

Risks are identified both top-down from Group strategy and bottom-up from operational activities and major projects. These risks are then assessed against whether they threaten delivery of strategic priorities. Risks which are deemed principal to our business due to their potential severity and link to strategy, markets and operations have been identified by the Board.

Mitigation of risk

Through proactive rather than reactive action, we aim to control, as much as possible, future outcomes, reducing both the possibility of a risk occurring and its potential impact. Through our management procedures, internal controls and a "lessons learned" feedback loop, we can mitigate risk and ensure continual improvement.

Management of risk

Through prioritising and managing risks and opportunities, and continuous communication throughout all areas of the Group, we can ensure consistency and appropriate decision making. We manage risks with regular and thorough reviews of our systems, policies, and relevant regulations. Principal risks are reviewed by the Board throughout the year, with a formal annual assessment.

Reviewing risk

The risk registers for the Group are updated and reported regularly to ensure that adequate information is available to the Board, allowing them the opportunity to challenge and review the risks identified and consider the various impacts of the risks and mitigations in place.

Principal Risks

The principal risks and uncertainties identified by management and how they are being managed is 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.

Risk Description	Potential Impact	Mitigations
1. Market downturn and cyclical nature of construction industry National and international economic downturns, including inflation, investor sentiment, availability and cost of credit, liquidity of global financial markets. Maintaining sustainable levels of financial performance throughout construction industry market cycle. A significant portion of our business is derived from contracts indirectly funded by the UK Government and its agencies.	A deterioration of economic and financial conditions, or global or deeper recession, could result in a significant fall in expenditure in the infrastructure and construction industry, which could potentially have a material adverse effect on our financial performance. Reductions in trading activity, asset impairments and lower profitability.	Diversification of markets, both in terms of sector and geography. Focus on longer-term partnerships and building on existing client relationships. An increased debt facility of up to £15m provides headroom to withstand a market downturn. If required, this facility can be increased, or another funder engaged. Long-term contracts in place relating to government commitments which tend to be more stable over longer economic cycles. Contracts in place with a number of large water companies, which are unrelated to the public sector. More revenue can be generated from the energy sector where significant property assets continually need to be maintained and repaired.

Risk Description	Potential Impact	Mitigations
2. Work winning Failure to continue to win and retain contracts on satisfactory terms and conditions in our existing and new target markets if competition increases, customer requirements change, or demand reduces due to general economic conditions. Maintaining and developing long-term relationships with key clients and customers in order to win repeat business from those clients and customers and to cross-sell our other products and services to those clients and customers.	Failure to achieve targets for revenue, profit and return on capital employed. No guarantee that existing customer relationships will continue to grow or that key customers will not scale back their use of the Company or cease to contract with us altogether. Any failure to replace this revenue could have an adverse effect on operations and prospects.	Continual review of our existing and target markets to ensure we understand the opportunities that they offer. Continually increasing cross-selling opportunities between divisions in order to differentiate our service provision from our competitors. Collaborative working with key clients to develop joint initiatives and programmes. Growth in Business Development function.
3. Concentration of key clients Each of our customers is subject to market conditions and general commercial exposures in the same way as us. There can be no guarantee that these companies will continue to trade or conduct business with Hercules. Strong negotiating positions of key clients can result in contracts with less favourable and more onerous terms.	If any of our key customers cease trading with us, whether due to engaging other businesses or due to a change in their own strategic direction, there could be a significant negative impact on our ability to generate revenues and operate profitably. Contract terms can include significant warranty and indemnity provisions and may include favourable termination rights for the customer.	We have gained exposure to many client joint ventures through prior work. This wide client base provides access to numerous projects across the UK. Early engagement with long-term customers on new schemes, offering collaborative solutions to ensure involvement. Delivery of services in different ways, offering additional services not offered by our competitors and cross-selling these across business divisions. Acquisition opportunities are enabling us to expand our client base as well as the sectors we operate in.
4. Health & Safety failure The Construction Industry sectors carry significant health and safety risks, including serious injury and fatalities. Causing a fatality or serious injury to an employee or member of the public through failure to maintain high standards or safety and quality.	Loss of employee, customer, supplier, and other stakeholder confidence. Damage to brand reputation in an area that we regard as top priority. Negative impact on reputation could affect ability to win new business, affecting operating and financial performance. Potential investigations, prosecutions and/or civil or criminal litigation, each of which could be costly in terms of potential liabilities, settlements, and management time. These liabilities may not be insurable or could exceed our insurance limits and therefore could have a material adverse effect on our operating results, business prospects and financial condition.	Board-led commitment to achieve zero accidents. Visible management commitment with safety tours, safety audits and safety action groups. We have embedded our Be Safe Work Safe behavioural-based safety programme into our own operations. We utilise Hercules Observations' reporting capability for highlighting both good practice and close calls across the whole business. Additional experienced H&S personnel recruited to join the H&S Team. Implementing management systems that conform to Occupational Health & Safety Systems (ISO 45001). Comprehensive employee training programmes.

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

Risk Description	Potential Impact	Mitigations
5. Attraction and retention of key management and employees Inability to recruit, retain and motivate high-quality senior leaders, management and other personnel who have the relevant experience and knowledge to create an innovative, diverse, and flexible workforce.	Failure to maintain satisfactory performance in contract execution. Failure to deliver strategic objectives and business targets for growth, in turn potentially resulting in an adverse effect on operations, financial conditions and prospects. A raise in general wage may be expected in industry; increase in costs of pensions, and health and other insurances, could adversely affect us due to increased mobility of the workforce and pressure to match or better the level of salaries and/or benefits expected in the market.	Regular review of pay and benefits offerings to ensure market competitiveness. Promotion of internal candidates to provide job progression within the business. Employee engagement, personal development and leadership programmes developed and implemented to encourage and support employees insert to achieve their full potential.
6. Labour and skills shortages Dependence on ability to locate suitably skilled labour for clients.	Projects could become more drawn out or expensive, leading to failure to generate anticipated revenue in anticipated timeframes.	Utilising our Hercules Construction Academy to attract and upskill the next generation into the construction industry. Upskilling existing employees through Hercules Apprenticeship Scheme and Personal Development Programmes. Attracting labour from overseas via Sponsor Licence.
7. Availability and pricing of materials Shortage of building materials. Price of materials affected by inflation in the UK economy or international supply chain issues.	Uncertainty around the price of materials affects our ability to submit tenders at an appropriate price level. Failure to win tenders could adversely affect revenue and financial performance. Increased material costs has a negative effect on margins for some contracts, resulting in reduced profitability. Delays to projects due to shortage of materials could affect cash flow. Without long-term agreements for the supply of materials there can be no guarantee that we will not be adversely affected by shortages or increased cost of materials which could lead to increased costs, delays in completing projects and reduced profitability.	Spreading the risk by purchasing materials from several external suppliers allowing greater control of the availability and price. Working on long-term agreements for supply of materials.

Risk Description	Potential Impact	Mitigations
8. Contract performance and dispute Failure to manage our contracts to ensure that they are delivered on time and to budget.	Failure to achieve project objectives could lead to contract losses, delays, reputational damage and reduced repeat work. Unbudgeted expenses and delays could impact margins, affect cash flow, and potentially result in disputes with customers.	Ensuring understanding of all risks through the bid appraisal process and applying rigorous policies and processes to manage and monitor contract performance. Ensuring we have high-quality people delivering projects. Ensure high-standard delivery with the "Right First Time, Every Time" approach. Promoting collaborative workshops with customers to discuss design development and programming and raise early warnings as a mechanism throughout contracts. Month-by-month engagement until final account is agreed, reducing risk of disputes. Agreed set of KPIs and ongoing reviews, support visits from operations managers, along with client liaison, to proactively engage on any issues.
9. Regulatory risk management Violations of laws, rules or regulations, or from non-compliance with internal policies or procedures or with the organisation's business standards, including as a result of new laws or changes in legislation.	Losing the trust of our clients, suppliers and other stakeholders resulting in adverse effects on our ability to deliver against our strategy and business objectives. Increased costs of running the business in order to achieve compliance. Substantial damage to our brand and/or potential fines for compliance failures. Reduced attractiveness for investment in the business.	Regular and thorough review of our systems, policies, and relevant regulations to ensure compliance with obligations, including bi-annual legislation reviews. Frequent external regulatory audits to confirm processes and procedures are compliant. Constant communication and lessons-learned feedback loop to ensure continual improvement. Maintain training programmes to ensure our people fully understand requirements. Operating and encouraging the use of anti-bribery and corruption and whistleblowing policies.
10. Financial risk Civil projects risk: Exposure to civil projects consists mainly of movements in contract value, where variations are requested, and material costs. Liquidity risk: Ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash asset safely and profitably. Credit risk: Principal financial assets are trade debtors and cash. Principal credit risk arises from trade debtors and accrued income.	Failure to continue in business or to meet liabilities.	Contract values are kept under review by Directors, with work certified at each stage. Prices are agreed in advance with suppliers for materials and variations. Short-term flexibility achieved by significant working capital facility. Short-term cash flow forecasting is three months ahead, updated on a weekly basis. Facility is capped at £16m currently, allowing us to draw down 50-90% immediately on all invoices raised. Directors review customer payment history, third-party credit references, and keep up a constant dialogue with all key customers.

PAUL WHEATCROFT
CFO

21 MAY 2026

OUR STAKEHOLDERS

ENGAGING WITH OUR STAKEHOLDERS

SECTION 172 STATEMENT

By understanding our stakeholders and listening to their views and feedback, we can factor into Board discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

It is the Board’s priority to ensure that the Directors have acted both individually and collectively in the way they consider, in good faith, would 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 2025.

In making this statement, the Directors, having regard for longer-term considerations of shareholders and the environment, have taken into account the following:

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

THE BOARD’S KEY DECISIONS IN THE YEAR ARE NOTED BELOW:

CONTINUED INVESTMENT IN ALL BUSINESS AREAS

In our core Labour supply business, we have continued to establish our strategic client relationships, winning a place on Balfour Beatty’s renewed group-wide labour supply framework (July 2025) in addition to growing our presence on Sizewell C and continuing to grow our client base. Our Rail division continues to develop, winning new work with clients such as Octavius whilst continuing to go from strength to strength on our contract with Balfour Beatty Rail. We have further strengthened our Construction Academy team following the purchase of QTT’s assets, and our Civil projects division has continued to increase its portfolio of clients and build their capabilities as the new AMP period begins to ramp up. The acquisition of Advantage NRG (June 2025) marks Hercules’ entry into the strategically important Power & Energy Transmission and Distribution sector. Work continued throughout the year towards a further acquisition of Lyons Power Services which completed post year end (October 2025), enhancing our capabilities and positioning us well for the expected growth in this sector.

These key decisions continued to require careful consideration of not just the opportunities but also the challenges to our Company, such as impacts on existing projects under contract, management and staffing levels, working capital, and importantly, all stakeholders. Discussions surrounding these decisions commenced well in advance, ensuring that comprehensive plans were in place and ready for implementation as needed.

Continued investment across the business is in line with our strategic direction in terms of delivering successful business performance and continued plans for growth.

Shareholder engagement events:

Date	Event
October 2024	New equity fund raise announced
January 2025	FY 2024 Final Results announced
	IMC presentation
March 2025	Annual General Meeting
June 2025	FY 2025 Interim Results
	IMC presentation
	IMC presentation following NRG acquisition

Stakeholder	Why we engage	How we engaged
a) Our people	» Health & Safety » Engagement » People development » Diversity	» Annual performance appraisals and reviews, which include personal development review, are undertaken for all staff during the year » Annual Employee Survey is used to collate employee views and drive change and these responses are reviewed in management meetings » Regular Senior Manager site visits are conducted to understand the experience of on-site operational staff » SHEQ (Safety, Health, Environment, Quality) Committee meets quarterly to capture views and ideas from all areas of the business » Quarterly newsletters and bi-monthly SHEQ E-Bulletins are issued to keep employees well informed » Mental Health & Wellbeing initiatives and support are available, including our Hercules Helpline, Employee Assistance Programme, and awareness training
b) Our clients	» Maintain strong relationships » Client engagement » Quality and level of service » Innovative contract delivery » Generate further opportunities	» Regular meetings are held between senior management and key clients to maintain and develop long-term relationships » Managers undertake regular site visits to manage quality and service levels on ongoing contracts » Customer Satisfaction Questionnaires are analysed to drive continual improvement » Our team worked collaboratively with our clients to develop innovative solutions to achieve project strategic goals and CSR targets » Early project engagement to support planning
c) Our shareholders	» Company performance » Strategic objectives » Corporate governance » ESG performance	» Presentation of interim and annual results, as well as other significant events, are held via our website Investor Page and Investor events. » Regular trading updates, including updates for significant events, are made throughout the year » The Annual General Meeting provides an opportunity for shareholders to meet with the Board and ask questions
d) Our suppliers	» Continuity of supply » Strong supplier relationships » Financial stability	» Regular review meetings are held between senior management and key suppliers to discuss relevant topics, such as pricing, supply continuity and service levels » Hercules' funding structure and balance sheet strength are kept under constant review to ensure suppliers are paid in accordance with agreed terms and to ensure sufficient working capital management throughout the supply chain
e) Our communities	» Contribution to the community » Sustainability » Provide local employment opportunities	» An apprenticeship scheme is embedded within the organisation with an aim to have 5% of our total staff employed as graduates, apprentices or trainees » Hercules aims to recruit locally, retain a skilled local workforce and build relationships with local community organisations » Support local charities each year through fundraising, physical legacy projects, and volunteering opportunities » Employees engage in various community events including tree planting and food bank volunteering through our volunteering scheme
f) Regulatory bodies	» Compliance with laws and regulations » Appropriate corporate governance	» Clear and effective policies are in place to help prevent wrongdoing, including: whistleblowing, bribery and corruption, ethical business practice, modern slavery with training provided where appropriate » Hercules adopts the QCA Code and operates policies to ensure compliance with the code » Hercules is a member of several relevant sector associations, including the Supply Chain Sustainability School and RHA, providing forums to understand changes in relevant legislation and standards

MARKET OVERVIEW

OPPORTUNITY FOR GROWTH IN THE MARKET

The UK infrastructure sector continues to represent a critical engine of national growth and resilience.



Despite the persistence of broader macroeconomic headwinds, including inflationary pressures, rising interest rates, and supply chain constraints, the market outlook for civil engineering and construction remains robust. Long-term government policy commitments, combined with private sector investment in energy, transport, and utilities, are sustaining momentum across the industry and creating a steady pipeline of opportunities for well-positioned delivery partners such as Hercules.

POLICY AND ECONOMIC LANDSCAPE

Infrastructure continues to be central to the UK Government's growth strategy, with a clear focus on energy security, decarbonisation, and regional connectivity. The drive towards Net Zero by 2050 underpins a wide array of public and private initiatives aimed at modernising the nation's energy generation and distribution systems. The UK's National Infrastructure and Construction Pipeline forecasts over £725bn of planned investment over the next decade, with clean energy and major transport schemes leading the way.

At the same time, persistent skills shortages, regulatory reform, and evolving procurement models are reshaping the competitive landscape. The emphasis on sustainable delivery, carbon reduction, and digital innovation is accelerating the shift toward more collaborative, integrated approaches between contractors and clients, an area in which Hercules continues to excel.

SECTOR OPPORTUNITIES

Major projects such as Sizewell C, the Lower Thames Crossing, and Net Zero Teesside exemplify the scale of ongoing national investment. These flagship schemes, together with regional upgrades to the road and rail network, provide a strong foundation for continued sector expansion. Significant investment is also flowing into regulated industries, where the forthcoming Control Period 7 (CP7) for rail, Asset Management Period 8 (AMP8) for the water industry, and RII0-3 for electricity networks are expected to drive multi-year demand for skilled labour, civil engineering, and site support services.

In the renewable and power sectors, the rapid build-out of grid infrastructure to support offshore wind, battery storage, and hydrogen generation is reinforcing the long-term requirement for construction partners with proven delivery capability. These dynamics play directly to Hercules' strengths in workforce supply.

OUTLOOK

Looking ahead, the market presents a combination of resilience and transformation. While inflationary pressures and procurement delays continue to pose challenges, the structural drivers of infrastructure demand, energy transition, decarbonisation, and regional investment, remain firmly in place. The continued commitment to large-scale public and private capital projects offers a stable growth platform, particularly for businesses with the scale, agility, and expertise to adapt to evolving delivery models.

Against this backdrop, Hercules is strategically positioned to benefit from its diversified business model, operational discipline, and strong reputation for quality and reliability. The Group's alignment with key national priorities ensures sustained relevance and opportunity across its core markets in the years ahead.



**HERCULES IS
STRATEGICALLY
POSITIONED TO
BENEFIT FROM
ITS DIVERSIFIED
BUSINESS MODEL,
OPERATIONAL
DISCIPLINE, AND
STRONG REPUTATION**

STRATEGIC REPORT

A DEFINING YEAR OF PROGRESS

The Directors present their strategic report for the year ended 30 September 2025.

FAIR REVIEW OF THE BUSINESS

The 12 months ended 30 September 2025 can be summarised as yet another year of growth, which has seen us increase year-on-year revenue from continuing operations by approximately 19% to £121.2m (2024: £101.9m). Gross profit margin % on continuing operations has increased to 15.0% (FY 2024 14.7%). We expect this to increase in FY 2026 due to higher margins obtained by the NRG acquisition. The Board monitors progress on the overall Group strategy and the individual strategic elements by reference to monthly KPI reviews. The Directors do not consider it appropriate to provide analysis by reference to any non-financial KPIs. These KPIs are compared to previous years and budgets. The Group also reviews job progress and the latest job pipeline status each month, as well as cash, debt and working capital levels.

The KPIs on continuing operations are:

Turnover

£121.2M



Gross Profit

£18.2M



Underlying EBITDA

£6.4M



POWERING PROGRESS. BUILDING THE FUTURE

FY 2025 marked a defining year for Hercules PLC – one that combined growth, strategic diversification and bold steps into new markets. Building on our proven foundations in infrastructure and construction services, Hercules has evolved into a broader, more resilient business with strong positions in power and energy, nuclear, rail, training and technology.

Revenue for the year reached £121m, an increase of nearly 19% from FY 2024, while underlying EBITDA rose to £6.4m, reflecting both organic growth and the first contributions from our newly acquired businesses. With the rebrand from Hercules Site Services plc to Hercules PLC, we entered FY 2025 with renewed confidence, a sharper strategic focus, and a clear purpose: to power the future of the UK's infrastructure workforce.



**BUILDING ON
OUR PROVEN
FOUNDATIONS IN
INFRASTRUCTURE
AND CONSTRUCTION
SERVICES, HERCULES
HAS EVOLVED INTO
A BROADER, MORE
RESILIENT BUSINESS**

A YEAR OF EXPANSION AND STRATEGIC PROGRESS

Our growth this year was underpinned by two landmark acquisitions in the period that significantly broadened Hercules' capabilities and future potential.

The acquisition of Advantage NRG Ltd (June 2025) marked our successful entry into the power and energy sector, one of the UK's fastest-growing infrastructure markets. Advantage NRG is a specialist provider of highly skilled overhead line men serving the electricity transmission and distribution network, a critical enabler of the national transition to renewable and sustainable energy. This acquisition positions Hercules at the centre of the country's once-in-a-generation upgrade of its power grid and aligns perfectly with our strategy to expand into regulated, long-term infrastructure frameworks.

Shortly after, we completed the acquisition of the assets of Quality Transport Training (QTT), an established training provider that has strengthened the Hercules Academy, our dedicated skills and workforce development division. This integration has expanded our training capacity, enabling us to deliver accredited construction and logistics training while addressing the UK's growing skills shortage.

Together, Advantage NRG and QTT represent a strategic combination of capability, talent and sustainability – the building blocks of Hercules' long-term success.

STRENGTH IN A CHANGING MARKET

The UK infrastructure market continued to demonstrate resilience throughout 2025. Despite a backdrop of persistent inflationary pressures and a relatively high interest rate environment, public and private sector investment in core infrastructure remains strong. The government's commitment to net zero and large-scale national projects – from energy networks and utilities to major transport frameworks – provides a sustained pipeline of opportunity.

Hercules has positioned itself to thrive in this environment. Our scale, specialist expertise and track record on major projects allow us to respond flexibly to market changes while delivering consistently high standards of safety, quality and reliability. Our diversified model – spanning labour supply, civils, power, training and technology – ensures that we are less exposed to fluctuations in any single market segment. Our impact with a nationwide presence and a reputation for reliability and expertise, Hercules is a key player in the UK's infrastructure development. We are proud to support some of the country's most high-profile projects, from major rail and road initiatives to utilities and energy infrastructure. Our contributions help to shape communities, create jobs, and build a resilient, sustainable infrastructure for the future.

STRATEGIC REPORT CONTINUED

NON-FINANCIAL INFORMATION & SUSTAINABILITY STATEMENT

Reporting Requirement	Relevant Information	Policies and Standards
1. Environmental matters (including the impact of the Company's business on the environment)	Our principles – Responsibility » Act in an environmentally responsible manner, ensuring our operations are sustainable and contributing positively to the ecosystems of the projects on which we operate. » Minimise negative impacts on communities resulting from our business activities. » Identify and promote sustainable practices whenever possible. » Acknowledge the need to meet present needs without compromising the ability of future generations to meet their own. » Consider the Three Pillars of Sustainability (Environmental Stewardship, Social Responsibility and Economic Prosperity) in our business activities. » Work consistently to reduce our carbon footprint on our journey toward achieving our 2050 Net Zero target.	PD 02 – Environmental Policy PD 18 – Social Value Policy PD 12 – Ethical Business Policy ISO 14001:2015
2. The Company's Employees	Our principles – Integrity & Positive Impact » Exemplify high standards of ethical conduct, honesty, and professional and personal integrity. » Cultivate, maintain, and enhance professional relationships based on mutual confidence, trust, and respect. » Uphold the Company's standards, reputation, and values. » Avoid misuse of your professional position for personal, material, or financial gain. » Ensure professional judgement remains uncompromised and unbiased. » Identify and address potential, apparent, and actual conflicts of interest transparently. » Ensure impartial, fair, and merit-based decision-making, free from discrimination or bias. » Promote fair, consistent, and equitable treatment for all. » Demonstrate sensitivity to the diverse backgrounds, beliefs, and rights of others. » Prohibit bullying, harassment, including sexual harassment, abuse, discrimination, victimisation, or any form of offensive behaviour in the work environment. » Provide appropriate competence, supervision, support, and opportunities for the development of your team. » Encourage open communication about workplace issues, supporting those who speak up and safeguarding them from reprisals or adverse treatment.	PD 06 – Equality, Diversity & Inclusion Policy PD 10 – Personal Harassment Policy IPD 18 – Sexual Harassment Policy PD 14 – Mental Health & Wellbeing Policy

Reporting Requirement	Relevant Information	Policies and Standards
3. Social Matters	» Act in a socially responsible manner, supporting the Company and contributing to the improvement of the communities in which we operate. » Consider the social impact of our business and activities. » Environment, Our People, Suppliers, Customers, Community, Human Rights and Modern Slavery. » Section 172 Statement - Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct.	
4. Respect for Human Rights	Our principles – Eradicating Unethical Business Practices » Foster awareness of human rights, fraud, and corruption issues in our business relationships. » Conduct due diligence on supplier relationships concerning modern slavery, human rights, fraud, and corruption. » Continuously enhance knowledge of modern slavery, human rights, fraud, and corruption issues in the work environment. » Responsibly manage business relationships where unethical practices may surface, taking appropriate action to report and remedy them.	PD 07 – Modern Slavery Policy PD 08 – Whistleblowing Policy PD 12 – Ethical Business Policy HLPD – High Level Whistleblowing Policy
5. Anti-Corruption and Anti-Bribery Matters	Our principles – Accountability » Exemplify high standards of ethical conduct, honesty, and professional and personal integrity. » Cultivate, maintain, and enhance professional relationships based on mutual confidence, trust, and respect. » Uphold the Company’s standards, reputation, and values. » Avoid misuse of your professional position for personal, material, or financial gain. » Ensure professional judgement remains uncompromised and unbiased. » Identify and address potential, apparent, and actual conflicts of interest transparently. » Ensure impartial, fair, and merit-based decision-making, free from discrimination or bias.	PD 05 – Anti-Bribery Policy PD 08 – Whistleblowing Policy PD 12 – Ethical Business Policy PD 20 – Corporate Criminal Offences Policy PD 21 – Conflict of Interest Policy
6. Business model	» Business model – Hercules is primarily a labour supply Company operating in the UK Infrastructure sector, supplying blue-collar and white-collar labour to blue chip companies and major projects across the country.	

STRATEGIC REPORT CONTINUED

CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL VALUE

BUILDING FUTURE SKILLS AND STRENGTHENING COMMUNITIES

At Hercules, Corporate Social Responsibility is rooted in creating long-term value for people, communities, and the wider construction sector. As our industry continues to evolve, we remain committed to tackling the national skills shortage, supporting local communities, and working collaboratively with clients to deliver measurable social impact across the UK.

HERCULES ACADEMY: TACKLING THE SKILLS GAP

A central pillar of our CSR strategy is the Hercules Academy, our dedicated training facility in Nuneaton built to address the growing skills shortage within construction. By March 2026, the Academy has trained over 2,000 people, giving individuals the accredited skills needed to enter and progress within the sector.

Our programmes are fully funded and accessible to people of all backgrounds, with many learners coming from communities surrounding our projects. By removing barriers to learning, we provide meaningful pathways into employment and deliver social value exactly where it is needed most.

A SEAMLESS ROUTE TO EMPLOYMENT

Through our strong link with the Labour supply division, Academy graduates are supported into real job opportunities upon completion. This integrated model provides:

- » Job-ready talent for clients and project partners
- » Local employment outcomes
- » A sustainable pipeline of skilled workers
- » Measurable social value delivered at project level

DELIVERING SOCIAL IMPACT WITH OUR CLIENTS NATIONWIDE

Alongside our work through Hercules Academy, we continue to deliver collaborative social impact initiatives with clients across projects nationwide. Our approach is grounded in partnership, ensuring that social value activity is tailored to each project's location, community needs, and client objectives.

Working together, we deliver a wide range of initiatives, including:

- » Community engagement programmes
- » Local recruitment drives
- » School and college outreach
- » Site tours, career talks, and employability workshops
- » Support for local charities and community organisations
- » Volunteering and in-kind contributions
- » Local supply chain engagement

These activities ensure that the benefits of our work extend far beyond construction alone – supporting local economies, enhancing community wellbeing, and helping clients achieve and evidence their social value commitments.

Through consistent collaboration, we provide clients with transparent reporting, measurable outcomes, and a trusted partner in delivering positive and lasting social impact.

SKILLS FOR A SUSTAINABLE FUTURE

Our training and social-value initiatives continue to evolve in line with industry priorities, particularly the growing need for green construction skills and sustainable working practices. By embedding these themes into our learning programmes and project activity, we are helping prepare the workforce for a more sustainable future.

A LONG-TERM COMMITMENT TO POSITIVE IMPACT

Through Hercules Academy and our collaborative work with clients, we are delivering a CSR strategy that creates opportunity, strengthens communities, and supports industry resilience. Upskilling remains at the heart of this commitment – building the workforce of tomorrow while delivering real social value today.

SOCIAL IMPACT DELIVERED

SOCIAL VALUE OVERVIEW

Hercules has been dedicated to making a lasting, positive impact in our local community and the areas where we operate in collaboration with our various clients. Through various initiatives, we have focused on giving back and driving meaningful change.

HEAD OFFICE VOLUNTEERING

This year we have supported three dedicated charities, The Churn Project, Cirencester Signpost, and the local RSPCA Rescue Centre. The head office team has been actively engaged by utilising their paid volunteering day in support of these worthy organisations. We also organised litter pick-ups around our head office, donated essential supplies to local food banks, and volunteered in charity shops, assisting with sorting donations. Additionally, we helped paint classrooms at a local primary school. Our efforts also extended to fundraising, including hosting a bucket collection outside a supermarket to taking part in a series of walks, challenges, bake sales and much more.



ENGAGEMENT WITH OUR PROJECTS

Working alongside our clients, our Social Value Lead has actively supported a range of initiatives with local-to-site charities and community groups. These efforts have included employment mornings, CV workshops, and organising work experience weeks for refugees to help them gain confidence and re-enter the workforce.

SCHOOL ENGAGEMENT

We have attended careers fairs at schools and colleges across the country, with a particular focus on the West Midlands and career opportunities available on HS2. These events have inspired young people to explore careers in construction and highlighted exciting prospects in the industry, encouraging future talent to pursue pathways in this field.



JOB CENTRES AND PRISONS

We've visited job centres and prisons to help guide vulnerable individuals return to employment. By offering interviews and guidance on entering the construction industry, we've provided meaningful opportunities for people to help rebuild their lives and careers.

BOOTS 2 ROOTS

As part of our commitment to the environment, we have continued to push our Boots 2 Roots initiative, where we will donate a tree for every operative onsite. Through this programme, we've provided trees to a local primary school, as well as a community garden project for the elderly in Newark.



STRATEGIC REPORT CONTINUED

FROM TRACK WORKER TO TRAILBLAZER IN RAIL

Nicole Elliot is living proof that grit, determination, and self-belief can take you anywhere, even into leadership in one of the UK's most demanding and traditionally male-dominated sectors: rail construction.



A JOURNEY OF DEDICATION

Nicole joined Hercules nearly two years ago as a general track worker, starting with a “blue hat” and a goal to grow. Her early days were spent on the tools, learning the industry from the ground up and earning respect through her unwavering commitment. She was never one to shy away from hard work – and that didn’t go unnoticed.

Fast forward to February 2025, and Nicole proudly stepped into a full-time Site Supervisor role – a promotion earned through merit, perseverance, and continuous development.

TRAVELLING THE LENGTH OF THE RAIL NETWORK

In her current role, Nicole travels extensively from Birmingham to Scotland, covering multiple active rail sites. Her presence across these projects ensures not only safety and quality on-site, but also a visible example of strong, inclusive leadership.

Despite the long hours and demanding travel, Nicole approaches every job with enthusiasm and accountability. Her role requires constant communication, coordination with crews, and on-the-ground decision-making – all skills she’s honed through experience and training.

RAINING, GROWTH, AND CAREER MILESTONES

Nicole’s rise through the ranks has been driven by her proactive approach to learning. Alongside her work, she has completed:

- » Site Warden Course
- » Points Operative Course
- » Engineering Assistance Course
- » Training at the Hercules Academy

These achievements, alongside her field experience, shaped her into the confident and capable leader she is today.

BREAKING BARRIERS FOR WOMEN IN RAIL

Nicole’s impact goes beyond job performance; she’s become a role model for women looking to enter the construction and civil engineering sectors. Having faced – and overcome – the stereotypes that still exist in traditionally male spaces, Nicole has shown that gender should never define capability.

She never gave up or let gender roles tell her where she should be – she chooses that, and no one else. Her story is now inspiring other women to take the leap into construction, proving that with the right mindset, anything is possible.

Why Nicole stands out

- » Promoted from general worker to Site Supervisor in under two years
- » Completed multiple technical courses while working full-time
- » Leads by example across multiple UK rail projects
- » An advocate for diversity and inclusion in construction

FINAL WORD: EMPOWERING WOMEN IN CIVIL ENGINEERING

Nicole Elliot’s journey reminds us all that progress isn’t just about track length or project milestones – it’s about people. Her story is a powerful example of what happens when talent meets opportunity, and it reinforces Hercules’ commitment to supporting women in construction and civil engineering.

Nicole isn’t just building the railways – she’s building a pathway for others to follow.



**NICOLE ISN’T
JUST BUILDING THE
RAILWAYS – SHE’S
BUILDING A PATHWAY
FOR OTHERS TO
FOLLOW**

STRATEGIC REPORT CONTINUED

CLIMATE AND CARBON REPORT 2025

This report presents our consolidated disclosure of sustainability and climate-related information for the financial year 1 October 2024 to 30 September 2025. It combines and replaces our previous standalone TCFD Report and Carbon Reduction Plan and provides a single, integrated view of our environmental performance, energy management, and climate resilience under the latest UK SRS-S1 and S2 disclosure standards.



OUR AIM REMAINS TO DELIVER HIGH-QUALITY, COMPLIANT, AND SUSTAINABLE SERVICES TO OUR CLIENTS WHILE REDUCING OUR ENVIRONMENTAL IMPACT

Our business has continued to evolve throughout FY 2025, with our operations spanning multiple sectors and regions across the United Kingdom. As a national provider of specialist labour and civil engineering services, we recognise the importance of embedding environmental responsibility and energy efficiency into every level of our operations. The vast majority of the work that we do is delivered on client-controlled construction and infrastructure sites, and as such, our approach focuses on those elements directly within our operational control, our workforce, our fleet, our plant, and our supply chain, whilst aligning with our clients' wider decarbonisation programmes wherever possible.

The purpose of this report is to provide our stakeholders with clear, consistent, and verifiable information on how we identify, manage, and respond to sustainability and climate-related risks and opportunities, and how these factors are integrated into our governance, strategy, and operational decision-making. This includes the measurement of our energy consumption and greenhouse gas (GHG) emissions, the mitigation of environmental impacts, and the management of long-term transition and physical climate risks.

During FY 2025 we have continued to strengthen the structure through which our sustainability performance is governed and reported. Climate and sustainability matters are formally embedded within our Business Management System (BMS), overseen by our Carbon Management Committee (CMC) and subject to quarterly review by our Board. Our approach ensures that climate considerations are not treated as a standalone initiative but are fully integrated into our risk management, operational, and financial frameworks.

This integrated report also marks a step forward in our alignment with the forthcoming UK Sustainability Disclosure Standards (UK SDS), ensuring that we remain ready for the transition from voluntary frameworks to mandatory, standardised reporting. It also meets our statutory obligations under SECR and demonstrates our readiness for ESOS Phase 4, with our organisation's Significant Energy Use (SEU) categories identified and systems established to support future external assurance.

Our aim remains to deliver high-quality, compliant, and sustainable services to our clients while reducing our environmental impact and improving efficiency across our operations. The targets and actions set out in this report build on our established baseline year of 2021 and our commitment to achieving continued reductions in our Scope 1 and 2 emissions by 2030. We are committed to continually improve our data collection techniques to further incorporate Scope 3 emissions into our calculations.

We will continue to pursue opportunities for improvement and innovations that support the growth and resilience of our business while contributing to the wider decarbonisation of the UK infrastructure sector.

GOVERNANCE

Board oversight of climate-related risks and opportunities

Oversight of sustainability and climate-related matters sits with our Board, who are ultimately responsible for setting the overall strategic direction of our business and ensuring that environmental and climate considerations are embedded within our broader objectives and decision-making processes.

Our Board receives regular updates on environmental performance, carbon-reduction progress, and emerging regulatory changes through reports prepared by our Carbon Management Committee (CMC) and by our Compliance Director. These updates inform discussions on risk exposure, capital investment, and operational planning. Our Board considers both the potential financial impacts of climate-related risks and the commercial opportunities that arise from the transition to a lower-carbon economy.

Climate-related performance forms part of our Board's quarterly review cycle, and key matters can be escalated for discussion at scheduled or extraordinary meetings where necessary. This ensures that the implications of our environmental performance, regulatory compliance, and energy use are consistently considered at the highest level of governance.

Our Board also maintains ultimate responsibility for the approval of Company-wide sustainability targets, including the carbon-reduction goals outlined in this report. Progress against these objectives is assessed through our integrated management-review process within our Business Management System (BMS).

Management's role in assessing and managing climate-related risks and opportunities

Operational responsibility for climate-related risks and opportunities rests with our Carbon Management Committee (CMC), chaired by our Compliance Director. The committee includes representatives from Quality, Procurement, Operations, and Commercial functions, ensuring coverage across all divisions of our business.

Our CMC coordinates all environmental and energy-management activity, reviews performance data, and monitors progress against targets. It also identifies and escalates material risks, opportunities, and compliance issues to the Board where necessary.

Each functional lead is responsible for integrating sustainability and energy efficiency into day-to-day management practices:

- » Compliance and Quality – oversight of ISO 9001, 14001, 45001 & ISO 27001 Business Management System, data verification, and audit findings.
- » Procurement – application of our Sustainable Procurement Strategy and supplier engagement on carbon performance.
- » Operations – implementation of site and project controls, monitoring of plant and fleet efficiency, and liaison with clients on environmental expectations.

Performance data and improvement actions are reviewed periodically through quarterly committee meetings and incorporated into divisional plans. Where corrective or preventive actions are required, these are tracked and verified through our BMS.

Integration of climate governance into organisational processes

Climate-related governance is integrated throughout Hercules' wider management structure. Environmental and sustainability objectives are embedded within corporate policies, risk-management frameworks, and operational procedures, ensuring that they influence decisions at every level of the business.

This integration includes:

- » Risk management: integration of environmental and climate risks into the corporate risk registers maintained under BMS 02 – Risk Management & Opportunities.
- » Investment and procurement: assessment of lifecycle environmental impacts and efficiency during the purchase or hire of fleet and plant.
- » Performance management: inclusion of sustainability performance within management reviews and operational dashboards.
- » Policy and training: alignment of all environmental and procurement policies with legislative and client requirements, supported by targeted staff training.

Through our approach, we maintain a clear and consistent chain of accountability that links strategic intent with operational delivery, ensuring that sustainability and climate considerations are embedded into both daily management and long-term planning.

STRATEGIC REPORT CONTINUED

STRATEGY

Our business strategy continues to focus on sustainable growth, operational excellence, and compliance with the environmental and social standards expected by our clients and across the UK infrastructure sector. We operate nationally, supplying skilled labour, delivering civil engineering projects and providing training services to leading contractors, including Balfour Beatty, Skanska, Kier, Costain, Galliford Try, and Octavius Infrastructure.

Our business model is designed around our two core divisions, labour supply and construction services, supported by our digital-first infrastructure that enables remote oversight, data capture, and performance monitoring across all areas of our business. Approximately 85% of what we do revolves around our people, providing skilled labour to client-controlled construction sites where we have limited influence over most operational controls.

The remaining proportion relates to direct project delivery as a principal or subcontractor, and our training services delivered from our Academy in Nuneaton or directly on our client sites.

Sustainability and climate resilience are fundamental to the way we plan and manage these activities. They are embedded within our business objectives and influence decisions relating to investment, workforce deployment, fleet management, and supplier selection. By integrating environmental considerations into our planning and resource management, we not only reduce our own impacts but also support our clients in achieving their decarbonisation goals.

We recognise that climate-related risks and opportunities affect our operations, financial performance, and long-term resilience. These have been identified and assessed in line with our risk-management framework and are considered at Board level through the quarterly management-review process.

IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our assessments cover both transition risks (those associated with policy, legal, technology, and market changes) and physical risks (those arising from changes in climate and weather patterns). Our analysis considers their relevance across short-, medium-, and long-term horizons.

As an example, our Civils Projects division has to date only experienced one notable environmental disruption, caused by flooding at a scheme at Ufton Nervet. Prolonged wet weather led to site closures and temporary flooding of welfare facilities, highlighting the operational challenges associated with extreme rainfall.

While isolated, the incident underscores the need for us to continuously monitor these risks and implement adaptive site-management practices wherever we can. The lessons learned from Ufton Nervet have been integrated into our project-planning processes, particularly around temporary works design, access maintenance, and contingency scheduling.

TRANSITION RISKS

Category	Description	Potential Impact	Time Horizon
Policy and Regulation	Introduction of stricter carbon-reporting requirements, energy-efficiency standards, and procurement rules.	Increased administrative and compliance costs; potential need for additional investment in systems and reporting capability.	Short to Medium Term
Market Expectations	Growing client emphasis on sustainability credentials and carbon transparency in tender evaluations.	Competitive disadvantage if unable to demonstrate measurable reductions in emissions or robust ESG governance.	Short Term
Technology and Innovation	Rapid advancement of low-carbon technologies such as electric and hydrogen-powered plant.	Increased capital costs; potential for stranded assets; opportunity to achieve operational efficiencies through modernisation.	Medium to Long Term
Reputation	Heightened stakeholder and investor scrutiny of environmental performance.	Reputational risk and reduced access to partnerships if performance lags behind sector standards.	Ongoing

PHYSICAL RISKS

Category	Description	Potential Impact	Time Horizon
Acute Weather Events	Increased frequency of heavy rainfall and flooding affecting site access and safety.	Delays, reduced productivity, and increased remediation costs.	Short Term
Chronic Climate Patterns	Longer-term shifts in precipitation, groundwater levels, and temperature extremes.	Disruption to civil engineering programmes, increased maintenance of access routes, and additional safety measures	Medium to Long Term

STRATEGIC RESPONSE

We continue to respond to these risks and opportunities through a combination of operational controls, investment in efficient equipment, digital data management, and collaboration with our clients and our suppliers. Key actions taken during FY 2025 include:

- » Fleet renewal: Replacement of six Stage III machines with new machines with Stage V engines that meet the most stringent particulate-emission standards. This has contributed towards the measurable reductions in Scope 1 emissions for the year.
- » Procurement review: Application of our Sustainable Procurement Strategy to assess lifecycle environmental impacts before purchase or hire. Alternative-fuelled plant options remain under evaluation but are not yet commercially viable due to availability, infrastructure, and cost barriers.
- » Digital efficiency: Enhanced data capture through the continuing implantation of new systems and the planned updates to our Onboarding App, Recruitment Portal, and Personnel Management System, enabling improved tracking of workforce location and travel, which supports local employment initiatives and reduces commuting emissions.
- » Policy development: Integration of sustainability metrics within performance reviews and supplier engagement programmes, reinforcing the link between environmental and commercial objectives.
- » Training and awareness: Continued delivery of environmental and energy-awareness modules through our Annual Awareness Programme, ensuring operational teams understand their responsibilities and the rationale behind control measures.

RESILIENCE OF OUR STRATEGY

Our risk assessments demonstrate that our business model is inherently resilient due to the diversity of our client base, the geographic spread of our operations, and the flexibility of our workforce model. Nevertheless, we recognise that climate-related factors may influence cost structures, resource availability, and project delivery schedules in the coming decades.

To ensure resilience, we will continue to:

- » Monitor sector and regulatory developments, adapting our policies and our systems as new disclosure requirements emerge;
- » Maintain close dialogue with our clients to ensure that we align our delivery practices with their sustainability pathways;
- » Invest in efficiency improvements that deliver both environmental and commercial benefits; and
- » Incorporate climate-resilience considerations into business continuity planning and project design.

Our approach ensures that sustainability is treated as a driver of performance and innovation, rather than being seen as a constraint, and that our Company remains well positioned to meet both regulatory expectations and client requirements across all future time horizons:

- » Short Term (0 – 5 years): Implementation of new digital tools and fleet-efficiency measures, developing quantitative scenario models and obtaining external verification (ESOS).
- » Medium Term (5 – 10 years): Expansion of data coverage, deeper Scope 3 analysis, and pilot deployment of low-emission plant technologies.
- » Long Term (10 – 15 years): Achievement of significant carbon-reduction milestones and full integration of climate resilience within strategic and financial planning.



**WE CONTINUE
TO RESPOND TO
THESE RISKS AND
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THROUGH A
COMBINATION
OF OPERATIONAL
CONTROLS,
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IN EFFICIENT
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DATA MANAGEMENT,
AND COLLABORATION**

STRATEGIC REPORT CONTINUED

RISK MANAGEMENT IDENTIFICATION AND ASSESSMENT OF CLIMATE- RELATED RISKS

We have maintained our structured processes for identifying and assessing climate-related risks across all areas of our business. Our processes consider both the transition risks, arising from regulatory, technological, and market developments, and the physical risks that arise from climate variability and extreme weather conditions.

Our assessment framework is designed to ensure that every operational function contributes to the identification of risks relevant to its area. Departmental inputs are coordinated through our Carbon Management Committee (CMC), and findings are consolidated into our business risk registers maintained as part of our accredited Business Management System (BMS).

Key activities include:

- » Department-led risk mapping
 - Each function (Compliance, SHEQ, Procurement, and Operations) maintains responsibility for identifying environmental and climate-related risks affecting their operations.
- » Integration into daily operations
 - Climate-related risks are considered alongside health, safety, and quality factors when developing Risk Assessments and Method Statements (RAMS) and Inspection and Test Plans (ITPs).
- » Scenario-based analysis – We will continue to develop our ongoing phased plan to enhance scenario-based assessment of risks under 2°C and 1.5 °C warming pathways. This analysis will help to support both resilience planning and strategic investment decisions in the future.

All identified risks are assessed against criteria for likelihood and potential impact, ensuring that both immediate and emerging risks are captured. Insights are reviewed through our quarterly CMC meetings, allowing for early intervention and coordination between business divisions.

PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

Our approach to managing our climate-related risks combines both preventive and adaptive measures that are designed to maintain operational resilience as well as regulatory compliance. Risk-management activities are embedded into our existing management systems, ensuring climate considerations form part of the same structure that governs quality, safety, and business continuity.

The core elements of our process include:

- » Control implementation
 - All identified risks have corresponding control measures within our Business Management System, covering areas such as fuel efficiency, sustainable procurement, and site safety under adverse weather conditions.
- » Cross-functional oversight
 - Collaboration between departments such as Compliance, Procurement, and Operations ensures consistency in mitigation approaches and alignment with our organisational objectives.
- » Continuous improvement – Findings from internal and external audits, site inspections, and management reviews are reviewed and used to refine our controls, ensuring that our processes remain responsive to new information, technological advances, and regulatory developments.
- » Supplier engagement – We embed environmental performance criteria into supplier evaluations and encourage our contractors to align with our sustainability standards.

Where climate-related risks intersect with other business risks, such as health & safety or resource scarcity, mitigation measures are harmonised to avoid duplication and maintain efficiency. Our integrated approach enables us to treat climate risk as part of our overall risk profile rather than as an isolated category.

INTEGRATION INTO THE OVERALL RISK- MANAGEMENT FRAMEWORK

Climate-related risks are fully embedded within our Company-wide risk-management framework. They are recorded, tracked, and reviewed through the same mechanisms used for operational and strategic risks, ensuring visibility and accountability across all business divisions.

Integration is achieved through:

- » Unified documentation – All climate-related risks are logged within our Business Management System, enabling consistent monitoring and reporting at all levels.
- » Escalation and reporting – Material risks are escalated by our Carbon Management Committee to our Board, ensuring that significant exposures and required mitigations are considered in strategic decision-making.
- » Alignment with business registers
 - Climate Risk Registers are reviewed at the same time as the registers for other key business risks, ensuring consolidated reporting and prioritisation.
- » Links to strategic planning – Outputs from climate risk reviews help to inform our investment priorities, our fleet renewal decisions, and potential energy-efficiency initiatives.

Our integrated structure ensures that all climate considerations are an inherent part of our operational resilience, business continuity, and strategic planning processes.

ONGOING ENHANCEMENTS AND FUTURE DEVELOPMENT

As our risk-management processes now evolve under the IFRS S2 framework, we are planning to implement further enhancements that will strengthen alignment and further improve our assurance readiness:

- » Expansion of scenario analysis to incorporate quantitative impact modelling by FY 2027/28.
- » Introduction of climate-specific risk indicators within divisional reporting dashboards for improved visibility.
- » Increased collaboration with our suppliers to improve data granularity on Scope 3 emissions and supply chain exposure.
- » Continued refinement of resource efficiency and waste-management metrics to better capture mitigation performance.

These improvements will support our ongoing compliance with forthcoming UK Sustainability Disclosure Standards and ESOS Phase 4 requirements, whilst ensuring that our risk-management framework remains transparent and adaptive to change.



STRATEGIC REPORT CONTINUED

METRICS AND TARGETS

OVERVIEW

Our performance metrics provide a clear, data-driven view of our environmental progress, the improved data we are working with and the effectiveness of the actions we have been taking since our baseline year (FY 2021).

All calculations follow the UK Government GHG Conversion Factors for Company Reporting (Advanced Set) and apply the operational-control approach. Data is verified internally by our Quality Manager and is reviewed quarterly by our Carbon Management Committee (CMC) under the oversight of our Compliance Director

Greenhouse Gas Emissions and Intensity Metrics

Year	Scope 1 Direct fuel use (tCO ₂ e)	Scope 2 Purchased electricity (tCO ₂ e)	Scope 3 Other indirect emissions	Total emissions	Intensity - (tCO ₂ e/£ m turnover)	Intensity - (tCO ₂ e/people hour)
2025	957.03	42.40	12.77	1,012.20	8.34	0.0002775
2024	1,352.72	56.48	41.76	1,450.97	14.57	0.0004370
2023	1661.40	29.58	54.84	1,166.12	29.66	0.0006757
2022	780.69	27.66	29.30	837.65	19.13	0.0005525
2021 (Baseline)	338.39	23.32	19.88	381.57	11.65	0.0003308

(All figures in tonnes CO₂ equivalent. Methodology aligned to the UK Government Environmental Reporting Guidelines.)

PERFORMANCE COMMENTARY

Our FY 2025 total emissions were 1,012 tCO₂e, representing a 30% reduction on our FY 2024 figures and confirming continued progress toward our reduction targets.

Scope 1 (Direct Fuel Use):

A 29 % reduction from FY 2024 to FY 2025 was achieved due to a significant reduction in our fleet size as well as through the replacement of six Stage III machines with Stage V models, lower mileage across our entire fleet, increasing the number of Hybrid and EV vehicles within our fleet and more efficient deployment planning.

Scope 2 (Purchased Electricity):

Emissions fell by 25 %, reflecting lower consumption across our offices and a transition to renewable energy tariffs where these were available.

Scope 3 (Other Indirect Emissions):

Reduced travel and fewer overnight stays lowered our reported Scope 3 footprint, offsetting increases from broader supply chain reporting.

Despite business growth and an increase in turnover to £121.2m, overall carbon intensity continued to improve:

- » tCO₂e per £m turnover fell by 43% (from 14.57 to 8.21).
- » tCO₂e per people-hour fell by 36% (from 0.000437 to 0.000276).

These results demonstrate that our ongoing initiatives are delivering real efficiency gains without compromising on our operational performance and that in the areas we can control, we are able to make an impact.

FLEET AND PLANT PERFORMANCE

Fleet and plant operations account for the vast majority of our Scope 1 emissions, and we significantly reduced our fleet of vehicles during the last financial year. As of the end of FY 2025, we operate 182 vehicles (146 diesel, one petrol, 22 hybrid, 13 electric) and the average vehicle age of our fleet is 2.4 years. 100% of our fleet is telematics-enabled.

Data from our systems is used to monitor things such as driving behaviour, management of idling time, and to support safe, efficient driving habits. Planned telematics upgrades for FY 2026/2027 will further enhance our emissions reporting and driver feedback capabilities.

In FY 2025 we continued modernising our plant fleet through the acquisition of six Stage V machines to replace six Stage III models. This investment contributed to a reduction in particulate emissions and improved fuel efficiency from our plant fleet. Use of HVO fuel remains limited and client-driven, reflecting the current availability and cost constraints of alternative fuels.

OFFICE AND OPERATIONAL ENERGY USE

Electricity use across our offices represents a small fraction of total emissions but is monitored through our Energy Management Programme. Efficiency measures implemented during FY 2025 included moving to green energy tariffs where feasible, enhanced power-down policies and continued environmental awareness training, and migration to cloud-based infrastructure to help reduce our on-site IT energy load.

PROGRESS AGAINST TARGETS

Our FY 2025 results confirm we are continuing on track and reducing our Scope 1 and 2 emissions despite the continued growth of our business and our expansion into new sectors.

Our progress has been driven by the combination of improved data collection, fleet renewal initiatives, continued procurement controls and monitoring, and ongoing energy awareness training for our people.

Scope 3 coverage continues to expand as supplier data quality improves. A comprehensive review of indirect emissions is planned to be carried out in order that we align with the UK Sustainability Disclosure Standards and the forthcoming ESOS Phase 4 requirements.

METHODOLOGY AND VERIFICATION

All data is collected from verified sources including documented fuel records, energy and utility bills, and supplier supplied data. Calculations are reviewed internally for accuracy and validated through our Carbon Management Committee.

Independent third-party assurance of our energy and emissions data is currently being looked into as part of our planning phase in readiness for ESOS Phase 4. When implemented, this will further strengthen the robustness and credibility of our reporting.



STRATEGIC REPORT CONTINUED

ESOS PHASE 4 READINESS AND ENERGY MANAGEMENT OVERVIEW

As a large UK organisation meeting the qualifying thresholds for ESOS Phase 4, we continue to strengthen our systems and data management capabilities to ensure full readiness ahead of the next compliance deadline. With the foundations for compliance already embedded within our Business Management System (BMS) and verified through our ISO 9001 and 14001 audit programmes, we will seek to engage an ESOS Lead Assessor ahead of the compliance deadline to ensure we meet our ESOS obligations.

Our internal processes and the implementation of our new systems during the coming FY will enable us to reliably identify our Significant Energy Use (SEU), better structure the recording of our energy data, and support the systematic evaluation of opportunities for improvement. These changes will provide a clear and auditable pathway towards external verification under ESOS Phase 4 and positions us for alignment with the forthcoming UK Sustainability Disclosure Standards (UK SDS).

Category	Description	Primary controls and initiatives
Fleet Vehicles	Company-owned and leased vehicles used for operational and management purposes.	Telematics monitoring, driver-behaviour analysis, fuel-efficiency training, and renewal of fleet assets on a three- to five-year cycle.
Plant and Machinery	Construction plant and equipment used on civil engineering projects.	Replacement of older engines with Stage V compliant units, preventive maintenance, efficient-operation practices, and continued evaluation of low-carbon and hybrid options.
Offices and Facilities	Electricity consumption across office locations such as our Head Office and our Training Academy.	Energy efficient upgrades such as solar panel installations, power-down policies, and migration to cloud-based systems to reduce onsite energy demand.

ENERGY DATA AND ORGANISATIONAL COVERAGE

Our reporting covers all operations under Hercules PLC and, as we continue our acquisition strategy, will begin to include our new subsidiary companies. Our energy consumption data includes fuel and electricity used in:

- » Fleet vehicles (Company-owned and leased),
- » Construction plant and equipment,
- » Office and training facility operations, and
- » Business travel.

Fuel usage is captured through Allstar fuel-card reporting for our Company fleet, employee expense claims and site records for fuel purchases, whilst electricity consumption is derived from supplier invoices and meter readings. These datasets are validated quarterly by our Quality Manager and reviewed by our Carbon Management Committee (CMC).

SIGNIFICANT ENERGY USE (SEU)

In line with ESOS principles, we will be interrogating our data and identifying our Significant Energy Use based on total consumption and the potential to influence reduction.

The vast majority of our energy use and associated emissions currently arises from our Company vehicles and our plant operations, with the remainder relating to electricity usage at our office locations. These categories will form the basis of our ongoing monitoring and improvement planning.

ENERGY-EFFICIENCY OPPORTUNITIES

A range of opportunities have been identified through our Carbon Management Committee, including:

- » **Telematics enhancement:** We are looking at transitioning to a new provider who can offer a comprehensive telematics solution that includes advanced emissions and idling analytics to support driver performance improvement.
- » **Fleet modernisation:** continued renewal of our fleet, particularly replacing older diesel vehicles with hybrid and electric alternatives where operationally viable.
- » **Plant efficiency optimisation:** continued review of our plant fleet and ongoing monitoring of low-emission options as technology and infrastructure continue to develop.
- » **Behavioural improvements:** reinforcement of efficient-driving habits through toolbox talks, performance feedback, and targeted training.
- » **Facility efficiency measures:** incremental reductions in office energy use through improved management and awareness campaigns.

Every opportunity is assigned to the relevant functional lead and tracked by our Carbon Management Committee, within our BMS continuous improvement process, ensuring any actions taken are recorded, reviewed, and verified as part of scheduled management reviews.

GOVERNANCE AND REVIEW PROCESS

Our Carbon Management Committee (CMC) oversees all our energy management activity. They meet quarterly to review consumption data, evaluate progress against targets, and identify further opportunities for improvement. Findings and recommendations are summarised for our Board through our Compliance Director’s quarterly Board report.

Integration of ESOS requirements within our existing governance framework ensures:

- » Consistency between statutory reporting and internal management systems;
- » Board-level visibility of energy performance; and
- » Clear accountability for implementation and review of improvement actions.

Our energy data, governance structure, and internal audit processes will help to make sure that we meet the assurance standards required under ESOS, ensuring that we are in a position to transition smoothly to full compliance by the Phase 4 deadline.

By embedding ESOS compliance within our wider sustainability and climate-reporting frameworks, we can ensure that our energy management remains measurable, transparent, and closely linked to operational and financial performance.

Our structured, system-based approach supports continual improvement, cost efficiency, and alignment with both regulatory requirements and client expectations across the UK infrastructure sector.

Next steps towards full ESOS Phase 4 compliance

Timeline	Action	Lead responsibility
Q3 FY 2026	Engage qualified ESOS Lead Assessor and confirm audit scope.	Compliance Director
Q4 FY 2026	Complete SEU verification and energy-efficiency opportunity assessment.	Quality Manager / CMC
Q1 FY 2027	Draft and review ESOS Energy Audit Report; confirm implementation plan.	Compliance Director / Board
Q2 FY 2027	Finalise ESOS Phase 4 Report ready for submission to the Environment Agency and integrate findings into Sustainability and Climate Report.	Compliance Director

STRATEGIC REPORT CONTINUED

VERIFICATION AND ASSURANCE STATEMENT

Internal verification

All environmental and energy data presented in this report are compiled from verified primary sources, including:

- » Mileage, fuel and expenses information for our fleet and plant operations;
- » Utility invoices and meter readings for office electricity consumption; and
- » Supplier and travel expense records for Scope 3 activity data.

Data quality is reviewed each quarter by our Quality Manager and validated through our accredited Business Management System processes.

Cross-checks are carried out between financial, operational, and environmental datasets to ensure consistency and traceability from source documentation through to the final reporting outputs.

Our verification approach incorporates:

- » Activity-level reconciliation between consumption records and conversion-factor calculations;
- » Independent review by our Compliance Director prior to Board submission; and
- » Evidence sampling through internal audits to confirm the accuracy of data entry and control integrity within our Business Management System.

Our layered assurance structure provides a high degree of internal confidence in the completeness and reliability of our reported information.

External assurance readiness

Our future intention is to obtain independent third-party assurance of our greenhouse gas and energy data in readiness for compliance with ESOS Phase 4 and to ensure that we remain on the right track with our own goals whilst staying aligned with our clients.

The scope of this assurance will include:

- » Verification of Scope 1 and 2 emissions data;
- » Review of Scope 3 calculation methodologies and boundary definitions; and
- » Assessment of data management and control processes.

The external assurance process will be overseen by our Compliance Director, with support from our Quality Manager and our Carbon Management Committee.

Findings will be presented to the Board and integrated into future sustainability reports to enhance transparency and client and investor confidence.

Alignment and continuous improvement

Our reporting approach has been updated to ensure full alignment with the disclosure principles set out in IFRS S2 – Climate-Related Disclosures and IFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information, while maintaining readiness for the forthcoming UK Sustainability Disclosure Standards (UK SDS). The structure, content, and controls applied within our report now mirror the expectations of these standards, ensuring that our data is transparent, decision-useful, and consistent with other financial and non-financial information we disclose.

The integration of our climate-related disclosures within our Business Management System (BMS) ensures that the environmental and energy data used for SECR, ESOS, and financial reporting are fully aligned and traceable through a single verified framework.

Our unified approach eliminates duplication, provides clear audit trails, and strengthens the connection between operational performance and strategic decision-making. It also ensures that we are well positioned for the transition from voluntary frameworks to mandatory, standardised sustainability reporting under the UK SDS.

Looking ahead, we remain committed to the continuous improvement of our sustainability management and disclosure practices. We will be completing our ESOS Phase 4 energy audit and, as part of this process, will engage independent third-party assurance to verify our greenhouse gas and energy data. Enhancements to vehicle and plant telematics, data visualisation, and reporting capabilities within our BMS will support greater transparency and accuracy, while providing real-time insights into operational efficiency and emissions performance.

Through our structured, transparent approach, we will continue to strengthen the integrity and comparability of our sustainability reporting, ensuring that we continue to meet both current and emerging regulatory expectations and maintain the confidence of our clients, investors, and stakeholders.

CLIMATE ACTION ROADMAP

As we progress along our climate roadmap, FY 2025 has marked another year of consolidation, refinement, and practical achievement. We have continued to deliver progress against our short-term objectives while adjusting our approach to reflect technological, operational, and market realities across the construction and infrastructure sectors.

Key advances this year include reductions in fleet and plant emissions through more efficient replacements, continued growth in hybrid and electric vehicle uptake, strengthened data quality controls, and expanded integration of sustainability considerations across procurement and operational management. We have also deepened our focus on local employment initiatives with the aim of reducing our commuting-related impacts and we continue to embed sustainability into our recruitment and supplier engagement processes.

Our climate action roadmap remains anchored in our 2021 baseline year and continues to guide us towards our future ambitions. It is structured around short-, medium-, and long-term time horizons and aligned with our operational strategy and current market expectations.

	Short Term (0–5 Years)	Medium Term (5–10 Years)	Long Term (10–15 Years)
Responsible Procurement	Implementation of sustainable procurement practices across all divisions, embedding ethical and environmental criteria in supplier selection.	Source 100 % of PPE and core materials from verified low- or zero-carbon suppliers as part of a phased programme.	Achieve measurable supply chain emissions reductions and establish sustainability performance targets for all key suppliers.
GHG Emissions	Continue to expand Scope 3 coverage (particularly commuting) and enhance data accuracy. Promote local employment to reduce commute-related emissions.	Broaden Scope 3 boundary to include full employee-commuting and upstream supply chain emissions.	Refine Carbon Reduction Strategy to incorporate technological advances and deliver targeted reductions aligned with the Net Zero 2050 goal.
Energy Efficiency	Strengthen efficiency programmes across offices and training sites; maintain readiness for solar installation at Head Office.	Introduce solar generation at suitable facilities and expand EV-charging infrastructure.	Achieve full transition to renewable electricity across all primary facilities, minimising Scope 2 emissions.
Efficient & Lower-Carbon Fleet	Modernise fleet through renewal of older diesel vehicles with hybrid and electric alternatives; maintain age-limit policies and fuel-efficiency monitoring via telematics.	Scale hybrid/electric uptake across Company and commercial fleets; pilot alternative fuels (HVO where client-mandated, hydrogen, or biofuels) where feasible.	Transition to a fully hybrid/electric vehicle fleet and progressively adopt low-carbon plant technologies as market maturity allows.
Awareness & Training	Deliver Company-wide sustainability and carbon-reduction workshops; launch e-learning through the Training Academy.	Develop structured learning pathways on climate-resilient operations and sustainable construction methods.	Embed continuous sustainability and resilience training across all workforce development programmes.
Research & Innovation	Investigate lower-carbon alternatives for high-use plant and materials in collaboration with suppliers.	Trial alternative fuels and low-carbon materials in partnership with clients and industry bodies.	Engage in sector-wide collaborations to implement next-generation sustainable technologies.
Workforce Development	Enhance and promote flexible-working policies to reduce commuting frequency and related emissions.	Introduce training on climate-resilience techniques and adaptation measures.	Maintain comprehensive climate-competency and leadership training embedded across roles and functions.

STRATEGIC REPORT CONTINUED

In the short term, we have prioritised high-impact, foundational actions that can help directly address our operational emissions and our data quality, setting a strong base for longer-term potential change. Entering the medium term, our focus will shift towards renewable energy adoption, expanded Scope 3 measurement, and pilot projects for low-carbon technologies if market conditions allow. Over the longer term, we are aiming to progress towards the full adoption of hybrid and electric vehicles, renewable energy usage across all our controlled facilities, and a supply chain that is fully aligned with our sustainability objectives. Our phased and disciplined approach will help to ensure that we continue to align with IFRS S2 and the UK SDS, while maintaining the flexibility to adapt to evolving regulation and industry practice. It reflects a pragmatic, evidence-based path to achieving our goals, one that strengthens our operational resilience, supports client and stakeholder expectations, and positions us as a responsible leader in sustainable infrastructure delivery.

BRUSK KORKMAZ
CHIEF EXECUTIVE OFFICER

21 May 2026





CORPORATE GOVERNANCE

BOARD BALANCE

A minimum of 50% of the Board consists of Non-Executive Directors including the Chairman. Four Non-Executive Directors are independent of the management team and are not involved in any other business or relationship, both as an executive or non-executive, which may impair their independent nature and judgement.

NOMINATION COMMITTEE

The Group's Nomination Committee is responsible for reviewing and making proposals to the Board on the appointment of Directors and meets as necessary. The Group's Nomination Committee consists of Ahmet Iplikci as Chair, and Henry Pitman. Future meetings and succession planning have been discussed during the year.

PERFORMANCE EVALUATION AND RE-ELECTION

The Board has continued to evaluate its effectiveness and performance during the year, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. Director appraisals were performed post year end to ensure that their performance is, and continues to be, effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role. The Directors will be evaluated internally based on their responsibilities to the Board. New Directors resign and stand for re-election at the Group's first AGM following their appointment. One-third of continuing Directors stand for re-election on an annual basis.

No external advice on any significant matter has been sought by the Committee during the year, nor have any external advisors to the Board been appointed.

The Directors carry out continued professional development throughout the year where appropriate and each Director keeps up to date with market changes using market articles and industry contacts.

REMUNERATION COMMITTEE

The Group's Remuneration Committee is responsible for the specific remuneration and incentive packages for each of the Group's Executive Directors, senior executives, and managers. The Group's Remuneration Committee consists of Richard Kilner as Chair, Robin Stevens, and Ahmet Iplikci. Further details of the Committee's remit are contained in the Directors' Remuneration Report on pages 51 to 52.

No external advice on any significant matter has been sought by the Committee during the year, nor have any external advisors to the Board been appointed.

RELATIONS WITH SHAREHOLDERS

The Group encourages two-way communication with both its institutional and private investors and responds promptly to all queries received. The CEO and CFO communicate regularly with the Group's institutional shareholders and ensure that their views are communicated fully to the Board. The Board recognises the Group's AGM as an important opportunity to meet with the Group's private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM. The Directors have also organised various events throughout the year (presentations, seminars, webinars) for existing and potential shareholders to gain a greater understanding of the Group's strategy.

ANNUAL GENERAL MEETING

The AGM of the Group provides shareholders with the opportunity to be updated on the Group's progress and to ask questions of the Board.



IT IS THE BOARD'S VIEW THAT THE GROUP'S CORPORATE CULTURE IS CONSISTENT WITH ITS OBJECTIVES, STRATEGY, AND BUSINESS MODEL

	Board meetings*	Audit Committee meetings*	Nomination Committee meeting*	Remuneration Committee meeting*
2024	8 October			
	9 December	9 December		
2025	7 February	9 January	7 February	7 February
	28 March	16 June		
	30 May			
	30 July			

* fully attended

Paul Wheatcroft acted as Company Secretary during the year.

FINANCIAL REPORTING AND INTERNAL CONTROL

The Group has established policies covering the key areas of internal financial control and the appropriate procedures, controls, authority levels and reporting requirements which must be applied throughout the Group.

The key procedures that have been established in respect of internal financial control are:

- » An annual budget set by the Board
- » Monthly management accounts with comparisons to budget
- » Two forecast updates per annum
- » Quarterly cash flow forecasts
- » Separation of creation and approval of online bank payments
- » Monthly meetings of the Executive Directors and senior management to review priorities and issues
- » Full Board meetings at least six times per year

The above controls have been established to support the growth of the business and to protect against future risks. There have been some internal control issues, which have led to a qualified audit report (see pages 56 to 62).

CORPORATE CULTURE

It is the Board's view that the Group's corporate culture is consistent with its objectives, strategy, and business model.

The Board is aware that the culture set by the Board will greatly impact all aspects of the Group and the way that employees behave.

The Board invites employees to provide feedback on their peers and management. Regular one-to-ones are held between managers to gather feedback and to review current performance against their objectives. Recent events (see Chairman's Statement) have underlined the need for an ongoing review of how the culture of the Group develops.

In terms of monitoring and promoting a healthy corporate culture, we have a defined set of core values, place strong emphasis on employee wellness (mental and physical) and create clearly defined goals and KPIs in line with strategic Group objectives. Our monthly employee recognition scheme rewards excellence at both office and site level. Hercules believes in the many benefits of a diverse workforce and our various working groups have broad representation where idea sharing is promoted. A golden thread which runs through the business is the FIR (Fairness, Inclusion, Respect) programme, ensuring that where possible we are Fair, Inclusive and treat others with Respect. Our policies on EDI (Equality, Diversity, Inclusion), FIR and Mental Health and Wellbeing are accessible via the Group website and are also presented to individuals joining the business during the onboarding process.

AUDIT COMMITTEE

The Group's Audit Committee is responsible for ensuring the financial performance of the Group is properly monitored and reported on, and the effectiveness of accounting systems and financial reporting procedures. The Group's Audit Committee comprises Robin Stevens as Chair, Richard Kilner and Henry Pitman.

No external advice on any significant matter has been sought by the Committee during the year, nor have any external advisors to the Board been appointed. Advice was sought from Ernst & Young from January to February 2026, from Hill Dickinson from January to March 2026, and Bexley Beaumont and Blackfords since April 2026.

In relation to the annual report, the committee considers the Group's accounting policy in respect of revenue recognition to be of key significance, as revenue is a material balance for the Group and represents the largest balance in the Statement of Comprehensive Income. Therefore, revenue cut-off and accuracy of costs to complete (particularly for civil projects) are key audit matters for them to discuss and review.

The effectiveness of the external audit is assessed by the committee after discussions with all Directors and the auditors either in Audit Committee or other meetings.

The Group currently has no policy on auditor rotation.

BOARD OF DIRECTORS

BOARD OF DIRECTORS



HENRY PITMAN

Non-Executive Chairman

Henry Pitman has 30 years' experience of building businesses in the UK and Africa. He is the current Chief Executive of OPTIMISM Health Group and co-founder of African Century Group, an African investment group. Previously, he was founder and CEO at Tribal Group plc and a Non-Executive Director at Grainger plc. Mr Pitman took Tribal Group plc from a start-up to a business with over £200 million of revenues and 2,000 staff. During this time, Tribal Group plc made over 40 acquisitions. Henry currently chairs various Company boards and holds regular meetings with the Company's Nominated Adviser and an annual meeting with the auditors.



BRUSK KORKMAZ

Chief Executive Officer

Brusk Korkmaz has worked in the construction industry for 20 years. Prior to founding Hercules in 2008, he held positions with MJ Gleeson, Black and Veatch and Hochtief UK, gaining experience across a range of civil engineering projects and labour supply for various sectors, including highways, rail, water industry and utilities. He is a member of the Institute of Civil Engineers and holds a BEng Honours Degree from University College London. Brusk undertakes annual CPD updates and networks significantly in the sector.



PAUL WHEATCROFT

Chief Financial Officer & Company Secretary

Paul Wheatcroft has spent 30 years as a Finance Director or CFO working in several industry sectors including construction, building materials, energy, wholesale, manufacturing. He joined the Group in February 2020 and brings with him significant business experience in M&A, raising finance and financial management. Previously, Paul was Finance Director in three subsidiaries of Hanson PLC for over 13 years, and Group Finance Director of Ecotricity Group, a green energy company for eight years, responsible in all these roles for financial, legal, HR and IT matters. Paul is a Fellow of the Chartered Institute of Management Accountants, and undertakes CPD annually, including following how technology can make business more efficient.



AHMET İPLİKÇİ

Independent Non-Executive Director

Ahmet İplikçi is the Founding Partner and CEO of 7+SEVEN, a global merchant bank and multi-family office headquartered in London. He serves as a Board Member at Banco Finantia, a Portuguese bank, and sits on the UK advisory board of the British Chamber of Commerce in Turkey. Previously, he was Senior Advisor to the Turkish Prime Minister's Office Investment Agency (2010-2014) and to Kazakh Invest National Company JSC (2018-2020). Ahmet stays current with banking and industry trends through webinars, professional events, online and offline networking, white papers, case studies, and following thought leaders on social media.

Committees

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Committees

N R



RICHARD KILNER

Independent Non-Executive Director

Richard Kilner is a chartered civil engineer and a member of the Institution of Civil Engineers. Educated in South Africa, he has a B.Sc. degree in civil engineering. He has held several 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 Chairman) as a Non-Executive Director of University Hospitals of Leicester NHS Trust and over four years as Non-Executive Chairman of Nexus Infrastructure plc. Richard is currently Executive Chairman of True Lens Services Limited. Richard keeps up to date with regular reading together with twice-yearly briefings from the Nomad and an annual discussion with the auditors.

Committees



ROBIN STEVENS

Independent Non-Executive Director

Robin Stevens is a Chartered Accountant and is Head of Capital Markets at MHA Plc, the UK member firm of Baker Tilly International. He was formerly an audit and corporate finance partner, and Head of Capital Markets of Crowe UK LLP, having held senior corporate finance and audit partner positions with Mazars LLP and MRI Moores Rowland LLP. Robin is currently Non-Executive Chairman at Vector Capital Ltd, Non-Executive Director of Main Market -listed Fairview International Plc, and Non-Executive Director of Annica Holdings Limited, listed on the Catalist Market of the Singapore Stock Exchange. He also sits on the boards of several private companies and presents on capital markets and corporate finance issues to international audiences on a regular basis. Robin is Deputy Lead Governor of Cambridge University Hospital Trust, a member of the Executive Committee of the British Malaysian Society, and co-chair of the ASEAN Special Interest Group of the IOD.

Committees



MARTIN TEDHAM

Independent Non-Executive Director

Martin Tedham controls the largest British independent group of companies supplying packaging services to the pharmaceutical industry as well as manufacturing pharmaceuticals and conducting clinical trials. He has successfully started up his own businesses and turned round failing ones. His companies employ over 900 personnel with a wide range of skills and qualifications. Martin has pioneered several innovations and holds worldwide patents for them.

Committee membership key

- A** Audit Committee
- R** Remuneration Committee
- N** Nomination Committee
- Chair**

BOARD OF DIRECTORS CONTINUED

INDEPENDENCE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman, Henry Pitman, and the Chief Executive Officer, Brusk Korkmaz, have a formal division. The Chairman is responsible for overseeing the Board and ensuring no individual takes control of the Board's decision-making and that all Non-Executive Directors are fully briefed on matters and their responsibilities. The Chief Executive Officer has the responsibility of executing the strategy of the Board and running the day-to-day activities of the business.

The Committee considers all proposals for non-audit services and ensures that these do not impact on the objectivity and independence of the auditor. The Audit Committee reviews, with the external auditor, the safeguards and procedures developed by the auditor to counter threats or perceived threats to their objectivity and independence. Non-audit services performed by the external auditor are assessed for threats to objectivity and independence on a case-by-case basis.

During the year both interim and full year results, as well as previous audit management points from the previous year audit, were discussed with both the auditors and relevant Board members.

The Board recognises the importance of good corporate governance in order to protect and build upon the substantial investments made by our shareholder base. We have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), which was developed by the QCA in consultation with several significant institutional small Group investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the Group is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". Given the relatively small size of the Group at present, and the extensive controls already in place, the Group currently has no financial internal audit function. However, given recent events, the need for such a function will be reviewed on a regular basis.

An explanation of how these principles have been applied is set out both below and in the Directors' remuneration and Audit Committee sections of this report.

Certain information required under the QCA code is included within the Strategic Report and the Directors Remuneration Report.

HENRY PITMAN CHAIRMAN

21 MAY 2026

BOARD MEETING ATTENDANCE

Name	Date Appointed	Role	Committees
Henry Pitman	04/02/2022	Non-Executive Chairman	Nomination, Audit
Brusk Korkmaz	30/03/2008	CEO	-
Paul Wheatcroft	02/03/2020	CFO/Co sec	-
Robin Stevens	04/02/2022	Non-Executive Director	Remuneration, Audit
Richard Kilner	04/02/2022	Non-Executive Director	Remuneration, Audit
Ahmet Iplikci	04/02/2022	Non-Executive Director	Remuneration, Nomination
Martin Tedham	10/09/2024	Non-Executive Director	-

DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE

The Remuneration Committee will review the performance of the Executive Directors, the chairman of the Board and the senior management of the Group and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each financial year (however, only one meeting was held in FY2025). In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide, shareholder views and associated guidance. The members of the Remuneration Committee shall include two Non-Executive Directors. The Remuneration Committee comprises Richard Kilner as Chair, Robin Stevens and Ahmet Iplikci.

REMUNERATION OF EXECUTIVE DIRECTORS

Consistent with this policy, benefit packages awarded to Executive Directors comprise a mix of basic salary and performance-related remuneration that is designed as an incentive. The remuneration packages can comprise the following elements:

- » Salary: the Remuneration Committee sets the base salaries to reflect responsibilities and skills, knowledge and experience of the individual;
- » Bonus scheme: the Executive Directors are eligible to receive a bonus dependent on both individual and Group performance as determined by the Remuneration Committee.
- » Equity: share options; and
- » Various other add-on benefits such as Group cars/car allowances, private medical insurance and life insurance.

The risk of losing key senior individuals is taken into account when setting and reviewing annual pay, bonus schemes and LTIPs.

The Executive Directors are engaged under separate contracts which require a notice period of six months given at any time by the individual.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The fees and equity awarded to Non-Executive Directors are determined by the Board. The Non-Executive Directors do not receive any other forms of benefit such as private medical insurance.

The bonus payments provided for Brusk Korkmaz and Paul Wheatcroft were based on underlying EBITDA after bonuses were accrued for. A sliding scale was used, and the achieved underlying EBITDA allowed maximum bonuses for both Directors (Brusk Korkmaz: 100% of salary, Paul Wheatcroft: 100% of salary). No element of these bonus payments related to the share price. Benefits relate to company cars and private health insurance.

293,251 share options were issued to Paul Wheatcroft at the time of the IPO at placing price of 50.5p. The vesting date commences on 4 February 2027 and there is a two-year exercise period.

293,251 warrants were issued to Henry Pitman at the time of the IPO at the placing price of 50.5p, exercisable until 4 February 2025. They were then re-issued for another two years.

On behalf of the Board

RICHARD KILNER
CHAIRMAN OF THE
REMUNERATION COMMITTEE

21 MAY 2026

DIRECTORS' REMUNERATION REPORT CONTINUED

YEAR TO 30 SEPTEMBER 2025

Director	Salary and fees £000	Bonus £000	Pension £000	Benefits £000	Share-based payments £000	Total £000
B Korkmaz (Executive)	290	290	10	46	-	636
P Wheatcroft (Executive)	218	218	33	4	-	473
H Pitman (Non-executive)	59	-	-	-	-	59
R Stevens (Non-executive)	44	-	-	-	-	44
R Kilner (Non-executive)	44	-	-	-	-	44
A Iplikci (Non-executive)	44	-	-	-	-	44
M Tedham (Non-executive)*	44	-	-	-	-	44
	743	508	43	50	-	1,344

YEAR TO 30 SEPTEMBER 2024

Director	Salary and fees £000	Bonus £000	Pension £000	Benefits £000	Share-based payments £000	Total £000
B Korkmaz (Executive)	198	168	10	28	-	404
P Wheatcroft (Executive)	161	142	43	4	-	350
H Pitman (Non-executive)	55	-	-	-	-	55
R Stevens (Non-executive)	40	-	-	-	-	40
R Kilner (Non-executive)	40	-	-	-	-	40
A Iplikci (Non-executive)	40	-	-	-	-	40
M Tedham (Non-executive)*	3	-	-	-	-	3
	537	310	53	32	-	932

* Appointed 10 September 2024

DIRECTORS' REPORT

The Directors are pleased to present the annual report and audited financial statements of Hercules PLC for the year ended 30 September 2025.

DIVIDENDS

Due to our continuing acquisition activity and investments into our systems to support the continued growth of the business, no final dividend will be paid in respect of FY 2025 (1.12p FY 2024). The Board will keep the Company's dividend policy under review.

RESEARCH & DEVELOPMENT

The Group has continued to invest in developing digital products for its own and for commercial use.

SUBSTANTIAL SHAREHOLDINGS

On 4 February 2022, the Company was admitted to the AIM market of the London Stock Exchange. As at 30 September 2025 Hercules Real Estate Ltd held 44.5% of shares in the Company (30 September 2024: 47.7%), and as of today's date, 22.25% is held by Hercules Real Estate Ltd. The other major shareholder is Novari Holdings Ltd, also holding 22.25%.

As of 30 September 2025, Martin Tedham, through his personal holdings and Wasdell Packaging Limited holds 12.6% (30 September 2024: 12.7%) of the shares in the Company. Wasdell Packaging Limited is controlled by Martin Tedham, who is a Non-Executive Director of the Company.

EQUALITY, DIVERSITY & INCLUSION POLICY

It is the policy of the Group to treat everyone we come into contact with, including employees, contractors, affected third parties and job applicants, with fairness, inclusion, and respect regardless of their gender, sexual orientation, marital status, race, colour, nationality, ethnicity or national origin, religion, age, disability, or union membership status.

Full and fair consideration is given to the employment of disabled persons, having regard to their aptitudes and abilities and the responsibility and physical demands of the job. Disabled employees are provided with equal opportunities for training and career development.

We ensure that employees are recruited, developed, remunerated, and promoted because of their skills and suitability for the work performed. The Group is committed to creating a fully inclusive environment and, as Gold members of the Supply Chain Sustainability School, we promote the requirements associated with Fairness, Inclusion and Respect (FIR) and have several staff trained as FIR Ambassadors to monitor these requirements and support onsite teams and the wider industry.

HUMAN RESOURCES

Our HR team will regularly monitor and review this policy, relevant procedures, and selection criteria to ensure that individuals are selected, promoted, and otherwise treated according to their relevant individual abilities and merits. The HR team is responsible and accountable for the implementation of this policy and ensuring the policy is and continues to be fully effective.

Group processes and KPIs are in place to ensure EDI and FIR-related requirements and objectives are being monitored and reviewed consistently. All employees have a duty to act in accordance with this policy, and therefore to always treat colleagues with dignity, and not to discriminate or harass other members of staff, whether junior or senior to them. This policy applies equally to the treatment of our visitors, clients, customers, and suppliers, by our employees. In some situations, the Group may be at risk of being held responsible for the acts of individual members of staff and will not therefore tolerate any discriminatory practices or behaviour.

Any act of discrimination by employees/contractors or any failure to comply with the terms of the policy will result in disciplinary action. The HR teams shall review this policy annually or following significant changes, prior to review and approval by the CEO.

Also, see S172 of the Strategic Report.

DIRECTORS' REPORT CONTINUED

DIRECTORS

The Directors, who held office during the year, were as follows:

B Korkmaz

P Wheatcroft

H Pitman

R Stevens

R Kilner

A Iplikci

M Tedham



Executive



Non-executive



The Group took out director and officers' liability insurance on admission to AIM on 4 February 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

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

DIRECTORS' INTERESTS

A loan of £6m was made to Hercules PLC in June 2025 to aid with the acquisition of Advantage NRG Ltd. The loan was made by Wasdell Holdings Ltd, a company owned by Martin Tedham, a non-executive Director of Hercules. Details of the loan can be found within note 21.

GOING CONCERN

(See note 2).

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

- » so far as that Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- » that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and if applicable to establish that the auditor is aware of it

ANNUAL GENERAL MEETING

Notice of the forthcoming Annual General Meeting of the Group together with resolutions relating to the Group's ordinary business will be given to the members separately.

REAPPOINTMENT OF AUDITORS

The auditors, S&W Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

See note 24.

ENGAGEMENT WITH OTHERS

The Group is guided by strong values and a well-established culture, with the creation of positive social, economic, and environmental outcomes embedded throughout our operations and decision-making. We are committed to delivering lasting benefits not only for the business, but also for the communities and wider society in which we operate. Our Social Value Policy sets out our approach to maximising the value created through our projects, in line with the Public Services (Social Value) Act 2012, and is supported by our Sustainable Procurement Strategy and Carbon Management Procedure.

Delivery of our social value and CSR commitments is overseen by a number of specialist working groups, including CSR, FIR, Mental Health, Carbon Management and Modern Slavery. Together, these groups provide leadership, promote knowledge sharing, and coordinate specialist support and third-party engagement to enhance outcomes for local communities, particularly those close to our projects. We engage with communities through a range of channels, including schools and careers events, and continue to work closely with organisations such as the Department for Work and Pensions (DWP) to support workless individuals and raise awareness of career opportunities within the construction industry. We also maintain our ongoing commitment to supporting the Armed Forces community and veterans, building on the recognition previously achieved through the Employer Recognition Scheme. We remain committed to working collaboratively with our clients and partners to ensure our impacts are measurable and deliver meaningful, positive outcomes.

POST BALANCE SHEET EVENTS

Due to our continuing acquisition activity and investments into our systems to support the continued growth of the business, no final dividend will be paid in respect of FY 2025 (1.12p FY 2024). The Board will keep the Company's dividend policy under review.

The Board of Advantage NRG agreed to pay a dividend of £2.5m to Hercules PLC on 26 January 2026.

Hercules PLC acquired 70% of Lyons Power Services Ltd in October 2025, in a partnership arrangement similar to that the Group has with Future Build Recruitment Ltd.

Approved by the Board on 21 May 2026 and signed on its behalf by:

B K KORKMAZ
CHIEF EXECUTIVE OFFICER

21 MAY 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERCULES PLC

QUALIFIED OPINION

We have audited the financial statements of Hercules PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2025 which comprise the Group statement of comprehensive income, the Group and Parent Company statement of financial position, the Group and Parent Company statement of changes in equity and the Group and Parent Company statement of cash flow and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion section of our report:

- » 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 2025 and of the Group's loss for the year then ended;
- » the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- » the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- » the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR QUALIFIED OPINION

During our audit work, we were approached by an individual who raised concerns relating to payments made to a limited number of training and consultancy services providers. Following investigations by management, certain irregularities were identified in respect of a number of related transactions within the Group and parent company.

These transactions have been categorised within the Group's accounting records as being in respect of training and consultancy costs. However, we were:

- » unable to confirm that sufficient appropriate supplier onboarding processes had been followed
- » unable to confirm whether the companies were bona fide suppliers
- » unable to confirm that related appropriate training or consultancy services had been provided or that amounts paid in respect thereof properly related to the provision of training or other expenditure made for the benefit of the business

We raised our concerns with management and the Directors who engaged an external forensic review and legal advice to assist them to perform further work to verify the nature of these transactions. Management have set out a description of the steps they have taken on pages 7 to 9.

In responding to the irregularities, we:

- » enhanced audit procedures in relation to risk factors in respect of the legitimacy and validity of costs charged to the income statement
- » extended journals testing to incorporate updated search terms arising from audit findings

- » inspected reports prepared by experts engaged by management to seek to reconcile expenditure to supporting records or other evidence of training and consultancy services received
- » obtained and read legal letters from the Group's legal representatives
- » consulted with our own internal and external legal experts
- » considered management's disclosures in the Annual Report and Financial Statements

This work and the procedures we have performed in response, have not adequately addressed our concerns. We sought to obtain further evidence but were unable to do so because management decided against concluding further investigative efforts into the transactions prior to the signing of the financial statements and thus imposed a limitation of our scope. We requested that the Board remove management's limitation, which they did not.

Management and those charged with governance are of the view that although the necessary work should be completed, due to anticipated difficulties in obtaining information from suppliers who are no longer engaged by the Company, the proposed procedures are unlikely to generate further or better-quality evidence to address our concerns, and this exercise would not be completed within the timescale that the Board has set for the publication of the Annual Report and Financial Statements. The Board has therefore prevented us from undertaking further work in the area.

We have concluded that this matter is material to the Group Financial Statements. In respect alone of this matter, we were unable to determine whether any adjustments to amounts or disclosures in the financial statements are necessary, or whether there have been any breaches of applicable laws or regulations. In addition, were any adjustments to be required, the strategic report would also need to be updated.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

OUR APPROACH TO THE AUDIT

Of the Group's five reporting components, we subjected one to a full scope audit and two to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that component. One of the two specific scope audits was not individually significant enough to require an audit for Group reporting purposes but was still material to the Group, the other was disposed of part-way through the year.

The components within the scope of our work covered 97.7% of Group revenue, 100% of Group profit before tax, and 96.7% of Group net assets.

For the remaining two components, we performed analysis at a Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. 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. In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report:

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue recognition	Revenue is a material balance for the Group and represents the largest balances within the Consolidation Statement of Comprehensive Income. The Group revenue is derived from the supply of labour services and civil projects. Within the calculation of civil projects revenues, there are significant judgements used to assess forecast costs, revenues and margins relating to long-term contracts. Under auditing standards, there is a presumed significant fraud risk associated with the recognition of revenues, and we considered the risk to be most significant for civil projects contracts spanning the period end.	Civil projects » Obtaining a detailed summary of revenue recognised per contracts during the year and during the project life, reconciling this to the financial statements and trial balance; » Using these summaries and through enquiries of management understanding the status of each contract and the stage of completion achieved; » Performing substantive tests of detail on a sample of underlying contracts and signed variations to assess the accuracy of the reported contract value; » Substantively testing contracts that were completed within the year, obtaining supporting evidence that demonstrated customer acceptance of work, and agreed the revenue recognised to invoice;
Civil projects	Civil projects We see a risk of fraud or error in relation to revenue recognition principally relating to the accuracy and year-end cut-off of revenue recognised on civil projects. There are judgements and estimates relating to the costs to complete contracts in progress and in recognising contract assets at the year-end in line with the requirements of IFRS 15.	» Obtaining management's estimate for contracts in progress at the year end, reviewing revenue recognised under the input method, performing tests of detail to gain comfort over the accuracy of the estimate by: - Substantively testing costs allocated to contracts during the year; - Assessing the accuracy of forecasting by reviewing actual costs incurred post year end against budgeted costs, we also obtained any variations agreed on contracts post year end; and - Assessing potential risks to the contract, challenging management on their assessment of these risks and how these have been factored into contract forecasts.
Supply of labour	Supply of labour For revenue recognised through the supply of labour, the amount of revenue recognised is derived from contractual hourly rates. The risk of fraud or error in relation to revenue recognised from the supply of labour has been determined to relate to both the occurrence and year-end cut-off assertions. Invoicing is dependent on obtaining authorised timesheets, which are usually received in arrears, increasing the cut-off risk.	» Substantively testing a sample of contract assets from the 30 September 2024 balance and comparing the estimated balances against actual outturn during FY 2025, and analysing the movements in gross margin. Supply of labour » Substantively testing a sample of revenue relating to labour supply, obtained supporting documentation for revenue recognised in the months pre and post year end and agreed nominal data to invoices and formally approved timesheets to ensure revenue had been recognised in the correct period.

Key audit matter	Description of risk	How the matter was addressed in the audit
Valuation of goodwill, intangibles and investment in respect of the acquisition of Advantage NRG Limited in the year and the carrying value of the previously acquired business, Hercules (White Collar) Ltd	There is a risk associated with the calculation underpinning the valuation of goodwill and other intangibles arising on acquisition, the valuation of contingent consideration, and the carrying value at the year-end of related goodwill, intangibles and investment balances, as well as previously acquired assets.	» Testing the carrying value of investments held with consideration of the net asset position and the forecast value in use of the entity; » Substantively verifying the calculations used in the valuation of goodwill, intangibles and investment balances; » Substantively verifying the calculations pertaining to contingent consideration; » Engaging internal specialists to review the model used to assess the brand valuation within the purchase price agreement; » Assessing the accuracy of key judgements and assumptions used by management, engaging internal experts to test the accuracy of the discount rate and growth rate assumptions; » Where impairment indicators were identified, a review of management's impairment assessment was performed; and » Comparing management's historic forecasts to actual outturn to assess management's ability to forecast.
Non-Compliance with Laws and Regulations	The Group operates within a regulated environment, particularly in the construction sector, and is subject to a range of laws and regulations that could have a material impact on the financial statements in the event of non-compliance. These include, but are not limited to: » Companies Act 2006 » Bribery Act 2010 » Criminal Finances Act 2017 (particularly relating to Corporate Criminal Offence) » Housing Grants, Construction and Regeneration Act 1996 (as amended by the Local Democracy, Economic Development and Construction Act 2009) We became aware during our audit of instances of non-compliance with company internal policies in respect of certain of the above. Non-compliance with these laws and regulations could result in significant financial penalties, litigation and/or reputational damage.	» Obtaining and understanding management's processes and controls in place to ensure compliance with relevant laws and regulations; » Making enquiries of management and those charged with governance regarding any known or suspected instances of non-compliance; » Reviewing legal and professional expense accounts and correspondence with legal advisors for indications of actual or potential breaches; » Reviewing correspondence with company-engaged external legal advisers » Evaluating the work performed by legal experts engaged by those charged with governance, to consider and assess implications of non-compliance, including considering their opinions and conclusions; and » Consulting with our own internal and external experts on implications of non-compliance.

INDEPENDENT AUDITOR'S REPORT CONTINUED

OUR APPLICATION OF MATERIALITY

The materiality for the Group financial statements as a whole ("Group FS materiality") was set at £2,470,000. This has been determined with reference to the benchmark of the Group's turnover, which we consider to be one of the principal considerations for members of the Company in assessing the Group's performance. Group FS materiality represents 2% of the Group's turnover. The majority of the Group's turnover is generated through labour supply and civil projects.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £2,220,000. This has been determined with reference to the benchmark of the parent company's turnover at 2%. The Company is the main trader within the Group, with turnover relating to labour supply and civil projects.

At planning, performance materiality for the Group financial statements was set at 80% of Group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. After becoming aware of the matters detailed in our basis for qualified opinion, we reconsidered our assessment and updated performance materiality to set it at £1,600,000, being 65% of Group FS materiality. It was set at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds Group FS materiality.

We judged this level to be appropriate based on our understanding of the Group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements. It was set at 65% to reflect our updated assessment of the likelihood of expected

misstatements and the fact that there are limited levels of judgement or estimation within the financial statements.

Performance materiality for the parent company financial statements was set at £1,599,999, being capped at £1 less than Group performance materiality due to the relative size of the parent component.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

- » Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the financial years ending 2026 and 2027;
- » Considering historical trading performance by comparing recent growth rates of both revenue and operating profit across the Group's geographical and market segments;
- » Assessing the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against latest market expectations and macro-economic assumptions;
- » Comparing the forecast results to those actually achieved in the 2026 financial period so far;
- » Reviewing bank statements to monitor the cash position of the Group post year end, and obtaining an understanding of significant expected cash outflows (such as capital expenditure) in the forthcoming 12-month period;

- » Considering the Group's funding position and requirements; and
- » Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period 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.

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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning certain transactions included in the income statement. We have concluded that where the other information refers to the income statement, it may be materially misstated for the same reason.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Except for the possible effects of the matter described in the Basis of Qualified Opinion section of our 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to certain transactions referred to above:

- » we were unable to determine whether adequate accounting records have been kept by the parent company; and
- » we have not received all the information and explanations we require for our audit.

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:

- » 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 54, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below and above in the Basis for qualified opinion section and Key audit matters section. 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.

We obtain a general understanding of the Group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our existing understanding of the Group's industry and regulation.

We understand that the Group complies with requirements of the framework through:

- » engaging external experts to ensure the Group remains in line with regulatory expectations and is aware of any updates to legislation; and

INDEPENDENT AUDITOR'S REPORT CONTINUED

» given the management structure and reporting lines, any litigation or claims would come to the Directors' attention and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and context of the financial statements, which are central to the Group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Group:

- » The Companies Act 2006 and UK-adopted international accounting standards in respect of the preparation and presentation of the financial statements
- » AIM rules and the UK Market Abuse Regulation
- » Bribery Act 2010
- » Health and safety regulations
- » Criminal Finances Act 2017
- » Housing Grants, Construction and Regeneration Act 1996 (as amended by the Local Democracy, Economic Development and Construction Act 2009)

We performed the following specific procedures to gain evidence about compliance with the specific laws and regulations defined above:

- » Inspected Board meeting minutes to ensure there were no reports of non-compliance with health and safety regulations or other laws and regulations
- » Reviewed legal expense accounts to identify any potential legal issues which may indicate instances of non-compliance

» Reviewed the bribery policy to understand and consider how this supports the prevention of instances of bribery occurring within the Group

» Reviewed correspondence with external legal advisers and evaluating the work performed by legal experts engaged by those charged with governance, including considering their opinions and conclusions in relation to compliance with applicable laws and regulations

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of this discussion were:

- » Manipulation of the financial statements through the posting of manual journals
- » Valuation of intangible assets, goodwill and investments where estimates are made by management
- » Incorrect recognition of revenues, especially on the Group's civil project contracts

The procedures we carried out to gain evidence in the above areas included:

- » Testing a sample of manual journals back to supporting documentation
- » Testing the basis on which revenues have been reported on the Group's civil projects contracts, by reference to the requirements of IFRS 15
- » Testing the valuation of intangibles, goodwill and investment balances

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with companies in the construction industry, and also with companies listed on the AIM market of the London Stock Exchange.

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

USE OF OUR REPORT

This report is made solely to the 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.

CARL DEANE
SENIOR STATUTORY AUDITOR,
FOR AND ON BEHALF OF

S&W AUDIT
STATUTORY AUDITOR

Chartered Accountants
4th Floor, EQ Building,
111 Victoria Street,
Bristol
BS1 6AX

21 MAY 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Continuing operations			
Revenue	6	121,245	101,934
Cost of sales		(103,039)	(86,961)
Gross profit		18,206	14,973
Administrative expenses		(16,360)	(11,601)
Profit from operations	8	1,846	3,372
Finance income	12	163	59
Finance expense	12	(1,459)	(1,184)
Fair value gains	7	302	-
Profit before tax expense		852	2,247
Tax charge on profit	13	(257)	(611)
Net profit for the year		595	1,636
Discontinued operations			
Loss for the year	31	(662)	(3,307)
Total (loss) for the year		(67)	(1,671)
Earnings/(loss) per share	4		
Continuing operations – basic & diluted		0.75p	2.55p
All Operations – basic & diluted		(0.08)p	(2.61)p

There are no further items of comprehensive income other than those shown above.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2025 £000	30 September 2024 £000
Non-current assets			
Tangible assets	17	7,534	7,430
Intangible assets	15	16,523	2,322
		24,057	9,752
Current assets			
Inventories		34	30
Trade and other receivables	19	22,792	19,482
Current tax receivable		-	28
Cash and cash equivalents		7,247	6,393
Total current assets		30,073	25,933
Disposal group assets held for resale	31	-	11,833
Total assets		54,130	47,518
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	25	79	75
Share premium	25	12,790	10,757
Other reserve	25	139	107
Retained earnings	25	(814)	769
Total equity		12,194	11,708
Non-current liabilities			
Deferred tax liabilities	14	1,943	750
Deferred contingent consideration		4,344	1,037
Loans and borrowings	22	6,000	-
Lease liabilities	22	3,985	4,057
Total non-current liabilities		16,272	5,844
Current liabilities			
Trade and other payables	20	17,371	11,755
Current tax payable		1,149	-
Loans and borrowings	22	6,121	7,295
Lease liabilities	22	1,023	1,316
Total current liabilities		25,664	20,366
Disposal group liabilities held-for-sale	31	-	9,600
Total liabilities		41,936	35,810
Total equity and liabilities		54,130	47,518

Approved by the board and authorised for issue on 21 May 2026 and signed on its behalf by:

BRUSK KORKMAZ
CHIEF EXECUTIVE OFFICER

Company number: 06607001

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	30 September 2025 £000	30 September 2024 £000
Non-current assets			
Tangible assets	17	5,836	5,951
Intangible assets	15	175	-
Investments in subsidiaries	18	16,443	2,570
		22,454	8,521
Current assets			
Inventories		34	30
Trade and other receivables	19	16,781	19,137
Amounts owed by group undertakings		53	283
Current tax receivable		1	28
Cash and cash equivalents		4,760	6,163
Total current assets		21,629	25,641
Disposal group assets held-for-sale (investment)		-	2,592
Total assets		44,083	36,754
Equity and liabilities			
Share capital	25	79	75
Share premium	25	12,790	10,757
Other reserves	25	139	107
Retained earnings	25	(2,578)	1,313
Total equity		10,430	12,252
Non-current liabilities			
Deferred tax liabilities	14	551	764
Deferred contingent consideration		4,344	1,037
Loans and borrowings	22	6,000	-
Lease liabilities	22	2,704	2,859
Total non-current liabilities		13,599	4,660
Current liabilities			
Trade and other payables	20	13,153	11,526
Loans and borrowings	21	6,121	7,295
Lease liabilities	22	780	1,021
Total current liabilities		20,054	19,842
Total liabilities		33,653	24,502
Total equity and liabilities		44,083	36,754

Approved by the board and authorised for issue on 21 May 2026 and signed on its behalf by:

BRUSK KORKMAZ
CHIEF EXECUTIVE OFFICER

Company number: 06607001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Share-based payment reserve £000	Retained earnings £000	Total shareholders' equity £000
Balance at 1 October 2023	62	4,995	69	3,531	8,657
Total loss for the year	-	-	-	(1,671)	(1,671)
Issue of shares	13	5,762	-	-	5,775
Share-based payment	-	-	38	-	38
Dividends	-	-	-	(1,091)	(1,091)
Balance at 30 September 2024	75	10,757	107	769	11,708
Total loss for the year	-	-	-	(67)	(67)
Issue of shares	4	2,033	-	-	2,037
Share-based payment	-	-	32	-	32
Elimination of inter-company transactions with disposed subsidiary	-	-	-	(147)	(147)
Dividends	-	-	-	(1,369)	(1,369)
Balance at 30 September 2025	79	12,790	139	(814)	12,194

Dividends were paid to the Company's shareholders during the year in two instalments - in March 2025 and August 2025. The first was a final dividend for the year ended 30 September 2024 of £891,740, 1.12p per share (FY 2024: £710,331), and the second an interim dividend for the year ended 30 September 2025 of £477,718, 0.06p per share (interim 2024: £380,534).

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium account £000	Share-based payment reserve £000	Retained earnings £000	Total shareholders' equity £000
Balance at 1 October 2023	62	4,995	69	3,531	8,657
Loss for the year	-	-	-	(1,127)	(1,127)
Issue of shares	13	5,762	-	-	5,775
Share-based payment	-	-	38	-	38
Dividends payable	-	-	-	(1,091)	(1,091)
Balance at 30 September 2024	75	10,757	107	1,313	12,252
Loss for the year	-	-	-	(2,522)	(2,522)
Issue of shares	4	2,033	-	-	2,037
Share-based payment	-	-	32	-	32
Dividends payable	-	-	-	(1,369)	(1,369)
Balance at 30 September 2025	79	12,790	139	(2,578)	10,430

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Cash flows from operating activities:			
Profit after taxation on continuing operations		595	1,636
Taxation credit		257	611
Finance income		(163)	(59)
Finance costs		1,459	1,184
Share-based payment charge	26	32	38
Depreciation of property, plant and equipment		1,022	941
Impairment of intangible assets		595	-
Amortisation of intangible assets		294	33
Loss on disposal of tangible assets	17	41	201
Fair value gain		(302)	-
Tax received		28	-
Increase in inventories		(4)	(4)
Decrease in trade and other receivables		1,441	1,408
Increase in trade and other payables and provisions		2,313	1,481
Net operating cash flows generated from continuing operations		7,608	7,470
Net operating cash flows (used in)/generated from discontinued operations		543	(1,396)
Net cash flow generated from operating activities		8,151	6,074
Cash flows from investing activities:			
Purchase of tangible assets		(235)	(327)
Proceeds from disposal of tangible assets		359	119
Acquisition of subsidiaries (net of cash acquired)		(11,786)	(1,188)
Acquisition of business (trade and assets)		(100)	-
Interest received		163	59
Net investing cash flows used in continuing operations		(11,599)	(1,337)
Net investing cash flows (used in)/generated from discontinued operations		1,755	(76)
Net cash flow used in investing activities		(9,844)	(1,413)
Cash flows from financing activities:			
Payment of lease liabilities		(1,431)	(1,522)
Interest paid	12	(1,034)	(934)
Net cash flows to invoice discounting facility		(1,174)	(2,665)
Loans received		6,000	-
Dividends paid		(1,369)	(1,091)
Net proceeds from issues of shares		2,037	5,773
Net financing cash flows generated from/(used in) continuing operations		3,029	(439)
Net investing cash flows (used in) discontinued operations		(482)	(1,679)
Net cash flows generated from/(used in) financing activities		2,547	(2,118)
Net increase in cash and cash equivalents		854	2,543
Cash and cash equivalents at the start of the year		6,393	4,151
Cash and cash equivalents at the end of the year		7,247	6,694
Cash in discontinued operations		-	(301)
Cash and cash equivalents in continuing operations at end of year		7,247	6,393

COMPANY STATEMENT OF CASH FLOWS

	Note	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Cash flows from operating activities:			
Loss after taxation		(998)	(1,126)
Taxation (credit)/charge		(213)	725
Finance income		(159)	(59)
Finance costs		1,168	1,095
Share-based payment charge	26	32	38
Depreciation of property, plant and equipment		813	767
Impairment in investments in subsidiaries		668	-
Loss/(profit) on disposal of tangible assets	17	39	(223)
Fair value loss		1,320	-
Tax received		28	-
Increase in inventories		(4)	-
Decrease in trade and other receivables		2,586	1,404
(Decrease)/increase in trade and other payables and provisions		(56)	1,400
Net cash flow generated from operating activities		5,224	4,017
Cash flows from investing activities:			
Purchase of tangible assets		(229)	(394)
Proceeds from disposal of tangible assets		160	530
Acquisition of subsidiaries (net of cash acquired)		(11,786)	(2,037)
Acquisition of business (trade and assets)		(100)	-
Proceeds on disposal of investments		1,924	-
Interest received		159	59
Net cash flow used in investing activities		(9,872)	(1,842)
Cash flows from financing activities:			
Payment of lease liabilities		(1,215)	(1,259)
Interest paid	12	(1,034)	(921)
Net cash flows to invoice discounting facility		(1,174)	(2,665)
Loans received		6,000	-
Dividends paid		(1,369)	(1,091)
Net proceeds from issues of shares		2,037	5,773
Net cash flow generated from/(used in) financing activities		3,245	(163)
Net (decrease)/increase in cash and cash equivalents		(1,403)	2,012
Cash and cash equivalents at the start of the year		6,163	4,151
Cash and cash equivalents at the end of the year		4,760	6,163

NOTES TO THE FINANCIAL STATEMENTS

NET DEBT

Group

	At 30 September 2024 £000	Cash flow £000	Non-cash movement £000	At 30 September 2025 £000
FY 2024-FY 2025				
Cash and cash equivalents				
Cash	6,393	854	-	7,247
Debt				
Bank loans	(7,295)	(4,826)	-	(12,121)
Lease liabilities	(5,373)	1,430	(1,065)	(5,008)
Financing liabilities	(12,668)	(3,396)	(1,065)	(17,129)
Net debt	(6,275)	(2,542)	(1,065)	(9,882)

Non-cash movements represent new liabilities and finance charges recognised under IFRS 16 in respect of leases.

	At 30 September 2023 £000	Cash flow £000	Non-cash movement £000	Reclassi- fication to disposal group £000	At 30 September 2024 £000
FY 2023-FY 2024					
Cash and cash equivalents					
Cash	4,151	2,543	-	(301)	6,393
Debt					
Bank loans	(9,960)	2,790	-	(125)	(7,295)
Lease liabilities	(16,985)	3,603	(1,357)	9,366	(5,373)
Financing liabilities	(26,945)	6,393	(1,357)	9,241	(12,668)
Net debt	(22,794)	8,936	(1,357)	8,940	(6,275)

COMPANY

	At 30 September 2024 £000	Cash flow £000	Non-cash movement £000	At 30 September 2025 £000
FY 2024-FY 2025				
Cash and cash equivalents				
Cash	6,163	(1,403)	-	4,760
Debt				
Bank loans	(7,295)	(4,826)	-	(12,121)
Lease liabilities	(3,880)	1,215	(819)	(3,484)
Financing liabilities	(11,175)	(3,611)	(819)	(15,605)
Net debt	(5,012)	(5,014)	(819)	(10,845)

Non-cash movements represent new liabilities and finance charges recognised under IFRS 16 in respect of leases.

	At 30 September 2023 £000	Cash flow £000	Non-cash movement £000	At 30 September 2024 £000
FY 2023-FY 2024				
Cash and cash equivalents				
Cash	4,151	2,012	-	6,163
Debt				
Bank loans	(9,960)	2,665	-	(7,295)
Lease liabilities	(16,985)	1,259	11,846	(3,880)
Financing liabilities	(26,945)	3,924	11,846	(11,175)
Net debt	(22,794)	5,936	11,846	(5,012)

Non-cash movements represent new liabilities and finance charges recognised under IFRS 16 in respect of leases.

1 GENERAL INFORMATION

The Group comprises a number of companies owned by Hercules PLC (previously Hercules Site Services plc), all limited by share capital incorporated and domiciled in England and Wales. The principal activity of the Group is that of general construction and civil engineering.

The address of its registered office and principal place of business is:

Hercules Court
Lakeside Business Park
South Cerney
Cirencester
GL7 5XZ

2 SUMMARY OF SIGNIFICANT ACCOUNTING

Statement of compliance

The Group and Parent financial statements have been prepared in accordance with UK-adopted international accounting standards.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on the following basis:

- » The financial information for the Group and the Company for the years ended 30 September 2024 and 30 September 2025; and
- » Using the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

The financial statements are presented in Pounds Sterling, being the functional currency of the Group. The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These are disclosed in note 3.

Changes in accounting policy and disclosures

(a) Amended accounting standards

New Standards applicable for the year were as follows:

- » Amendments to IFRS 16 : Lease Liability in a Sale and Leaseback (1 January 2024)
- » Amendments to IAS 1 : Non-current Liabilities with Covenants (1 January 2024)
- » Amendments to IAS 7 and IFRS 7 Supplier Finance (1 January 2024)
- » IFRS S1: General requirements for disclosure of sustainability-related financial information (1 January 2024) not yet endorsed for use in the UK
- » IFRS S2: Climate-related financial disclosures (1 January 2024) not yet endorsed for use in the UK
- » Amendments to IAS 21 The effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (1 January 2025)

None of these amendments to Standards had a material impact on the Group's results for the year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Changes in accounting policy and disclosures continued

(b) Future standards

At the date of authorisation of the financial statements, the Group has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

- » Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (1 January 2026)
- » Annual Improvements to IFRS Accounting Standards – Volume 11 (1 January 2026)
- » Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and 7 – (1 January 2026)
- » IFRS 18 – Presentation and Disclosure in Financial Statements – (1 January 2027)
- » IFRS 19 – Subsidiaries without Public Accountability – (1 January 2027)

These Standards and amendments are effective from accounting periods beginning on or after the dates shown above. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

Going concern

The Directors have prepared a core forecast up to September 2027 using prudent assumptions, and assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management has considered the Group's existing working capital and management are of the opinion that the Group has adequate resources to undertake its planned programme of activities for a period of at least 12 months from the date of approval of these financial statements. The Group's working capital facility is now capped at £16m (but the Directors believe could be extended if required) and is on a six-month notice period on either side. The facility renewal discussions with multiple vendors are well advanced and will be concluded well before the October 2026 renewal date. A good relationship exists between the Group and the provider; therefore, the Directors do not believe the facility will be terminated within the going concern assessment period.

The Directors have undertaken assessments of revenue streams from key contracts, growth in several areas, overheads, cash levels, cash facilities where required, tax projections etc. This core scenario provides a very healthy view of the Group's cash position. A further "low" scenario test with lower sales and margins than the base case still provides sufficient (but reduced) cash levels in the 12 months ahead. This is before considering likely mitigating actions (overhead reductions) the Group would take should such an unlikely scenario become reality.

The Group increased its turnover by 19% in the year and exceeded its forecast turnover and underlying EBITDA. The Group is one of five labour suppliers now operating on the Northern Section of HS2 (Birmingham section), which is currently the largest construction project in Europe. We expect this will continue at a similar level over the next few years.

Civil projects are expected to be similarly busy, as the work is predominantly in the Water sector, and as the increased spend of AMP 8 starts to progress from design to projects on site, then activity levels will increase.

Based on the current status, the Directors have a reasonable expectation that the Group will be able to execute its plans in the medium term such that the Group will have adequate resources to continue in operational existence for the foreseeable future. This provides the Directors with assurance on the Group's ability to continue as a going concern and therefore adopt the going concern basis of accounting in preparing the annual financial statements. Cash at the end of FY 2025 was £7.2m (FY 2024 £6.4m).

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Basis of consolidation

The Consolidated financial statements consolidate the financial statements of the Group and its subsidiary undertakings drawn up to 30 September 2025.

As permitted by section 408 of the Companies Act 2006, no profit and loss account is presented for the Company.

A subsidiary is an entity controlled by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group or, if created directly, the subsidiary has been incorporated. The Group obtains control over a business when it has:

- a) power over the business
- b) exposure, or rights, to variable returns from its involvement with the business
- c) the ability to use its power over the business to affect the amount of the Group's returns

Where applicable, the results of subsidiaries acquired during the period are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The acquisition method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill. No goodwill has arisen on consolidation of subsidiaries. Inter-Group transactions, balances, and unrealised gains on transactions between the Group and its subsidiaries, which are related parties, are eliminated in full.

Parent Company Guarantee

Hercules PLC has provided a guarantee in accordance with section 479A of the Companies Act 2006 to the following named subsidiaries to allow them to claim exemption from audit.

Hercules (Training) Limited*	(14975482)
Hercules (White Collar) Limited**	(07235347)
Advantage NRG Ltd	(07529509)

* Hercules Site Services (Training) Limited was renamed Hercules (Training) Limited in May 2025.

** Hercules Site Services (White Collar) Limited was renamed Hercules (White Collar) Limited in May 2025.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions. The Group operates from one location but, in the Directors' opinion, has three reportable segments: Labour supply, Civil projects, and Other activities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Revenue

Revenue arises from the provision of construction and civil engineering services under fixed price contracts. Contract duration can vary and can range from the supply of labour only to the provision of fully managed construction and engineering projects. Where variations are requested, prices are agreed as soon as practically possible. Variations are exactly that – changes or additions to initial requests. Discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties are rarely encountered, but if any of them are, they are not material.

To determine whether to recognise revenue, the Group follows the five-step process as set out within IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Certain fixed price contracts span more than one accounting period and can have a duration of more than one year. The Group's accounting policies for these projects require revenue and costs to be allocated to individual accounting periods and the consequent recognition at period-end of contract assets or liabilities for projects still in progress. Management apply judgement in estimating the total revenue and total costs expected on each project. Such estimates are revised as a project progresses to reflect the current status of the project and the latest information available to management. The project teams regularly review contract progress to ensure the latest estimates are appropriate. The carrying amounts of contract assets is stated in note 19.

The key judgements and policies in respect of revenue from the Group's various activities are described further below.

Labour supply

This represents the provision of labour to customers. The amount of revenue is based on agreed contractual hourly rates with customers. The customer simultaneously receives and consumes the benefits provided by the Group's performance under these contracts and the performance obligation (being the provision of labour) is therefore satisfied over time. In most cases, the Group invoices customers monthly in arrears for the hours of labour supplied during that month. Amounts invoiced but unpaid at the balance sheet date are included within trade receivables. In some cases, the monthly invoice will not correspond with a calendar month, and the Group is therefore required to include an amount within contract assets in the Statement of Financial Position, for revenue relating to periods for which labour has been provided but not yet invoiced.

Civil projects

This represents work performed under contracts with customers to undertake construction and/or civil engineering works. These contracts contain several individually identified services. However, the Directors consider that the services being provided are highly interdependent and interrelated and therefore should not be separate performance obligations under IFRS 15. Furthermore, the services provided by the Group either enhance an asset that the customer controls and/or do not create an asset with alternative use to the Group and there is an enforceable right to payment for performance completed to date. The Group therefore considers the delivery under these contracts to be a single performance obligation that is satisfied over time. Each contract has its own assessed view. Contract modifications are recognised when the Group considers that they have been approved. The estimation of final contract value includes the assessment of the recovery of variations, claims, and compensation events. The estimate made is constrained in accordance with IFRS 15 so that it is highly probable not to result in a significant reversal of revenue in the future. Where the change in scope results in an increase to the work to be performed that is distinct and reflects the stand-alone selling price of the good/service, it is treated as a separate contract.

Under these contracts, the Group produces a monthly "application" to the customer detailing the work performed to date and requesting payment accordingly. Within a period of one to two months (in most cases) the customer will confirm agreement to the "application" and remit the necessary funds to the Group. Historically, the Group's experience is that instances of customers materially disagreeing with the "application" are rare and that this is therefore a reliable method by which to recognise revenue earned ("output method"). There have been no new "output" method projects started since March 2021, and internal valuations made under this method in the year ending 30 September 2025 would not change the position in any material way.

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Revenue continued

Civil projects continued

At the balance sheet date, the Group includes a balance in receivables for revenue receivable on contracts based on the work performed. The Group used the output method for all projects still in operation at the end of March 2021 (until those projects are completed), but all new projects since then use the input method, based on costs incurred to date, to estimate the amount of revenue earned and includes an amount in contract assets within receivables. The input method is based on costs incurred at the balance sheet date compared to expected costs to be incurred throughout the life of the contract.

Other

Revenue from the Training Academy is recognised, at a point in time, when the services have been delivered to the end customer. Payment terms are typically 30 days.

Taxation

The tax expense or credit for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge or credit is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom, where the Group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits available to the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply in the period when the liability is settled, or the asset realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax assets and liabilities are only offset against each other when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either (a) the same taxable entity, or (b) different taxable entities which intend to settle these on a net basis, or to realise the assets and settle the liabilities simultaneously.

In the Group's accounts all income taxes are levied by H M Revenue and Customs. Management reviews the offset of deferred tax assets and liabilities to ensure such an offset is appropriate.

Tangible assets

Property, plant, and equipment is stated in the Statement of Financial Position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in its acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Right-of-use assets	
<i>Cars</i>	Straight line over the term of the lease
<i>Vans</i>	10% reducing balance
<i>Property</i>	Straight line over the term of the lease
<i>Plant & Machinery</i>	8.3% reducing balance

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Intangible assets

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses.

Amortisation is charged on brand value and customer contract assets. These arose on the acquisition of Future Build in FY 2024 and Advantage NRG in FY 2025. In the case of both brand value and customer contract assets, these, are being amortised over 10 years, estimated to be their useful economic life.

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately independent cash inflows (CGU). All non-financial assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised for the amount by which the assets or CGUs carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Value in use is assessed by discounting the estimated future cash flows that the asset is expected to generate throughout its useful life.

Discontinued operations

Hercules completed the sale of Hercules (Suction Excavators) Ltd in February 2025. This disposal met the definition of a discontinued operation as stipulated by IFRS 5. (See note 32).

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the underlying contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Most financial instruments are initially recognised at fair value. Trade receivables are held to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15. Financial instruments cease to be recognised at the date when the Group ceases to be party to the contractual provisions of the instrument.

Financial assets are included on the balance sheet as trade and other receivables or cash and cash equivalents. Financial liabilities include borrowings, trade payables and accruals.

(a) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established based on the expected credit loss. The Group applies the IFRS 9 simplified approach to measure expected credit losses that uses a lifetime expected loss allowance for all trade receivables, which are grouped based on shared credit risk characteristics and the days past due. The amount of the provision is recognised in the balance sheet within trade receivables. Movements in the provision are recognised in the profit and loss account in administrative expenses. Any change in their value through impairment or reversal of impairment is recognised in the income statement. Default is defined as non-payment – there is no specific write off policy, but disputes are settled by discussion as is common in the industry.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that have a maturity date of three months or less, are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(c) Borrowings

All borrowings are initially recorded at fair value. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Financial instruments continued

(d) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least 12 months after the reporting date. If there is an unconditional right to defer settlement for at least 12 months after the reporting date, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

(e) Contract assets

A contract asset is recognised within receivables where the Group has earned the right to revenue through performance under contracts. Contract assets are also potentially subject to credit losses and are therefore subject to a provision for expected credit losses in the same way as trade receivables as described above.

(f) Leases

The Group as lessee

Short-term leases (up to one year) or leases of low value (up to £500) are recognised as an expense on a straight-line basis over the term of the lease.

The Group recognises right-of-use assets under lease agreements in which it is the lessee. The underlying assets comprise property, plant and machinery and motor vehicles, and are used in the normal course of business. The right-of-use assets comprise the initial measurement of the corresponding lease liability payments made at or before the commencement day as well as any initial direct costs and an estimate of costs to be incurred in dismantling the asset. Lease incentives are deducted from the cost of the right-of-use asset. The corresponding lease liability is included in the Statement of Financial Position as a lease liability. The right-of-use asset is depreciated on a straight-line or reducing balance basis over shorter of the asset's useful life and the lease term and where impairment indicators exist, the right-of-use asset will be assessed for impairment.

The lease liability shall initially be measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease or, where this cannot be determined, the Group's incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (application of the effective interest method) and by reducing the carrying amount to reflect the lease payments made. No lease modification or reassessment changes have been made during the reporting period from changes in any lease terms or rent charges.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 SUMMARY OF SIGNIFICANT ACCOUNTING CONTINUED

Share-based payment

The Group applies IFRS 2 to share-based payments. The Group operates a share-based payment compensation plan, under which the entity grants key employees the option to purchase shares in Hercules PLC at a specified price maintained for a certain duration. The Group has also issued warrants to certain key suppliers with similar characteristics which are accounted for in the same way as the options.

The fair value of the services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- » including any market performance conditions (e.g. an entity's share price);
- » excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time); and
- » including the impact of any non-vesting conditions (e.g. the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each financial period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity. When the options are exercised, and the Group issues new shares to meet that obligation, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant. 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 period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that could have a significant effect on the amounts recognised in the financial statements are described below. The impact of climate change is at present considered to not be material.

The Group has considered the nature of the estimates involved in deriving balances on long-term contracts, and concluded that it is possible that outcomes within the next financial year may be different from the Group's assumptions applied as at 30 September 2025 and could require an adjustment (but not considered to be material) to the carrying amounts of these assets and liabilities in the next financial year. However, due to the level of uncertainty, combination of cost and income variables and timing across the Group's portfolio of contracts at different stages of their contract life, it is impracticable to provide a quantitative analysis of the aggregated judgements that are applied at a portfolio level.

Key judgements

Lease discount rate

IFRS 16 requires the carrying value lease liabilities and the corresponding right-of-use assets to be calculated using the net present value of future lease payments. This calculation inherently requires a discount rate to be applied, which requires judgement. The Directors have used an average of 6.43% borrowing rate for property leases.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

Key sources of estimation uncertainty

Revenue recognition (Civil projects)

To determine the profit and loss that the Group is able to recognise on its Civil projects in the accounting period, the Group has to estimate the total costs expected to be incurred under each project. While the costs incurred to date are known, the estimation of costs to complete for each project requires judgement. Management assesses the degree of completion by measuring the value of costs incurred as a percentage of the estimated total costs of the project. This is considered the most appropriate measure of completion of projects as revenue is invoiced based on the value of work performed. This represents an “input method” under IFRS 15. Such estimates are revised as a project progresses to reflect the status of the project and the latest information available to management. The project teams regularly review contract progress to ensure the latest estimates are appropriate. Further information is disclosed in note 2 under “Revenue” and the carrying amounts of contract assets are stated in note 6. There will always be some estimation uncertainty in the recognition of revenue owing to the estimate of cost to complete.

The Group recognises recoveries of claims from clients as revenue where clear entitlement has been established, such as through dispute resolution processes. This includes the recovery of costs (such as delays to the contract programme) to the extent it is highly probable not to result in a significant reversal of revenue in the future.

Impairment/amortisation of intangible assets

The group has goodwill arising on a business combination. The group tests annually whether goodwill has suffered any impairment in accordance with the requirements of IAS 36, Impairment of Assets. All acquisitions are assessed for the value of acquired customer contracts, and the Company brand name values (per note 15), and values written down over 10 years. Customer contracts and the brand values are tested annually for impairment, the recoverable amounts have been determined based on value-in-use calculations reported in continuing operations.

Investments

The Company has investments in subsidiaries which are shown at cost, less provisions for impairment. Investments in subsidiaries are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The recoverability of investments is dependent on value-in-use calculations of the Future Build and Advantage NRG businesses and achieving the revenue growth and EBITDA within these forecasts, the actuality of which is not certain. The sensitivities to these cash flows are considered in the impairment of intangible assets (See note 15).

4 EARNINGS PER SHARE

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Basic and diluted		
Profit from continuing operations	595	1,636
Loss from discontinued operations	(662)	(3,307)
(Loss) from all operations	(67)	(1,671)
Basic and diluted weighted average number of shares in issue	79,595,150	64,062,371
Basic and diluted profit/(loss) pence per share:		
Continuing operations	0.75	2.55
Discontinued operations	(0.83)	(5.16)
Loss from all operations	(0.08)	(2.61)

The Group has share options and warrants in issue as disclosed in note 26. There are very few share options in issue that are below the average share price during the year, so after due consideration we are happy the potential shares arising are not dilutive.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 SEGMENTAL REPORTING

The Group's management have identified three continuing operating segments: Labour supply, Civil projects, and Other services. The segments are monitored by the Group's chief operating decision-makers and strategic decisions are made based on the segments' operating results.

Segment information for the year ended 30 September 2025 is as follows:

Continuing operations

	Labour supply £000	Civil projects £000	Other £000	Total £000
Revenue (all from external customers)	106,936	13,554	755	121,245
Cost of sales	(91,566)	(11,038)	(435)	(103,039)
Gross profit	15,370	2,516	320	18,206
Administrative expenses	(3,197)	(1,402)	(477)	(5,076)
Operating profit/(loss) from segments	12,173	1,114	(157)	13,130
Administrative expenses not attributable to segments				(11,284)
Profit from operations				1,846
Finance income				163
Finance costs				(1,459)
Fair value gains				302
Profit before tax				852

Segment information for the year ended 30 September 2024 was as follows:

	Labour supply £000	Civil projects £000	Other £000	Total £000
Revenue (all from external customers)	84,125	17,535	274	101,934
Cost of sales	(72,985)	(13,819)	(157)	(86,961)
Gross profit	11,140	3,716	117	14,973
Administrative expenses	(2,215)	(1,514)	(364)	(4,093)
Operating profit/(loss) from segments	8,925	2,202	(247)	10,880
Administrative expenses not attributable to segments				(7,508)
Profit from operations				3,372
Finance income				59
Finance costs				(1,184)
Profit before tax				2,247

Other services include digital products, health trailer services, Academy training.

6 REVENUE

The total turnover of the Group has been derived from activities wholly undertaken in the United Kingdom, being the operation of construction and engineering contracts, and other services. The Group's revenue from each activity is shown below and is all derived in the United Kingdom.

	2025 £000	2024 £000
Labour supply	106,786	84,125
Civil projects	13,704	17,535
Total from construction services	120,490	101,660
Other	755	274
	121,245	101,934

The Group derives its income from three main activities, all of which are linked to the principal activity of the delivery of construction and civil engineering services, being the provision of labour and services provided under construction and/or civil engineering contracts. These are referred to internally as "Labour supply" and "Civil projects" and "Other", which relates to the Training Academy.

6 REVENUE CONTINUED

Significant customers

In the year ended 30 September 2025, one customer represented 54% (£65.1m) of revenue (2024: one customer 41% (£49.2m)), and another customer represented 11% (£13.0m) of revenue (2024: one customer 9% (£11.1m)). These customers were primarily labour supply customers. No other customers represented more than 8% of revenue in either year.

Contracts with customers

The Group has contract assets relating to revenue earned from the supply of labour and construction services. Due to the nature of this revenue, balances defined as contract assets will vary and depend on the number, timing and nature of the contracts in progress at the balance sheet date. The relevant balances are shown as contract assets in note 19. The decrease in contract assets compared to the prior year represents the decreased level of activity at the year end.

Contract balances

The nature of the Group's revenue recognition is such that the only contract balances arising relate to accrued income, which is shown as a contract asset. The balance at 30 September 2025 was £2.6m (2024: £3.0m).

Significant changes in contract assets

The Group has many contracts for services underway at any point in time, and these are a mix of large and small contracts, generally with monthly invoicing. The level of contract assets therefore fluctuates depending on the mix of contracts and the stage of contract completion at the balance sheet date by reference to costs incurred to date.

7 FAIR VALUE GAINS

	30 September 2025 £000	30 September 2024 £000
Reduction in deferred contingent consideration	302	-

The forecast valuation of the Future Build acquisition required a Group goodwill impairment charge in FY 2025. This impairment is necessary as the current forecast results are not sufficient to avoid the charge.

8 PROFIT FROM OPERATIONS

Operating profit is stated in the income statement after charging:

	Note	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Depreciation - owned assets	17	147	108
Depreciation - right-of-use assets	17	875	833
Loss on disposal of fixed assets	17	41	209
Goodwill Impairment	15	595	-
Amortisation of intangibles		294	33
Research and development costs		80	6

9 AUDITORS' REMUNERATION

No non-audit services have been provided in the year.

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Fees payable to the current auditors for the audit of the group financial statements including subsidiaries	305	121

In addition to the above, the suction excavator business for the four months ending January 2025 was audited by another auditor to the above for £20,000.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 STAFF COSTS

Group

The aggregate employee benefit expenses were as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 Restated £000
Wages and salaries	64,571	43,358
Social security costs	8,068	5,066
Defined contribution pension costs	1,096	671
	73,735	49,095

During the preparation of the financial statements for the year ended 30 September 2025, it was identified that Wages and salaries were not presented inclusive of holiday pay accruals. In order to align the Group and Company accounts, a reclassification adjustment to increase Wages and salaries by £3,262k has been debited, with an equal credit to Cost of Sales. This does not have an impact on the face of the financial statements.

The average monthly number of employees for the Group during the year was as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Site-based operatives	923	635
Administrative and Managerial	142	123
	1,165	758

Company

The aggregate employee benefit expenses were as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 Restated £000
Wages and salaries	57,399	42,054
Social security costs	7,376	4,983
Defined contribution pension costs	1,083	646
	65,858	47,683

The average monthly number of employees for the Company during the year was as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Site-based operatives	869	633
Administrative and Managerial	117	102
	986	735

11 KEY MANAGEMENT REMUNERATION

Key management of the Group are the Directors. Remuneration paid to the Directors (statutory and non-statutory) of the Group by the Group is set out below:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Salaries and benefits	1,775	1,283
Pension contributions	80	81
	1,855	1,364

During the year retirement benefits were accruing to two Directors (2024: two) in respect of defined contribution pension schemes.

Amounts paid to the highest paid Director were as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Salaries and benefits	626	394
Pension contributions	10	10
	636	404

12 FINANCE INCOME AND EXPENSE

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Finance income		
Interest on:		
- Bank deposits	163	59
Total finance income	163	59
Finance expense		
Lease finance costs	236	201
Finance charge unwinding on deferred contingent consideration	189	-
Interest on loans measured at amortised cost	164	49
Invoice discounting interest	870	934
Total finance expense	1,459	1,184

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 INCOME TAXES

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Current tax:		
UK corporation tax	411	-
Adjustments to prior periods	-	53
Total current tax charge	411	53
Deferred tax:		
Origination and reversal of timing differences	105	349
Adjustments in respect of prior periods	(259)	209
	(154)	558
Tax charge on profit on ordinary activities	257	611

Tax on profit on ordinary activities for the year is lower than the standard rate of corporate tax in the UK of 25%, (2024: 25%).

The differences are reconciled below:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Continuing operations		
Profit on ordinary activities before taxation	853	2,247
Tax at the UK rate of 25% (2024: 25%)	213	562
Effect of:		
Expenses not deductible for tax purposes	275	(122)
Fixed asset differences on assets not eligible for capital allowances	57	8
Adjustments in respect of prior periods	(274)	262
Transfer of trade	-	(93)
Group relief	7	(6)
Deferred tax recognised in OCI	(18)	-
Deferred tax movement not recognised	(3)	-
Total tax charge	257	611

14 DEFERRED TAX

Group

Deferred tax balances are analysed as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Deferred tax balances before offset		
Deferred tax liability	(1,999)	(869)
Deferred tax asset	56	119
Total deferred tax liability	(1,943)	(750)
Deferred tax balances after offset		
Deferred tax asset	-	-
Deferred tax liability	(1,943)	(750)

Company

Deferred tax balances are analysed as follows:

	Year ended 30 September 2025 £000	Year ended 30 September 2024 £000
Deferred tax balances before offset		
Deferred tax liability	(556)	(768)
Deferred tax asset	5	4
Total deferred tax liability	(551)	(764)
Deferred tax balances after offset		
Deferred tax asset	-	-
Deferred tax liability	(551)	(764)

The amounts reflect the differences between the carrying and tax amounts of the following balance sheet headings as at each year end.

Credits/(charges) during each year are as follows:

	Tax losses £000	Short-term temporary differences £000	Fixed asset temporary differences £000	Business combinations £000	Total £000
At 1 October 2023 asset/(liability)	3,602	73	(3,833)	-	(158)
Discontinuing operations	(3,163)	-	3,230	-	67
Under provision charged to profit and loss	(439)	(41)	271	-	(209)
Tax credit/(charge) in respect of current year	115	(28)	(437)	-	(350)
Deferred tax on business combinations	-	-	-	(100)	(100)
At 30 September 2024 asset/(liability)	115	4	(769)	(100)	(750)
Under provision charge to profit and loss	-	-	259	-	259
Tax credit/charge in respect of current year	(64)	1	(60)	18	(105)
Deferred tax on business combinations	-	-	-	(1,347)	(1,347)
At 30 September 2025 asset/(liability)	51	5	(570)	(1,429)	(1,943)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 DEFERRED TAX CONTINUED

Deferred tax

Company

All balances represent deferred tax liabilities. There are no deferred tax assets.

The amounts reflect the differences between the carrying and tax amounts of the following balance sheet headings as at each year end.

Credits/(charges) during each year are as follows:

	Tax losses £000	Short-term temporary differences £000	Fixed asset temporary differences £000	Total £000
At 1 October 2023 asset/(liability)	3,602	73	(3,833)	(158)
Discontinuing operations	(3,163)	-	3,230	67
Under provision charged to profit and loss	(439)	(41)	272	(208)
Tax credit/(charge) in respect of current year	-	(28)	(437)	(465)
At 30 September 2024 asset/(liability)	-	4	(768)	(764)
Under provision charge to profit and loss	-	-	267	267
Tax credit/charge in respect of current year	-	-	(54)	(54)
At 30 September 2025 asset/(liability)	-	4	(555)	(551)

15 INTANGIBLE ASSETS

Group

	Brand value £000	Customer contracts £000	Goodwill £000	Total £000
Cost				
As at October 1 2023	-	-	-	-
Arising on business combinations	399	-	1,956	2,355
As at 1 October 2024	399	-	1,956	2,355
Arising on business combinations	3,415	2,097	9,578	15,090
At 30 September 2025	3,814	2,097	11,534	17,445
Amortisation/Impairment				
As at 1 October 2023	-	-	-	-
Charge	33	-	-	33
As at 1 October 2024	33	-	-	33
Charge	154	140	-	294
Impairment	-	-	595	595
At 30 September 2025	187	140	595	922
Net book value				
At 30 September 2024	366	-	1,956	2,322
At 30 September 2025	3,627	1,957	10,939	16,523

Goodwill arose on the acquisitions of Hercules (White Collar) Ltd and Advantage NRG Ltd.

In relation to Advantage NRG Ltd, the Directors have utilised the provisions of IFRS 3 in respect of determining fair values on business combinations provisionally and will adjust goodwill accordingly in the year ended 30 September 2026 for any amounts arising from the finalisation of those fair values within 12 months of the respective acquisitions.

Company

The Company purchased the assets only from QTT in June of 2025. The cost (including an amount of deferred contingent consideration) was £175,000. This has all been treated as purchased goodwill and will undergo annual impairment reviews in the years ahead.

15 INTANGIBLE ASSETS CONTINUED

Impairment testing

The carrying value of goodwill related to the acquisition of Hercules (White Collar) Limited was reduced from £1.96m to £1.36m following the application of the impairment test as required under IAS 36, Impairment of Assets.

The goodwill was tested in a cash-generating unit (CGU) comprising the acquired company only. The recoverable amount of the CGU was measured by reference to its value in use. An initial five-year explicit forecast was prepared and growth after that was restricted to 4.5% and declined over the remaining 10-year expected life.

The key assumptions driving the forecast were revenue growth and gross profit margins. There was a substantial change in the nature of the business because of the increase in employers' National Insurance contributions in the October 2024 UK Government Budget.

This resulted in actual and forecast recruitment of permanent staff reducing significantly whilst actual and forecast recruitment in contract staff has increased. The financial impact has been an increase in forecast revenue growth to 10-20% (2024: 5-10%) but a decrease in forecast gross profit margin to 31-35%. Overall, actual and forecast EBITDA have reduced significantly from those a year ago. The discount rate applied to the forecast cash flows was 19.1% (2024: 18.9%).

16 BUSINESS COMBINATIONS

In June 2025, the Company acquired 100% of the issued share capital of Advantage NRG Ltd.

It also purchased the assets of QTT Ltd but this was immaterial (initial consideration: £100k) so is not disclosed here.

Advantage NRG contributed £9.2m revenue and £1.9m profit after tax to the group's profit on continuing operations for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Fair value £000
Assets and liabilities acquired	
Tangible assets	255
ROU assets	114
Financial assets	5,684
Financial liabilities	(3,434)
Lease liabilities	(122)
Intangible assets – brand value	5,512
Deferred tax provision	(1,347)
Total identifiable assets	6,662
Goodwill	9,403
Total consideration	16,065
Satisfied by:	
Contingent consideration	3,346
Cash consideration	12,719
	16,065
Cash flow analysis:	
Cash consideration	12,719
Less: cash and cash equivalent balances acquired	(933)
Net cash outflow arising on acquisition	11,786

In October 2025 (post year-end) Hercules PLC purchased a 70% shareholding in Lyons Power Services Ltd. Hercules is keen to enter the electrical commissioning market, which is where Lyons operates. The consideration was for £351k in cash. Under IFRS 3, to the extent practicable financial disclosures should be made, the exercise to assess the financial implications remains ongoing.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

17 TANGIBLE ASSETS

Group	Plant and machinery £000	Fixtures & office equipment £000	Right-of-use assets £000	Assets under construction £000	Motor vehicles £000	Total £000
Cost						
At 1 October 2023	378	708	23,246	78	498	24,908
Discontinued operations	(144)	(26)	(14,028)		(272)	(14,470)
Arising on business combinations	-	3	-	-	-	3
Additions	11	219	1,982	180	-	2,392
Disposals	-	-	(2,080)	(78)	(173)	(2,331)
At 30 September 2024	245	904	9,120	180	53	10,502
Arising on business combinations	-	230	124	-	190	544
Additions	26	200	920	-	8	1,154
Disposals	(15)	-	(1,131)	(180)	(88)	(1,414)
At 30 September 2025	256	1,334	9,033	-	163	10,786
Depreciation						
At 1 October 2023	90	404	3,464	-	151	4,109
Charge for the year	16	83	833	-	9	941
Discontinued operations	(12)	(4)	(1,541)	-	(66)	(1,623)
Disposals	-	-	(279)	-	(76)	(355)
At 30 September 2024	94	483	2,477	-	18	3,072
Arising on business combinations	-	33	10	-	131	174
Charge	16	38	875	-	93	1,022
Disposals	(6)	-	(946)	-	(64)	(1,016)
At 30 September 2025	104	554	2,416	-	178	3,252
Net book value						
At 30 September 2025	152	695	6,617	-	70	7,534
At 30 September 2024	151	421	6,643	180	35	7,430
At 30 September 2023	288	304	19,782	78	347	20,799

Certain right-of-use assets are pledged as security on the lease agreements to which they relate.

Disposals during FY 2025

	£000
Cost	1,414
Capital WIP written off	(180)
	1,234
Depreciation	(1,016)
Net book value	218
Proceeds	(177)
Loss on disposal	(41)

17 TANGIBLE ASSETS CONTINUED

Company	Plant and machinery £000	Fixtures & office equipment £000	Right-of-use assets £000	Assets under construction £000	Motor vehicles £000	Total £000
Cost						
At 1 October 2023	378	708	23,246	78	498	24,908
Additions	11	201	393	180	-	785
Disposals	(144)	(34)	(16,166)	(78)	(444)	(16,866)
At 30 September 2024	245	875	7,473	180	54	8,827
Additions	25	196	854	-	8	1,083
Disposals	(15)	-	(1,007)	(180)	(18)	(1,220)
At 30 September 2025	255	1,071	7,320	-	44	8,690
Depreciation						
At 1 October 2023	90	404	3,464	-	151	4,109
Charge for the year	16	79	663	-	9	767
Disposals	(12)	(4)	(1,840)	-	(144)	(2,000)
At 30 September 2024	94	479	2,287	-	16	2,876
Charge	16	92	701	-	4	813
Disposals	(6)	-	(821)	-	(8)	(835)
At 30 September 2025	104	571	2,167	-	12	2,854
Net book value						
At 30 September 2025	151	500	5,153	-	32	5,836
At 30 September 2024	151	396	5,186	180	38	5,951
At 30 September 2023	288	304	19,782	78	347	20,799
Disposals during FY 2025						£000
Cost						1,220
Capital WIP written off						(180)
						1,050
Depreciation						(835)
Net book value						216
Proceeds						(177)
Loss on disposal						(39)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 INVESTMENTS

Company

	As at 30 September 2025 £000	As at 30 September 2024 £000
At 1 October 2024	2,570	–
Hive down from Company	–	2,088
New investments in the year	15,541	2,570
Capital contribution	–	2,504
Impairment charge	(668)	(2,000)
Disposal group assets held-for-sale	–	(2,592)
At 30 September 2025	16,443	2,570

Details of undertakings

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital are given below. All subsidiaries are 100% owned in both current and prior year unless otherwise stated. See disclosure below table for registered addresses of UK entities.

Undertaking	Country	Holding	Company number
Subsidiary undertakings			
Hercules (White Collar) Limited*	England and Wales	Ordinary	07235347
Hercules (Training) Limited	England and Wales	Ordinary	14975482
Advantage NRG Ltd	England and Wales	Ordinary	07529509

The registered address for all subsidiaries registered in England and Wales is, Hercules Court, Broadway Lane, South Cerney, Cirencester, GL7 5XZ.

* Hercules PLC owns 60% of the share capital in Hercules (White Collar) Limited at 30 September 2025. However, in the accounts they are treated as 100%, due to the partnership agreement having put and call share options for the minority shareholding, and this is treated as deferred contingent consideration.

19 TRADE AND OTHER RECEIVABLES

Group	As at 30 September 2025 £000	As at 30 September 2024 £000
Amounts falling due within one year:		
Trade receivables	13,506	11,080
Other receivables	128	–
Contract assets	2,544	2,957
Prepayments and accrued income	6,614	5,445
	22,792	19,482
Company		
Amounts falling due within one year:		
Trade receivables	9,689	10,842
Other receivables	4	14
Contract assets	2,537	2,957
Prepayments and accrued income	4,551	5,324
	16,781	19,137

19 TRADE AND OTHER RECEIVABLES CONTINUED

Expected credit loss provision

Trade and other receivables and contract assets above are stated net of expected credit loss (ECL) provisions where necessary, which are calculated using the simplified approach grouping trade receivables and contract assets on the basis of their shared credit risk characteristics.

Trade receivables are regularly reviewed for bad and doubtful debts. The Group's policy is to include a provision for impairment based on estimated credit losses. This includes an assessment where relevant of forward-looking information on macroeconomic factors that may affect the ability of customers to settle receivables. Trade receivables are written off where there is no reasonable expectation of recovery, for example where the customer has entered insolvency proceedings or where a customer has failed to make contractual payments for an extended period. As part of this assessment, the Group also considers the likelihood of any credit losses occurring in future based on previous experience and knowledge of the respective customers.

Trade and other receivables are all current and any fair value difference is not material. Trade and other receivables are assessed for impairment based upon the expected credit losses model. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The Group believe the credit risk attached to its customer base is minimal, however at 30 September 2025 an amount of £52k was included as an ECL provision (FY 2024: £17k). This was based on an analysis of customers and debt ageing.

In addition to any provisions required for ECL, the Group also includes a provision against trade receivables and contract assets for disputed items. During the year ended 30 September 2025 the Group recorded a debit to the income statement of £129k in respect of changes in the dispute provision (2024: credit of £72k).

As at 30 September 2025 the balance of the dispute provision was £227k (2024: £98k).

In addition to this, a further £205k was provided for in relation to possible future commercial contract repayments. The maturity analysis of trade receivables (stated gross of provisions) is shown below:

	< 1 month £	1-2 months £	2-3 months £	> 3 months £	Total £
30 September 2025	11,139	3,376	674	(1,683)	13,506
30 September 2024	5,162	4,939	1,546	(567)	11,080

The expected credit loss rate on all ageing columns above has been assessed as being immaterial.

20 TRADE AND OTHER PAYABLES

	As at 30 September 2025 £000	As at 30 September 2024 £000
Group		
Amounts falling due within one year:		
Trade payables	950	969
Social security and other taxes	5,643	5,301
Other payables	7,074	4,554
Accrued expenses	3,704	931
	17,371	11,755
	As at 30 September 2025 £000	As at 30 September 2024 £000
Company		
Amounts falling due within one year:		
Trade payables	873	888
Social security and other taxes	4,731	5,217
Other payables	6,003	4,534
Accrued expenses	1,546	887
	13,153	11,526

Trade payables are all current and any fair value difference is not material.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21 LOANS AND BORROWINGS

Group	As at 30 September 2025 £000	As at 30 September 2024 £000
Included within current liabilities		
IGF Invoice Discounting Facility	6,121	7,295
Included within non-current liabilities		
Wasdell Holdings Ltd Loan	6,000	-
Company	As at 30 September 2025 £000	As at 30 September 2024 £000
Included within current liabilities		
IGF Invoice Discounting Facility	6,121	7,295
Included within non-current liabilities		
Wasdell Holdings Ltd Loan	6,000	-

The Group and Company

The IGF Facility is a revolving facility with a three-year term, is secured on trade receivables and attracts interest at a rate of 2.75% over base rate. The facility is currently capped at £16m but can be increased as the business grows.

The Loan from Wasdell Holdings Ltd commenced June 2025 and runs until June 2028. It is an interest only loan (8%) but can be repaid at any time with any number of payments. This was provided (at "arm's length") by Wasdell Holdings Ltd ("Wasdell"), a related party (the Company's Non-Executive Director Martin Tedham is the owner of Wasdell).

22 LEASES

The Group leases certain vehicles, properties and items of plant and machinery. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset (note 17) and a lease liability.

The Group had recognised 66 vehicle leases in 2024 (2024: 43), 10 plant and machinery leases (2024: 57) and five property leases (2024: six)

All future cash flows are included. The property leases are subject to rent reviews every five years. The nature of the rent reviews is such that annual rentals are adjusted to prevailing market rates unless that would lead to a reduction. In accordance with IFRS 16, any future increases in annual rentals arising from rent reviews are not included in the calculation of the lease liabilities. Any future increases in annual rentals will result in prospective adjustments to the lease liabilities at the point of the rent review.

Amounts recognised in the Statement of Financial Position relating to leases, categorised by underlying type of asset, are:

Group

	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Net book value				
At 1 October 2023	4,986	12,723	2,073	19,782
New leases recognised in the year	1,575	-	407	1,982
Discontinued operations	(1,320)	(11,004)	(164)	(12,488)
Leases terminated in the year	(1,130)	(587)	(84)	(1,801)
Depreciation charge for the year	(329)	(94)	(410)	(833)
At 30 September 2024	3,782	1,038	1,822	6,642
New leases recognised in the year	139	494	411	1,044
Leases terminated in the year	(11)	(182)	(1)	(194)
Depreciation charge for the year	(331)	(106)	(438)	(875)
At 30 September 2025	3,579	1,244	1,794	6,617

22 LEASES CONTINUED

Group continued

Maturity analysis

	As at 30 September 2025 £000	As at 30 September 2024 £000
Due within one year	1,221	1,455
Due within two to five years	1,959	1,998
Due after five years	3,083	3,099
Future finance charges	(1,255)	(1,179)
	5,008	5,373

The face of the balance sheet of the group has been restated as the current and non-current balances had been transposed within the FY 2024 accounts. The notes to the financial statements have not been amended as they were presented correctly in FY 2024.

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	2025 £000	2024 £000
Depreciation charge of right-of-use asset	1,639	833
Interest expenses (within finance costs)	236	250
	1,875	1,083

Amounts recognised in the Statement of Cash Flows

The Statement of Cash Flows shows the following amounts relating to leases:

	2025 £000	2024 £000
Net cash outflows	1,430	1,522

Low value leases and short-term leases

The Group has no leases for which the low value or short-term exemptions of IFRS 16 has been applied.

Company

	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Net book value				
At 1 October 2023	4,986	12,723	2,073	19,782
New leases recognised in the year	10	-	382	392
Discontinued operations	(1,320)	(11,004)	(164)	(12,488)
Leases terminated in the year	(1,136)	(587)	(114)	(1,837)
Depreciation charge for the year	(178)	(94)	(391)	(663)
At 30 September 2024	2,362	1,038	1,786	5,186
New leases recognised in the year	25	494	343	862
Leases terminated in the year	(11)	(182)	(1)	(194)
Depreciation charge for the year	(182)	(106)	(413)	(701)
At 30 September 2025	2,194	1,244	1,715	5,153

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 LEASES CONTINUED

Company continued

Maturity analysis

	As at 30 September 2025 £000	As at 30 September 2024 £000
Due within one year	886	1,055
Due within two to five years	1,330	1,422
Due after five years	1,810	2,004
Future finance charges	(542)	(601)
	3,484	3,880

The face of the balance sheet of the group has been restated as the current and non-current balances had been transposed within the FY 2024 accounts. The notes to the financial statements have not been amended as they were presented correctly in FY 2024.

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	2025 £000	2024 £000
Depreciation charge of right-of-use asset	701	663
Interest expenses (within finance costs)	134	147
	835	810

Amounts recognised in the Statement of Cash Flows

The Statement of Cash Flows shows the following amounts relating to leases:

	2025 £000	2024 £000
Net cash outflows	1,215	1,259

Low value leases and short-term leases

The Company has no leases for which the low value or short-term exemptions of IFRS 16 has been applied.

23 FINANCIAL INSTRUMENTS

	As at 30 September 2025 £000	As at 30 September 2024 £000
Group		
Financial assets held at amortised cost:		
Trade receivables	13,506	11,080
Other receivables	128	-
Cash and cash equivalents	7,247	6,393
	20,881	17,473
	As at 30 September 2025 £000	As at 30 September 2024 £000
Group		
Financial liabilities held at amortised cost:		
Bank borrowings	12,121	7,295
Trade payables	950	969
Other payables	7,074	4,554
Accrued expenses	3,704	931
Lease liabilities	5,008	5,373
	28,857	19,122

23 FINANCIAL INSTRUMENTS CONTINUED

Company	As at 30 September 2025 £000	As at 30 September 2024 £000
Financial assets held at amortised cost:		
Trade receivables	9,689	10,842
Other receivables	4	14
Cash and cash equivalents	4,760	6,163
	14,453	17,019
Company	As at 30 September 2025 £000	As at 30 September 2024 £000
Financial liabilities held at amortised cost:		
Bank borrowings	12,121	7,295
Trade payables	873	888
Other payables	6,003	4,534
Accrued expenses	1,546	887
Lease liabilities	3,484	3,880
	24,027	17,484

24 FINANCIAL RISK MANAGEMENT

The Group uses various financial instruments. These primarily include bank borrowings, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

a) Market risk

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk.

Exposure to interest rate risk is considered further below. There is no exposure to currency risk as the Group operates entirely with the United Kingdom and all transactions are denominated in Pounds Sterling.

Interest rate risk is limited to interest paid on the Group's variable rate bank borrowings and interest received on cash deposits. Due to the relatively low level of borrowings and the low rates of interest on cash deposits, the impact of any changes in interest rate is not considered significant.

A change in interest rates of 1% would add additional cost of between £65,000 and £100,000 per year depending on the likely average level of the use of the invoice discounting facility.

b) Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing its cash balance. The Group has significant levels of cash reserves available and continues to generate profit before taxation. In this context, liquidity risk is therefore considered to be low.

The Group's borrowing facilities are continually monitored against forecast requirements and timely action is taken to put in place, renew or replace credit lines.

A new invoice discounting facility was implemented in November 2023, with an initial cap of £15m (now increased to £16m). The only relevant covenant is the Group needs to keep a minimum headroom of £0.5m.

The Group acquires items of property, plant, and equipment on lease agreements where appropriate to assist in managing liquidity risk by avoiding the depletion of cash on large capital purchases. The Group also manages its liquidity needs by carefully monitoring cash outflows due on a day-to-day basis.

The Group's financial liabilities comprise bank borrowings, trade payables, other payables, accruals, amounts due to related parties and lease liabilities. The maturity of lease liabilities is disclosed in note 22 above. All other financial liabilities are expected to be settled within 12 months of the balance sheet date.

Where the balances are due within 12 months the contractual undiscounted cash flow is considered to be their carrying value as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

24 FINANCIAL RISK MANAGEMENT CONTINUED

c) Interest rate risk

Interest rate risk is limited to interest paid on the Group's variable rate bank borrowings and interest received on cash deposits. Due to the relatively low level of borrowings and the low rates of interest on cash deposits, the impact of any changes in interest rate is not considered significant.

d) Credit risk

The Group's principal financial assets are cash and trade receivables. Credit risk is also attached to contract assets that represent accrued income. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Debt levels with all customers are closely monitored, and a process involving informal and then formal communications is used where payments are delayed. New customers are carefully assessed using the usual credit risk agencies.

Credit losses in the last two years incurred by the Group have consequently been immaterial.

Notwithstanding the lack of historical credit losses, the Group maintains a provision against receivables. However, this is not necessarily linked to credit risk, and the ageing of receivables is not the most relevant indicator to determine the potential impairment of a receivable. The nature of the Group's operations is such that misunderstandings or minor disagreements may arise during contracts, which may sometimes require an adjustment to be made to achieve settlement.

Further details regarding expected credit losses can be found in note 19.

Capital management

The Group's capital comprises total equity and net debt. The Group's capital management objectives are:

- » To ensure its ability to trade as a going concern; and
- » To provide an adequate return to shareholders.

The Group monitors capital based on the carrying amount of equity and net debt. Adjustments are made as necessary based on the Directors' assessment of the needs of the business and external factors such as the Group's industry and the wider economy. The Group has traded profitably and therefore generally levels of debt have been low. More recently, a revolving credit facility has been increased to assist with working capital.

The Group's gearing has therefore reduced considerably. The group raised further equity in September/October of 2024 from several key new strategic investors.

The Directors are able to maintain and adjust the capital structure by adjusting dividends, issuing new shares or selling assets to reduce debt.

A summary of the Group's gearing is shown below.

	30 September 2025 £000	30 September 2024 £000
Total equity	12,194	11,708
Net debt	9,882	6,275
Total capital	22,876	17,983
Gearing ratio (net debt/capital)	45%	35%

25 SHARE CAPITAL

Issued capital

	As at 30 September 2025 £000	As at 30 September 2024 £000
Allotted, called up and fully paid		
Ordinary shares of 0.01p each	79	75
Basic and diluted weighted average number of shares in issue	79,619,628	64,062,371

Share rights

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

In October 2024, another tranche of 4,467,215 new ordinary shares of 0.1p each were issued by the Group: Gross consideration of £2,211k, which amounted to £2,037k after issue costs.

Share premium represents the amount raised on the proceeds of share issues in excess of the par value of those shares, net of issue costs.

The share-based payment reserve represents the accumulated entries to equity arising from the recognition of share-based payments in accordance with IFRS 2.

Retained earnings represent the accumulated profits and losses of the Group, less distributions, and similar items, since its incorporation.

26 SHARE-BASED PAYMENTS

Since the Company's flotation on the AIM Market of the London Stock Exchange on 4 February 2022, a number of share options and warrants have been granted to employees and others. During the year a further 300,000 options were issued as set out further below.

The number of options and warrants granted is shown in the table below.

	Options		Warrants	
	Number	Weighted average exercise price	Number	Weighted average exercise price
At 1 October 2024	3,425,754	48.8p	716,379	50.5p
Issued on 7 March 2025	300,000	45.0p	-	-
At 30 September 2025	3,725,754	48.5	716,379	50.5p

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

26 SHARE-BASED PAYMENTS CONTINUED

Options

The weighted average remaining contractual life of the share options outstanding at 30 September 2025 was one year and 10 months. The options have a fixed exercise price based on the market price at the time of grant.

The options may be exercised between 4 February 2027 and 7 March 2030. No specific criteria is involved other than to be on the payroll for the period up to the start of the expected life of the options (see below). Any option holder leaving the employment of the Group before then forfeits the options. The issue of these options is not part of the remuneration package for the individuals concerned.

The fair value of the options is estimated at the grant date using a Black-Scholes option-pricing model that uses assumptions noted in the table below. All options were valued using the following assumptions:

Date of grant of option	7 March 2025	14 Feb 2024	4 Feb 2023	4 Feb 2022
Expected life of options (years)	5 years	5 years	5 years	5 years
Exercise price	45.0p	35.4p	56.5p	50.5p
Market value of share at date of grant	47.5p	35.4p	56.5p	50.5p
Risk-free rate	4.14%	3.97%	3.15%	1.43%
Expected share price volatility	37%	57%	42%	20%
Expected dividend yield	2.2%	2.5%	6.31%	3.36%
Fair value per option	14.40p	14.31p	9.20p	5.18p
Total fair value of options	£35,000	£56,000	£27,000	£121,000
Charged to profit and loss in year	£23,508	£7,760	£6,747	£24,298

Expected life of options

The expected life of the options was estimated based on the average of the minimum and maximum life under the option agreements respective.

Risk-free rate

A risk-free rate of 4.14% (2024 options: 3.97%) was assumed in the option pricing model, based on the yield from dividend strip government bonds with a similar life to the options issued as close as possible to date of grant.

Dividend yield

This is based on the level of dividends paid by Hercules PLC since testing.

Exercise price

The exercise price was fixed at the market price at the date of grant.

Volatility

Volatility was based on the share price of Hercules PLC. The Directors consider this the most appropriate method of assessing expected volatility as there is no comparable listed Group from which to draw data. Taking into account factors such as liquidity and performance, this is expected to be a reasonable reflection of the expected volatility throughout the expected life of the options.

The cost relating to each tranche that has been charged to profit and loss and was included in staff costs. The total fair value of the options as shown above is being spread over the vesting period of five years in each case.

26 SHARE-BASED PAYMENTS CONTINUED

Warrants

The weighted average remaining contractual life of the warrants outstanding at 30 September 2025 was nine months. The warrants have a fixed exercise price based on the market price at the date of the Company's flotation on the Alternative Investment Market.

The warrants may be exercised at either 4 February 2026 or 11 February 2027.

The fair value of the warrants is estimated at the grant date using a Black-Scholes option-pricing model that uses assumptions noted in the table below.

Date of grant of warrant	4 Feb 2022	11 Feb 2025
Expected life of options (years)	5 years	2 years
Exercise price	50.5p	50.5p
Market value of share at date of grant	50.5p	53.0p
Risk-free rate	1.43%	4.14%
Expected share price volatility	20.0%	37%
Expected dividend yield	3.36%	2.20%
Fair value per option	3.29p	8.54p
Total fair value of options	£24,000	£25,000
Charged to profit and loss in year	£4,902	£7,760

Expected life of warrants

The estimate for the expected life of the warrants is based on the warrant's contractual life.

Risk-free rate

Risk-free rates assumed in the option-pricing mode are based on the yield from dividend strip government bonds with a similar life to the options issued as close as possible to date of grant.

Dividend yield

This is based on the level of dividends paid by Hercules PLC in the year.

Exercise price

The exercise price was fixed at the market price at the date of grant, being 50.5p.

Volatility

Volatility was assumed to be 20% on average for the first tranche of warrants issued. The Directors based this assumption on the share price of Hercules PLC throughout the year. Taking into account factors such as liquidity and performance, this was expected to be a reasonable reflection of the expected volatility throughout the expected life of the options. The volatility for the second tranche of warrants issued (February 2025) is based on the Company's share price history since flotation in February 2022.

The cost that has been charged to profit and loss in respect of share options was £23,508, and £7,760 in respect of share warrants. The charges were included within administrative expenses.

27 DEFINED CONTRIBUTION PENSION SCHEME

The Group operates a defined contribution pension scheme. The pension cost charge for the year represented contributions payable by the Group to the scheme and amounted to £906k (2024: £553k). Contributions totalling £36k (2024: £55k) were payable to the scheme at the end of the year and are included in other payables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28 RELATED PARTY TRANSACTIONS

Ultimate controlling party

The ultimate Parent Company is Hercules PLC.

At 30 September 2024 Hercules Real Estate Ltd held 47.7% of the shares, as such there was no overall controlling party. At 30 September 2025 Hercules Real Estate Ltd held 44.5% of the shares.

Key management personnel compensation

Key management personnel remuneration has been set out in note 11 to the financial statements.

Transactions between key shareholder and subsidiary

The following transactions occurred between Hercules Real Estate Limited (HRE) and Hercules PLC, and Wasdell Holdings and Hercules PLC.

	2025 £000	2024 £000
Lease payments (PLC to HRE)	194	565
Lease liability between PLC and HRE as at 30 September	2,307	5,152
Loan interest payments paid to Wasdell by PLC	145	-

Outstanding balances arising from sales/purchases of goods and services

The £6m loan made by Hercules PLC's Non-Executive Director, Martin Tedham, who is a related party owning more than 10% of the Company's shares, is still outstanding transactions at 30 September 2025.

29 CAPITAL COMMITMENTS

At 30 September 2025, the Group had orders committed to a value of £125k (2024: £159k).

30 POST BALANCE SHEET EVENTS

Due to our continuing acquisition activity and investments into our systems to support the continued growth of the business, no final dividend will be paid in respect of FY 2025 (1.12p FY 2024). The Board will keep the Company's dividend policy under review.

The Board of Advantage NRG agreed to pay a dividend of £2.5m to the Company on 26 January 2026.

The Company acquired 70% of Lyons Power Services Ltd in October 2025, in a partnership arrangement similar to that which the Group has with Future Build Recruitment Ltd.

31 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

The Company sold its suction excavator services business in February 2025. This disposal meets the definition of a discontinued operation as stipulated by IFRS 5.

The results of the suction excavator services discontinued operation are presented below:

	At Disposal £000	2024 £000
Assets		
Tangible assets	9,276	10,016
Inventories	74	71
Trade & Other receivables	1,348	1,445
Cash & cash equivalents	328	301
Assets held for sale	11,026	11,833
Liabilities		
Deferred tax	94	(67)
Trade & other payables	(268)	(293)
Borrowings	-	125
Lease liabilities	(8,842)	(9,365)
Liabilities held for sale	(9,016)	(9,600)
Net assets held for sale	2,010	2,233
Disposed of	(2,010)	-
Book value	-	2,233

The post-tax loss on disposal of the discontinued operation was determined as follows:

Book value on sale	2,010	
Inter-group profit elimination	(147)	
Proceeds of sale	(1,789)	
Net loss on sale	(74)	
Trading loss during the period October 2024 to January 2025	(588)	
Loss for the year from selling discontinued operations after tax	(662)	(3,307)

32 ULTIMATE PARENT AND CONTROLLING PARTY

There is deemed to be no controlling party of Hercules PLC.

At 30 September 2024 Hercules Real Estate Ltd held 47.7% of the shares, as such there was no overall controlling party. At 30 September 2025 Hercules Real Estate Ltd held 44.5% of the shares.

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