



# NEXUS

Essential infrastructure services

## Building Bright Futures

Annual report and financial  
statements 2020

# Welcome to the Nexus Infrastructure plc Annual report 2020

Nexus is Building Bright Futures through the provision of essential infrastructure services.

**NEXUS**  
Essential infrastructure services

## Our capabilities:

Civil Engineering

Utilities

Smart Energy



Find out more online at  
[www.nexus-infrastructure.com](http://www.nexus-infrastructure.com)

## Our highlights

A strong balance sheet supports recovery after a challenging year.

### Financial highlights

Revenue (£m)	Adjusted operating profit <sup>1</sup> (£m)	Operating profit (£m)	Earnings per share (basic) (p)
<b>£125.7m</b>	<b>-£1.9m</b>	<b>-£2.5m</b>	<b>-5.9p</b>
2019: £155.1m	2019: £6.0m	2019: £6.0m	2019: 11.0p
-18.9%	-131.3%	-141.8%	-153.6%
Order book (£m)	Cash and cash equivalents (£m)	Dividend (p)	
<b>£282.0m</b>	<b>£32.1m</b>	<b>0.0p</b>	
2019: £338.9m	2019: £27.4m	2019: 6.6p	
-16.8%	+17.4%	-100.0%	

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## Operational highlights

### Overall revenue reduction due to impact of Covid-19 after a strong first half

- All businesses recorded revenue growth in H1 prior to the significant impact of the Covid-19 pandemic
- Group revenue reduced by 18.9% to £125.7m (2019: £155.1m)
- Revenue growth for our Smart Energy business, eSmart Networks, as the UK EV infrastructure market takes off

### Order book remains robust

- Order book reduced by 17% but remains strong overall at £282.0m (2019: £338.9m) providing good revenue visibility
- Civil engineering business Tamdown order book at £92.8m (2019: £151.6m), impacted by short-term cautiousness by customers regarding Brexit negotiations and Covid-19
- Utilities business TriConnex order book at £185.4m (2019: £184.8m) was resilient, driven by the up-front, mission-critical nature of securing utility network connections

- Smart Energy business eSmart Networks order book growth of 52% to £3.8m (2019: £2.5m) driven by increased demand for electric vehicles ("EV") and associated supporting infrastructure

### Balance sheet strength

- Cash and cash equivalents up 17.4% to £32.1m at year end (2019: £27.4m)
- Strength of balance sheet underpins growth strategy and future profitability

<sup>1</sup> Adjusted operating profit is operating profit excluding the impact of exceptional items.

# At a glance

Nexus Infrastructure provides Civil Engineering, Utilities and Smart Energy services through three separately managed and operated businesses.

## Our capabilities

### Civil Engineering

Tamdown, our civil engineering business, provides a range of specialised infrastructure and engineering services to the UK housebuilding and commercial sectors.

Services include earthworks, building highways, substructures and basements, installing drainage systems, as well as high-rise construction. The business has a well-established market position having been in operation for over 40 years and works with the majority of the top ten largest UK housebuilders. Tamdown's operations are focused on the South East of England and London.

Read more on pages 22 to 25



## Key performance indicators



**Plot completions**

(#)

**1,292** (2019: 2,080)



**Current sites**

(#)

**52** (2019: 54)



**Plot commencements**

(#)

**1,228** (2019: 2,052)



**Accident Incident Rate**

(Ind. average # - 330 (2019: 366))

**111** (2019: 302)

### Utilities

TriConnex, our utilities business, designs, installs and connects gas, electricity, water, fibre networks and electric vehicle charging infrastructure on new residential developments.

Working with developers and contractors, the business offers end-to-end solutions with the goal of being recognised as the UK's leading independent provider of utility connections to new developments. TriConnex's current areas of operation include the South East, the Midlands and the South West of England.

Read more on pages 26 to 29



**Customers**

(#)

**125** (2019: 111)



**Projects in order book with water, fibre or EV charging (%)**

**85%** (2019: 66%)



**Plot connections**

(#)

**19,311** (2019: 18,975)



**Accident Incident Rate**

(Ind. average # - 330 (2019: 366))

**0** (2019: 0)

### Smart Energy

eSmart Networks, our smart energy business, provides public electric vehicle charging and smart energy infrastructure.

The business was created in late 2017 to respond to the UK's need for charging infrastructure as the transition to electric vehicles gathers pace, alongside the need for smart energy solutions. Delivering both complex and straightforward schemes for customers across the UK, the business is well placed as the market acceleration continues, underpinned by Government initiatives.

Read more on pages 30 to 33



**Chargers connected**

(#)

**110** (2019: 104)



**Enquiries received**

(£m)

**50.3** (2019: 27.9)



**Chargers in pipeline**

(#)

**188** (2019: c.75)



**Accident Incident Rate**

(Ind. average # - 330 (2019: 366))

**0** (2019: 0)

## Covid-19 response

# NEXUS

Essential infrastructure services

### Rapid response to Covid-19

- Quick, decisive and strong action was taken at a Group and divisional level to minimise disruption caused by Covid-19 and ensure Nexus remains in a good position to take advantage of growth opportunities
- Sites closed across Tamdown and TriConnex from April during initial lockdown, with some eSmart Networks projects deferred
- Business restructuring swiftly commenced allowing the Group to adapt to the new operating environment

### Our people

- Focus on safety and wellbeing of all employees with the introduction of Covid-related health and safety protocols and operating procedures on all our sites
- Working from home introduced for all office roles to help ensure the safety of our people and their families
- Ongoing mental health support offered through in-house wellbeing champions, circulation of advice and available helplines
- Regularly updated guidance provided for line managers to help in dealing with their teams and the changing regulations regarding furlough and other factors
- Extensive communications programme to ensure our people were kept up to date and felt connected to their peers, managers and the wider team wherever they were working

### Our financial position

- Worked hard to protect the future of Nexus, cutting non-essential capital expenditure and managing the cost base
- £10m of equity raised in June 2020, prior to fees, has helped to provide further financial security alongside the support of our bank with renegotiated banking covenants
- Financial strength will allow Nexus to emerge from the crisis in a competitive position
- With the support of our shareholders we have managed to maintain our strong balance sheet, which includes cash and cash equivalents of £32.1m, enabling Nexus to be run for long-term growth

### Our customers

- Given the pandemic and changing guidelines, Nexus worked in partnership with its customers to deliver their schemes
- Detailed risk assessments put in place to control risk from Covid-19 for our own and customer operatives
- Pre-ordering of key materials to ensure we delivered for our customers
- Regular communication with customers on their plans and approach, best practice and required Covid-19 procedures on-site to ensure appropriate and safe delivery levels
- Ensured appropriate staff resource levels in line with developer and other customer demand

### Our communities

- Continued partnership with Mates in Mind to promote and support mental health and wellbeing during the pandemic
- Ongoing availability of the Nexus volunteering scheme, including enabling people on furlough to use their time to volunteer
- Supply and delivery from our own stock of PPE, such as masks, to local hospitals

### Our partners

- Worked closely with partners to ensure controlled wind-down of operations and commitment to pay suppliers
- Continued communication with partners to ensure cohesive action where needed
- Buying and plant teams focused on effective supplier partnerships
- Appropriate resource supply managed through different stages of the pandemic



## Chairman's statement



A strong balance sheet to aid recovery.

**Geoff French CBE**  
Non-Executive Chairman

### Review of the year

- Strong first half across the Group
- Revenue in second half significantly impacted by Covid-19
- Operating loss of £2.5m
- Strong balance sheet with net cash of £19.2m
- Well positioned to execute growth strategy

### Overview of the year

The Nexus business model delivers Civil Engineering, Utilities and Smart Energy services to a broad range of customers and has well-established customer relationships and active engagement with all its stakeholders. The Group comprises: Tamdown's well-established market position as a leading provider of essential civil engineering infrastructure services to the UK's largest housebuilders; TriConnex's growing utilities connection business; and eSmart Networks, which is becoming a market leader in the provision of electric vehicle charging infrastructure, battery storage and connections to renewable energy sources.

Prior to the impact of the pandemic the Group had recorded year-on-year revenue growth of 18.5% and operating profit growth of 19.6% for the first half of the year. Trading in the second half of the year has been severely impacted by Covid-19. The majority of sites were reopened by July and the recovery in activity levels since then has been encouraging, but significantly lower than the first half of the year.

Of our three businesses, our civil engineering business Tamdown has been most impacted by the continued uncertain macroeconomic backdrop and the implementation of additional health and safety procedures to mitigate the risks of Covid-19 transmission. This lower level of activity during the Group's traditionally busy trading period has, as expected and previously announced, resulted in the Group being loss-making in the second half of the year.

The Group reported revenue for the year of £125.7m (2019: £155.1m). Revenue for Tamdown decreased to £85.8m (2019: £112.2m) due to the closure of all its sites in April followed by only a gradual reopening of sites with additional health and safety procedures. TriConnex revenue for the year totalled £39.1m (2019: £41.8m). In the second half of the year, TriConnex saw its activity levels recovering to pre-Covid-19 levels and revenues reverting to normal levels. eSmart Networks' performance reflected the fact that it continues to scale up and establish itself within the growing EV and renewable energy markets.

The Group's order book has reduced by 17% year-on-year but remains strong overall at £282.0m (2019: £338.9m). The reduction was principally driven by Tamdown where the order book decreased to £92.8m (2019: £151.6m) as a result of customers taking a more cautious approach to starting new sites given the impact of Covid-19, Brexit uncertainty and the end of the

temporary stamp duty holiday. TriConnex's performance has been resilient and in line with expectations with the order book, ending the year at £185.4m (2019: £184.8m). This represents a good performance by TriConnex, driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress in line with expectations, with the order book up 52% to £3.8m (2019: £2.5m) driven by increased demand for electric vehicles and associated supporting infrastructure.

The Group took significant and immediate actions to implement new health and safety protocols to ensure that all of our employees, as well as our customers and partners, could work safely. To mitigate the financial impact of the pandemic we furloughed up to 87% of the workforce during the height of the lockdown, limited non-essential expenditure and for a time put in place Group-wide salary reductions, with Directors and senior management taking the largest percentage cuts. The lower levels of activity expected with Tamdown resulted in the need to reorganise the business and implement a redundancy programme, which was completed in September 2020.

As expected, the lockdown and subsequent recovery impacted civil engineering delivery more adversely than utility and smart energy connections.

The overall operating loss for the year recorded by Tamdown, along with the depressed results of TriConnex and eSmart Networks, has resulted in the Group recording an operating loss before exceptional items for the year of £1.9m (2019: profit £6.0m). Exceptional items totalling £0.6m relate to restructuring costs. The operating loss for the year totalled £2.5m (2019: profit £6.0m). The loss for the year attributable to equity holders of the parent company equated to £2.4m (2019: profit £4.2m). The basic loss per share was 5.9p per share (2019: earnings 11.0p per share).

The Group was strongly supported by shareholders in June 2020 through a placing of new shares, which raised gross proceeds of £10.0m and has helped to maintain a strong balance sheet and continued high cash and cash equivalents balance of £32.1m (2019: £27.4m), resulting in a net cash balance (after bank borrowings and lease obligations) of £19.2m (2019: £18.0m).

### Returns to shareholders

The pandemic has created economic uncertainty and continues to impact the short to medium-term trading environment. Accordingly, the Group is prioritising the maintenance and sustainability of its strong balance sheet. As a result, the Group will not pay a dividend in respect of the financial year ended 30 September 2020. The Board hopes to recommence paying dividends in the current financial year dependent upon the timing of the return of a more stable trading environment.

### Board and governance

There have been no changes to the Board during the year. The Board consists of six members, including four Non-Executive Directors and two Executive Directors. In line with the QCA Corporate Governance Code (the "QCA Code"), the Board has reviewed the independence of the Non-Executive Directors and considers all the Non-Executive Directors to be independent.

### People

A primary driver of the Group's success is the team of highly skilled, driven and loyal employees across the businesses. Nexus places great importance on engaging with and developing its employees and providing a platform for personal growth and successful career development. The Board is very proud of how our people have responded and adapted to the changes required due to the pandemic. On behalf of the Board, I would like to congratulate and thank them for their continued hard work and dedication.

### Stakeholder engagement

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

### Outlook

Looking ahead, whilst there is continued economic and political uncertainty, the fundamental market growth drivers for our business are positive, underpinned by Government stimulus for both housing, renewable energy and electric vehicles. Provided that trading conditions remain stable, our continued focus on the customer, an increased concentration on efficiency, a strong order book and a healthy balance sheet support the Board's confidence in the prospects for the Group in the coming years.

**Geoff French**  
Non-Executive Chairman  
11 December 2020

# Q&A with Mike Morris, CEO of Nexus Infrastructure



We are focused on leveraging our market-leading positions to take advantage of the opportunities ahead.

**Mike Morris**  
Chief Executive Officer

**Q:**  
How would you describe the past year at Nexus?

**A:**  
We started the year well, reporting a performance in the first half of the year that was in line with the Board's expectations as we continued to make strong progress across the Group. The arrival of the Covid-19 pandemic, however, towards the end of the half-year, severely impacted activity levels across the industry with our housebuilding customers pausing work and closing down sites. I am pleased with how well our businesses have responded to the challenges presented by the Covid-19 pandemic since March. As a management team, we moved quickly to adapt our operations and ways of working in order to efficiently put in place a range of mitigating actions, focusing on looking after the health and safety of our employees, our customers and our partners.

Part of our action plan was to strengthen our balance sheet, and we were fully supported by both new and existing shareholders when we raised £10m via a placing in June. This has ensured that we are financially secure and able to weather the impact of Covid-19, continuing to run the business for long-term growth.

Our strategy remains unchanged, we are focused on leveraging our market-leading positions to take advantage of the opportunities ahead. This was notable in our smart energy business, eSmart Networks, receiving a record number of enquiries in April and May 2020. I am encouraged by the strong market fundamentals that support our businesses, including the continued shortage of housing across the UK, Government stimulus with the stamp duty holiday, other housing-related schemes and ongoing green initiatives. The operational and financial strength we have today, together with our continued focus on customer service, ensures that we are well placed to take advantage of these opportunities over the years ahead.

**Q:**  
How have your employees adapted to the new way of working during Covid-19?

**A:**  
I've been incredibly impressed by the way our employees have managed to adapt to the new operating environment, both those on the ground getting used to social distancing measures on sites and our office staff who have efficiently transferred to working from home wherever their roles allow. With the Covid-induced reduction in demand for our civil engineering expertise, we made the difficult decision to restructure our operations and regrettably made a number of staff redundant. This was not a decision taken lightly, but one that was sadly necessary in order to protect the long-term future of the business. Our people are a testament to Nexus, and I would like to take the opportunity to thank all of our employees for their unwavering commitment, dedication and hard work.

**Q:**  
What kind of opportunities might the Covid-19 pandemic present for Nexus?

**A:**  
Like many businesses, we have had to change the way in which we work, and this has not come without its challenges. Saying that, as with every dramatic change such as the Covid-19 pandemic, opportunities have been presented. We have reviewed our operational processes, cut unnecessary costs and streamlined the business to ensure we are operating in the most efficient way. The Covid-19 pandemic has provided us with the opportunity to demonstrate our commitment to all of our stakeholders, including our employees, partners and customers, and we have also been encouraged by the support received from our loyal base of shareholders. The strengthened relationships we have in this regard will serve us well going forward. Operationally, Nexus is also well placed to take advantage of opportunities resulting from the pandemic. We are already demonstrating our competitive edge in terms of efficiency on sites and our ever-strengthened relationships with our customers and suppliers means we look forward to emerging from this in a competitive position. I am also pleased with how we've been able to continue the progress made in our emerging smart energy division, eSmart Networks, during the year, which will be a key area of growth for the Group in the future.

The opportunity within eSmart Networks and the electric vehicle charging and smart energy infrastructure market is particularly exciting. We have been working hard to scale up this business and have made good progress during 2020. I'm looking forward to continuing to progress our market-leading position and become an instrumental player in the UK's transition to a carbon-neutral economy. We will continue to take advantage of the strong civil engineering and utilities connection market positions we have within Tamdown and TriConnex over the year ahead; with the UK still far short of its target to build 340,000 homes a year and ongoing support from Government for the sector. In terms of challenges, the wider construction industry remains restricted due to the ongoing pandemic. It continues to be challenging to predict with any certainty the rate of recovery for our end markets but, while we expect to see this have an impact on the Group and particularly Tamdown over the year ahead, we are working hard to focus on factors that are within our control. These include looking after our people, ensuring we continue to deliver for our customers and making sure that we are in as strong a position as possible when things return to normal. I am optimistic that once the pandemic is brought further under control and the UK economy stabilises, Nexus will be in a good position to take advantage, evidenced by our order book of £282.0m, which provides visibility of future revenues.

Our offering has gone from strength to strength over the past year, and I believe our strong position in this market could prove transformational for the Group over the years ahead. This opportunity goes beyond eSmart Networks, however, with TriConnex also installing electric vehicle charging infrastructure in residential homes alongside other utilities. This wider trend towards a low-carbon economy, backed by billions of pounds of public money, demonstrates that this transition is only accelerating. With our industry relationships, proprietary knowledge and experience, along with our highly skilled team, we look forward to being at the heart of this exciting transition.

**Q:**  
What is Nexus doing in terms of Environmental, Social and Governance ("ESG")?

**A:**  
ESG continues to constitute an important part of our Group strategy, becoming increasingly intertwined within our everyday operations and decision making. Our aim is to ensure that we can help our customers provide people with better homes which are not only sustainable through material choices, but that also address the wider challenge of reducing our country's carbon footprint and help us to move energy supply to renewable sources. Our electric vehicle and smart energy strategy is fundamental to this. We recognise how important it is not to just look after our investors, but to also take into account our wider stakeholder and societal footprint. The Group continues to support a variety of causes ranging from schools to hospices, and although limited during the pandemic period, our staff volunteering scheme will be renewed as soon as this is viable and safe for all involved. I am incredibly proud of our learning and development initiatives across the business as well as our partnership with Mates in Mind to support our people's mental health and wellbeing.

**Q:**  
How big an opportunity is the UK's Green Revolution for Nexus?

**A:**  
We believe Nexus' position to support the UK's aim to transition to a low-carbon economy is a huge opportunity for the Group. Recent eSmart Networks projects have included two national supermarket EV charger programmes, a number of 350kW ultra-fast charging hubs including high voltage works and commencement of work within multiple car dealerships in advance of the large expansion in the number of electric vehicle models next year.

**Q:**  
What excites you over the year ahead, and what challenges do you expect?

**A:**  
Nexus enters 2021 in a strong position. We are well-funded, we have a skilled management team and I am looking forward to making continued progress in our markets which are underpinned by strong fundamentals and growth prospects.

## Investment proposition

Well-defined  
growth strategy



Attractive and  
growing addressable  
markets

Well-defined  
growth strategy



Strong balance  
sheet



Established,  
high-quality  
customer base  
and relationships

Solid order book  
provides visibility  
of revenue



Reputation for  
high-quality delivery  
of essential services



Leading the market  
in delivery of smart  
energy solutions

Government stimulus  
for both the  
housebuilding  
market and green  
infrastructure



## Executive review



Market  
fundamentals  
remain strong.

**Mike Morris**  
Chief Executive Officer

**Alan Martin**  
Chief Financial Officer

### Revenue (£m)

Tamdown  
**£85.8m**

TriConnex  
**£39.1m**

eSmart Networks  
**£2.2m**

### Gross profit (£m)

Tamdown  
**£4.2m**

TriConnex  
**£11.9m**

eSmart Networks  
**£0.6m**

### Adjusted operating profit/(loss) (£m)

Tamdown  
**(£3.9m)**

TriConnex  
**£3.4m**

eSmart Networks  
**(£0.8m)**

### Overview

The Covid-19 pandemic has had a significant impact on trading, mainly in the second half of the year. The first half of the year saw revenues grow in all businesses, with the pandemic only having a minor impact on trading during that period. The onset of lockdown in late March resulted in site closures across the businesses, with Tamdown having all sites closed in April and May, whilst TriConnex was able to attend some sites during lockdown and eSmart Networks only minimally impacted with some projects deferred. Despite the majority of sites being reopened by July, activity levels were significantly lower than in the first half of the year. Revenue for Tamdown was 23.5% down on prior year at £85.8m (2019: £112.2m). TriConnex revenue was down 6.5% at £39.1m (2019: £41.8m) as not all sites closed during lock down and activity levels during the final quarter of the year were close to pre-Covid-19 levels. Revenue for eSmart Networks grew by 4.2% in the year to £2.2m (2019: £2.1m), with the time taken to secure orders lengthened due to lockdown.

The profitability of the Group this year has been considerably impacted by the challenges caused by the pandemic. For Tamdown, the lockdown was followed by a summer of lower than normal activity levels, with summer traditionally the most efficient trading period. This saw margins under pressure due to; less efficient working, additional health and safety protocols and fewer site starts alongside the need to reduce the cost base with a number of redundancies for office and site-based staff. The trading and profitability of TriConnex has been resilient, with a number of customers still requiring connection services during the initial lockdown period and activity levels recovering well during the summer period. eSmart Networks recorded a loss for the year in line with expectations, though progress towards the end of the year has seen a widening of the customer base, driven by the increased demand for electric vehicles and associated supporting infrastructure.



**Overview continued**

The Group's order book has reduced 17% year-on-year, but at £282.0m (2019: £338.9m) it is still at a high level and provides good visibility of earnings. The reduction was principally driven by Tamdown where the order book decreased to £92.8m (2019: £151.6m) as a result of reduced activity levels, pricing pressures and customers taking a more cautious approach to starting new sites given the impact of Covid-19, Brexit uncertainty and the end of the temporary stamp duty holiday. TriConnex's performance has been resilient and in line with expectations with the order book ending the year at £185.4m (2019: £184.8m). This represents a strong performance by TriConnex driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress in line with expectations with the order book up 52% to £3.8m (2019: £2.5m). Since the year end, businesses have seen progress with securing orders as trading conditions improve.

The Group's established divisions service the UK housing market, which is structurally undersupplied and supported by Government, meaning demand remains strong. eSmart Networks has significant opportunities within a diverse and growing sector, which includes charging for cars, transport and delivery vehicles, with the volumes of sales for all of these vehicles currently growing at over 125% year-on-year, further supported by the Government's recent Ten Point Plan for a Green Industrial Revolution.

**Growth strategy**

The Group's mission is to be recognised as the leading provider of essential infrastructure services in the UK. In response to the challenging trading period the Group has just encountered, the Group's priorities now are to:

- grow within current core markets, to achieve market share gains;
- expansion, to achieve growth; and
- capitalise on acquisition opportunities, to achieve scale and earnings accretion.

**Financial performance**

Revenue for the Group decreased by 18.9% to £125.7m (2019: £155.1m). Tamdown's revenue decreased by 23.5% to £85.8m (2019: £112.2m). TriConnex's revenue decreased by 6.5% to £39.1m (2019: £41.8m) and eSmart Networks' revenue increased by 4.2% to £2.2m.

Gross profit for the year decreased to £16.7m (2019: £27.9m) with the overall gross margin at 13.3% (2019: 18.0%). For Tamdown, the low number of new site starts significantly impacted revenues, putting pressure on fixed costs leading to an unavoidable redundancy programme at the financial year end. The dry weather conditions of spring and summer are always the most efficient periods for Tamdown with trading weighted accordingly. With the significantly reduced levels of activity in that period this year, margins have been adversely impacted. This impact, combined with the return to work Covid-19 protocols on site and the recording of additional costs on a number of contracts, have resulted in a one off reduction in the Tamdown gross margin to 4.9% (2019: 13%).

The gross margin achieved by TriConnex in the year was 30.5% (2019: 30.8%) with the very modest decrease attributed to the continuing successful expansion into new regions and a broadening of the customer base, which tend to record lower margins initially. The margin for eSmart Networks continued to improve, with a gross margin for the year of 27.6% (2019: 23.4%) as efficiencies continue to be identified and implemented.

Administrative expenses for the Group, including redundancy costs which have been recorded as exceptional items, decreased in the year by £2.7m to a total of £19.2m (2019: £21.9m), with savings achieved on people-related costs of £2.9m inclusive of a £1.0m Government grant from the Job Retention Scheme for furloughed office employees.

The Group's operating loss for the year before exceptional items was £1.9m (2019: profit £6.0m). Exceptional items totalling £0.6m (2019: £nil) relate to redundancies. The Group operating loss for the year totalled £2.5m (2019: profit £6.0m). The loss for the year attributable to equity holders of the parent company was £2.4m (2019: profit £4.2m).

**Other financial information**

**Order book**

The Group's order book decreased during the year by 17% to £282.0m (2019: £338.9m). The reduction was principally driven by Tamdown's order book decrease to £92.8m (2019: £151.6m) as a result of reduced activity levels, pricing pressures and customers taking a more cautious approach to starting new sites. TriConnex's performance has been resilient with the order book ending the year at £185.4m (2019: £184.8m), driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress with the order book up 52% to £3.8m (2019: £2.5m) driven by increased EV infrastructure demand.

**Net finance costs**

The net finance charge for the year totalled £0.34m (2019: £0.28m). Interest received on bank deposits totalled £0.03m (2019: £0.06m) and interest payable totalled £0.38m (2019: £0.34m). Interest payable constitutes interest on bank borrowings of £0.25m (2019: £0.20m) and interest on lease liabilities of £0.12m (2019: £0.14m).

**Tax**

The Group recorded a tax credit for the year of £0.5m (2019: charge £1.5m), representing an effective tax rate of 16.9% (2019: 26.8%). The current year's tax losses have been adjusted against prior year tax charges. The tax charge in the prior year included an exceptional adjustment in respect of understated tax in prior periods. Going forward, we expect our tax rate to be broadly in line with the prevailing corporation tax rate.

**Earnings per share**

Basic loss per share equated to 5.9p, compared to an earnings per share of 11.0p in 2019. The diluted loss per share was 5.9p (2019: earnings 10.6p).

**Dividends**

As noted in the Chairman's statement, the Company did not pay an interim dividend and the Board is not recommending a final dividend for the year ended 30 September 2020. In 2019 the Company paid an interim dividend of 2.2p per share and a final dividend of 4.4p per share, giving a total dividend for the year of 6.6p per share. The Board hopes to recommence dividends in the current financial year dependent upon the return of a more stable trading environment.





**Other financial information continued**

**Statement of financial position**

The Group continues to maintain a strong balance sheet with shareholders' funds increasing during the year to 30 September 2020 by £5.6m to £28.8m (2019: £23.3m); the movement including the placing of shares which raised a net £9.6m, the payment of the 2019 final dividend totalling £1.7m and the trading performance of the Group companies.

The Group has invested £6.3m during the year in the construction of the new head office building, which is expected to be complete during the first half of 2021. We believe bringing the majority of our office-based staff together in one location will support both our cultural and strategic objectives in the years to come.

Non-current assets increased over the year by £4.2m to £18.5m (2019: £14.2m), with the increase due to the investment in buildings, mitigated by depreciation and disposals. Current assets increased by £3.7m to £84.3m (2019: £80.7m) with inventories increasing by £0.8m, trade and other receivables decreasing by £3.3m, contract assets by £0.7m and cash balances increasing by £4.7m to £32.1m (2019: £27.4m).

Total liabilities increased by £2.4m to £74.0m (2019: £71.6m), with trade and other payables decreasing by £7.1m, contract liabilities increasing by £6.0m, lease liabilities decreasing by £1.1m and borrowings increasing by a net £4.6m to fund the construction of the head office building.

**Cash flow**

The Group generated £4.7m (2019: £1.0m) of cash in the year, resulting in a cash and cash equivalents balance at 30 September 2020 of £32.1m (2019: £27.4m).

Operating cash flows before working capital movements utilised £0.4m (2019: generated £8.7m). Working capital decreased during the year by £0.5m (2019: decrease of £1.5m), with a decrease in debtors and an increase in net contract liabilities only partly mitigated by the increase in inventories and a decrease in payables, resulting in cash generated from operating activities of £0.1m (2019: £10.2m). Tax and interest payments amounted to £0.5m (2019: £2.0m). Cash utilised in investing activities totalled £6.0m (2019: £1.3m), with £6.5m used to acquire fixed assets. Net cash inflows from financing activities totalled £11.1m (2019: £5.9m), including £9.6m from the placing of shares, net of related fees, £11.1m from the draw down of bank facilities, of which £5.0m related to the drawing under the revolving credit facility in March 2020, repaid in full in June 2020, £1.4m on lease repayments and £1.7m (2019: £2.5m) on dividend payments.

The Group continues to have a good relationship with its sole banker, Allied Irish Bank ("AIB"). The current facilities provided by AIB include a Term Loan of £2.9m, a Development Loan of £10m, with £6.5m drawn, an undrawn revolving credit facility of £5.0m, and an associated accordion of £5.0m. Due to the impact of Covid-19 on the results of the Group, the financial covenants tests of the facilities were amended by mutual consent in June 2020 from profitability associated tests to balance sheet tests, which the Group is fully compliant.

**Treasury risk management**

The Group's cash balances are centrally pooled and invested, ensuring the best available returns are achieved consistent with retaining liquidity for the Group's operations. The Group deposits funds only with financial institutions which have a minimum credit rating of A. As the Group operates wholly within the UK, there is no requirement for currency risk management.

**Summary and outlook**

This has clearly been a challenging year across the whole of the industry, but we have swiftly taken the necessary mitigating actions to protect our employees and our businesses. We have an established reputation for delivery amongst our customers, we have maintained our strong balance sheet with the support of our shareholders, and we have an order book which provides us with visibility of future earnings.

Looking forward, we are starting to see improving trading conditions and we expect to return to profitability in this financial year and so expect to recommence market guidance early in 2021. There still remains a fundamental shortage of housing and infrastructure in the UK and we have positioned ourselves well with strong established relationships to address the anticipated increased level of activity in the year ahead.

**Mike Morris**  
Chief Executive Officer

**Alan Martin**  
Chief Financial Officer  
11 December 2020

## Our markets

### Residential

Need for up to  
**340,000**  
new homes in England  
per year up to 2031



#### Market drivers

- Housing shortages and regeneration of urban and brownfield areas
- National Housing Federation has identified the need for up to 340,000 new homes in England per year up to 2031
- Government stimulus including Help to Buy, stamp duty holiday, 'Generation Rent to Generation Buy'
- Social changes driven by pandemic – pent-up demand and desire for more space following pandemic
- Support driven by accepted importance of the housing market to the wider economy

#### Opportunities

- Experience and relationships built over 40 years delivering schemes for housebuilders
- Increase in mixed tenure developments with driver for affordable housing
- Broadened product and services demand within infrastructure and utilities capability
- Demand for residential services due to the national housing shortage and post Covid-19 pent-up demand



### Industrial and commercial

Online shopping  
and fulfilment  
**driving  
growth**  
in large warehouse spaces



#### Market drivers

- Growth in logistics and distribution centres to enable ongoing expansion of online shopping and fulfilment
- Growing requirements for chilled food manufacturing and distribution centres
- Increase in data centres to house cloud-based storage solutions
- Supporting civil engineering and infrastructure requirements for large warehouse and similar structures
- Net zero responses planned by businesses to meet new Government guidance

#### Opportunities

- Utility connections required for facilities across growing range of sectors
- Increasing requirement for EV charging infrastructure at a range of locations
- Renewable energy connections preferred and increasingly projected
- Civil engineering capability transferable for appropriate schemes



### Green infrastructure

UK will require  
**>25m**  
electric vehicle  
charging points by 2050



#### Market drivers

- Requirement for renewable energy sources and energy storage
- Increase in smart cities and green transport solutions
- Government support for decarbonisation with Road to Zero strategy setting clear path for zero emission goals and recently announced accelerated phasing out of combustion engines
- Increasing use of renewable energy to produce power and heat
- Future-proofed homes required in line with Future Homes Standard

#### Opportunities

- Investments in renewable energy connections
- Transition from combustion engine to electric vehicles picking up pace
- Creation of low emission transport systems
- Recent studies suggest that the UK will require more than 25m electric vehicle charging points by 2050



# Business model

## Resources and relationships

The resources and relationships we need to run our business:

### Our people

Highly skilled, motivated and loyal workforce. Experienced senior management team and Board.

### Markets

Attractive and growing addressable markets supported in coming years by Government housing and environmental strategies.

### Financials

Attractive cash flow characteristics with a high cash balance, resulting in a strong balance sheet.

## How we do it



## Stakeholder value

Delivering value for all our stakeholders:

### Customers

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

### Shareholders

Positive fundamental market growth drivers to enable a progressive dividend policy.

### Employees

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

## Customer focus

Nexus ensures customer focus during the design, procurement and delivery stages. As well as meeting and exceeding our customers' needs, this means ensuring the expectations of residents and users of new homes and facilities are satisfied as well.

The Group has a very strong base of blue-chip customers which includes the majority of the top ten largest housebuilders in the UK. In addition, the Group's diverse customer base includes affordable housing providers, many of the top 25 housebuilders and green infrastructure providers.


## Underpinned by our culture

# NEXUS

Building Bright Futures

We work hard to ensure that working for any of the companies within the Nexus Infrastructure Group is a rewarding experience for our people. Employees spend a lot of time at work and we know the importance of spending that time working towards a common purpose; for us, that purpose is 'Building Bright Futures' and to support this our team adheres to our Group values.

Our culture defines how we work together. We work hard to create a resilient culture that will inspire everyone, existing staff and new recruits alike, whatever their position within the business.

"We are building bright futures for our people, our customers and the communities we serve.

Nexus' success is built on its people. We believe that everyone matters, because if we want to go further, we go together and that's why we support each other to be our best.

We seek continuous improvement, rather than pursuing perfection and that applies as much to our people as it does to our process. Talented people will always challenge assumptions, find a better way of doing things and then work together to make it happen.

We're clear and straightforward. We're trusted because we keep our word."

**Mike Morris,**  
CEO

Together we:



Challenge assumptions



Find a better way



Support each other to be our best



Make it happen



Keep our word

## Strategy

Nexus' mission is to be recognised as the leading provider of essential infrastructure services in the UK, by delivering outstanding performance through a focus on delivery, customer service and diversification.

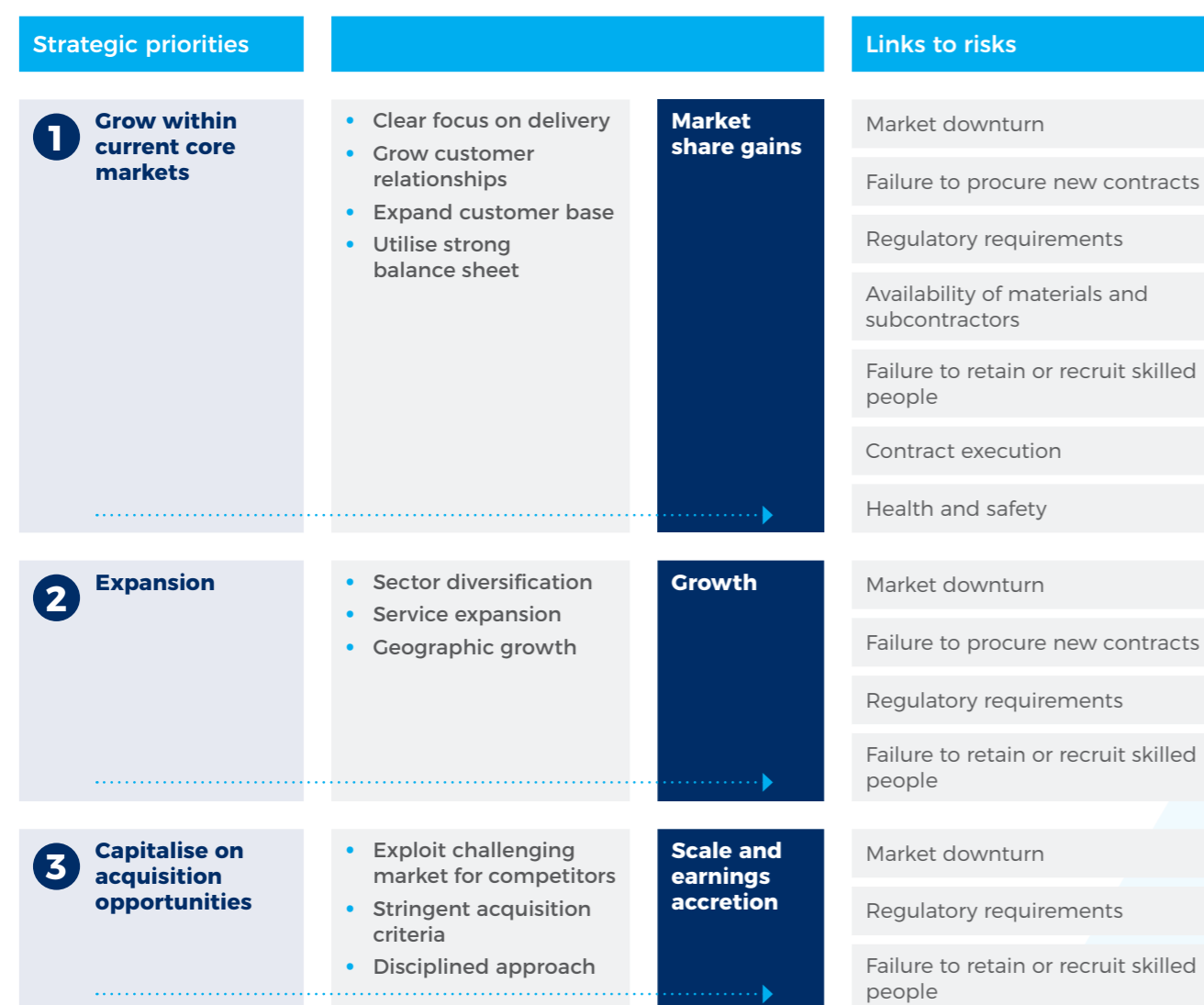
### Strategic objectives

The recent macro-environment has necessitated the need to respond swiftly to changes. Accordingly, the Group's objectives enable the growth and development of sustainable businesses for the benefit of all our stakeholders. Given the impact of Covid-19, the strategic roadmap is in three phases covering 2020, 2021, 2022 and beyond:



### Strategic priorities

In the coming year our strategy will focus on three main areas to drive future growth:



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

## Key performance indicators

The Board uses key performance indicators to measure its progress against the Group's strategic objectives.

KPI	Description	Performance
<b>Revenue (£m)</b> <b>£125.7m</b> <b>-18.9%</b>	<ul style="list-style-type: none"> <li>Revenue and revenue growth track our performance against our strategic aim to grow the business</li> </ul>	<b>2020: 125.7</b> 2019: 155.1 2018: 134.9
<b>Adjusted operating profit<sup>1</sup> (£m)</b> <b>-£1.9m</b> <b>-131.3%</b>	<ul style="list-style-type: none"> <li>Tracking adjusted operating profit ensures that the focus remains on delivering profitable outcomes on our contracts</li> </ul>	<b>2020: -1.9</b> 2019: 6.0 2018: 9.4
<b>Earnings per share ("EPS") (p)</b> <b>-5.9p</b> <b>-153.6%</b>	<ul style="list-style-type: none"> <li>Tracking the after-tax earnings relative to the average number of shares in issue provides a monitor on shareholder value</li> </ul>	<b>2020: -5.9</b> 2019: 11.0 2018: 19.1
<b>Total dividend per share (p)</b> <b>0.0p</b> <b>-100.0%</b>	<ul style="list-style-type: none"> <li>Tracking the total dividend per share declared for each financial year provides a monitor on the return achieved for shareholders</li> </ul>	<b>2020: 0.0</b> 2019: 6.6 2018: 6.6
<b>Cash and cash equivalents (£m)</b> <b>£32.1m</b> <b>17.4%</b>	<ul style="list-style-type: none"> <li>Tracking the cash balance monitors the conversion of profits into cash, ensuring that cash is available for reinvestment or distribution to shareholders</li> </ul>	<b>2020: 32.1</b> 2019: 27.4 2018: 26.4
<b>Order book (£m)</b> <b>£282.0m</b> <b>-16.8%</b>	<ul style="list-style-type: none"> <li>The tracking of the order book, being the amount of secured construction work and utility asset value yet to be recorded as revenue provides visibility on expected future revenue against the strategic aim to grow the business</li> </ul>	<b>2020: 282.0</b> 2019: 338.9 2018: 289.7
<b>Net assets (£m)</b> <b>£28.8m</b> <b>23.8%</b>	<ul style="list-style-type: none"> <li>The tracking of the Group's net assets monitors the Group's financial strength and stability</li> </ul>	<b>2020: 28.8</b> 2019: 23.3 2018: 21.8
<b>Accident Incident Rate (#)</b> <b>162</b> <b>-29.9%</b>	<ul style="list-style-type: none"> <li>Health and safety is of paramount importance as the Group's businesses work in sectors which carry significant health and safety risks</li> </ul>	<b>2020: 162 (ind. average: 330)</b> 2019: 231 (ind. average: 366) 2018: 258 (ind. average: 359)

<sup>1</sup> Adjusted operating profit is operating profit excluding the impact of exceptional items.

## Operational review

### Civil Engineering

TAMDOWN



Stimulus to counter the housing supply deficit, provides us with confidence.

**Rob Kendal**  
Managing Director of Tamdown



Tamdown, our civil engineering business, provides a range of specialised infrastructure and engineering services to the UK housebuilding and commercial sectors. These services include earthworks, building highways, substructures and basements, installing drainage systems and high-rise construction. It has an established market-leading position having been in operation for over 40 years.

**Multi-phase contracts provide a good level of visibility for future revenues**

**Established market position means we are well placed to benefit from the Government's ongoing stimulus for the housebuilding sector**



#### Financial and operating performance

The Covid-19 pandemic has had a significant impact on the trading of Tamdown in the second half of the financial year. Trading in the first half of the year had seen strong revenue growth of 21.1%, with a record opening order book and customers keen to progress with sites. The commencement of lockdown in March resulted in all sites closing and up to 98% of employees being furloughed. Sites started to reopen in May, though it took until August for all sites to reopen, with an encouraging level of activity, though significantly lower than the first half of the year. The summer period is traditionally a very active time as works can be progressed efficiently due to generally better weather conditions, so the timing of the lockdown and the return to sites had a disproportionate impact on revenues. Revenue for the year totalled £85.8m, a decrease of 23.5% (2019: £112.2m).

Upon return to site, additional health and safety protocols were introduced to ensure the safety of our employees, customers and communities. These additional protocols along with lower activity levels and the low level of new site starts have resulted in margin pressures. During these difficult trading conditions, customers are taking rigid commercial positions, which has resulted in margin write downs on some contracts. Accordingly, Tamdown's gross profit for the year was £4.2m (2019: £14.5m), which equated to a gross margin of 4.9% (2019: 13.0%). Mitigating actions have been taken to ensure that the gross margin has been stabilised.

Administrative expenses reduced by £3.0m to £7.5m (2019: £10.5m), with savings in people costs of £2.2m, inclusive of the Job Retention Scheme grant of £0.4m, and depreciation £0.4m. The people cost savings were achieved through tight cost control throughout the year and then headcount reductions at the end of the year.

Due to the low level of contract awards for the financial year and then the lower levels of activity over the summer months, the anticipated activity in the foreseeable future has reduced, which resulted in the need to reduce the cost base. Following a detailed review of activities and needs, a resizing of the Company has led to a number of redundancies, the cost of which, £0.6m, has been reported as an exceptional item.

Operating loss totalled £3.3m (2019: profit £4.0m).

The Tamdown order book decreased to £92.8m (2019: £151.6m). The Company was active on sites during the first half of the year as end customer demand supported the need for new housing. However, Tamdown's direct customers have, throughout the year, taken a cautious approach to starting new sites, because of Brexit uncertainty, the impact of Covid-19 and, more recently, the forthcoming end of the temporary stamp duty holiday.

**Order book (£m)**

**£92.8m**



## Operational review continued



### Case Study: Taylor Wimpey East London – Gilden Park, Harlow

#### Production Manager, Taylor Wimpey East London:

“Tamdown have been instrumental in this award and my thanks to the team, as the feedback from NHBC is always positive when it comes to substructures. It’s great news for the team. Top marks all round, fantastic examples of best practice.”

Tamdown is working with its customer Taylor Wimpey East London, a newly secured region of the housebuilder, on their award-winning residential development, Gilden Park in Harlow.

The project needed to be delivered in self-contained parcels and delivery of the roads were crucial to the site staying on programme.

Our teams have delivered infrastructure works, roads,

foundations, brickwork, drainage and floors to 120 houses and eight blocks of flats.

The quality of the work delivered helped Tamdown’s customer secure an NHBC Pride in the Job award for the site.



**Additional Covid-19 health and safety protocols introduced to ensure the safety of our employees, customers and communities**

**National Housing Federation has identified the need for up to 340,000 new homes in England per year up to 2031**

**Provision of excellent customer service to current customers leads to recommendations to other regions of the same housebuilder**

#### Our markets

Tamdown customers are UK housebuilders and affordable housing developers, including housing associations. As such, the UK housebuilding market is key to Tamdown. There is currently general uncertainty posed by the Covid-19 pandemic’s impact on the global and UK economy, along with the end of the transitional arrangements for the UK’s exit from the EU. However, the fundamental market growth drivers for our business are positive since the housing market has been in a long-term position of structural undersupply as the number of new houses built has failed to keep pace with the rate of household formation. The National Housing Federation has identified the need for up to 340,000 new homes in England per year up to 2031, which is ahead of the Government estimate of 300,000 new homes target to tackle the housing shortage. There is the expectation that the housing deficit will remain over the long-term. The prevalence of this deficit has attracted a significant amount of Government stimulus to the sector.

Tamdown operates in the South East of England and London, where the undersupply of housing appears to be more acute compared to the rest of the UK. The number of projects commencing has been limited since the second half of 2019 due to customer concerns regarding Brexit negotiations, the Covid-19 pandemic and the approaching end of the temporary stamp duty holiday. Tamdown works with the majority of the quoted housebuilders, who account for approximately 50% of total private new build volumes. This dominance is expected to continue as these customers work through their land bank and develop larger schemes.

Tamdown also works with a number of housing associations that deliver mixed tenure developments and are focused on the affordable homes segment of the housing market, who offer variety and strength to its customer base.

Despite the current political uncertainty, there is general acceptance that there is a deficit in housing supply and so with Tamdown’s established market position as one of the leading providers of infrastructure and civil engineering services to major UK housebuilders, we are well placed to benefit from the Government’s current and future stimulus.

#### Growth strategy

Tamdown’s ambition is to return to yielding profits in a sustainable manner through the successful delivery of its strategic goals, including:

##### Margin enhancement:

The limited number of project awards in the past year has resulted in a competitive market for Tamdown to secure projects. Tamdown’s ongoing focus is on how the team plans and procures the resources required on projects, the mobilisation process and the interaction with customers before and during delivery, to ensure that projects are delivered safely, on time, to a high-quality and profitably.

##### Multi-phase projects:

A significant element of Tamdown’s work is from larger, multi-phase projects, which provide a good level of visibility of future revenues. These projects are typically large housing developments which are completed in stages. Once Tamdown has won an initial phase it is typically retained for the remainder of the scheme, the phases of which can extend over many years. With Tamdown’s extensive customer base and long-standing reputation for great customer service, the Company is well placed to be awarded multi-phase projects.

#### Market penetration:

Tamdown has strong relationships with many regional businesses of blue-chip customers. Within the geographies where Tamdown operates, a number of existing customers have additional regional businesses to which Tamdown does not currently provide services. Accordingly, there is an opportunity to increase market share by winning projects with these additional regional businesses. This is likely to be achieved through the provision of excellent customer service to current customers, which will lead to recommendations to other regions. Tamdown has been successful during the year in deepening its market penetration by gaining ten new customers, seven of which were regional businesses of existing customers. These businesses present an ongoing growth opportunity.

#### Customer diversification:

The majority of Tamdown’s customers are large residential housebuilders. Tamdown is developing relationships with customers that address the affordable housing market, such as housing associations that undertake developments themselves and main contractors that build on behalf of housing associations.

The skills that Tamdown employs are transferable from the residential sector to other sectors and services. The infrastructure activities that Tamdown undertakes for the residential sector, such as earthwork optimisation, highway works, remediation and drainage solutions, are all services that can also be extended to non-residential customers.

#### Outlook

Tamdown has an established market position, a reputation for providing quality services to UK housebuilders, and is developing key relationships with the Build to Rent and affordable housing sector developers. The backdrop of Government stimulus to counter the housing supply deficit, provides us with confidence that our existing and new customers will continue to demand our services, and our business is well positioned to return to profit and generate cash.

## Operational review continued

### Utilities

**TRICONNEX**



Growth ambitions are to build the business in a significant and sustainable manner.

**David Topping**  
Managing Director of TriConnex



TriConnex, our utilities business, designs, installs and connects gas, electricity, water, fibre networks and electric vehicle charging infrastructure on new residential developments. Working with developers and contractors, the business offers end-to-end solutions with the goal of being recognised as the UK's leading independent provider of utility connections to new developments.

**TriConnex was established in 2011 to take advantage of deregulation in the utilities connections market**

**Engaged at the very early stage of developments with customers, and often secures contracts prior to land acquisition**



#### Financial and operating performance

Revenue for TriConnex decreased by 6.5% to £39.1m (2019: £41.8m). The year-on-year decrease was limited to a reduction of £2.7m due to a strong revenue growth in the first half of the year, which recorded a revenue increase of 19.3%. Activity during lockdown was higher than expected as a number of sites operated by smaller developers remained open, resulting in the need to furlough 75% of employees, a lower level than expected. Activity levels during the summer months then recovered to close to pre-Covid-19 levels. TriConnex is engaged at the very early stage of developments with its customers, and often secures contracts prior to land acquisition. The maintenance of the order book at high levels illustrates that customers continue to be active and are considering long-term plans.

TriConnex is a high gross margin business, principally due to the more technical, office-based, added-value nature of the services it provides, resulting in a higher proportion of overhead costs. The gross margin was broadly flat during the year at 30.5% (2019: 30.8%) despite the impact of additional health and safety protocols incorporated into working practices. Expansion continued both geographically and by diversifying its customer base and with margin levels with new customers being typically lower than with established customers.

As TriConnex provides a full concept to connection service with a significant amount of desktop planning, research and technical design, the majority of TriConnex's staff are office based. Overheads for the year decreased by £0.1m to £8.5m (2019: £8.6m), which includes the benefit of the Job Retention Scheme grant of £0.4m.

Operating profit decreased by 21.3% to £3.4m (2019: £4.3m) with an operating margin of 8.7% (2019: 10.3%).

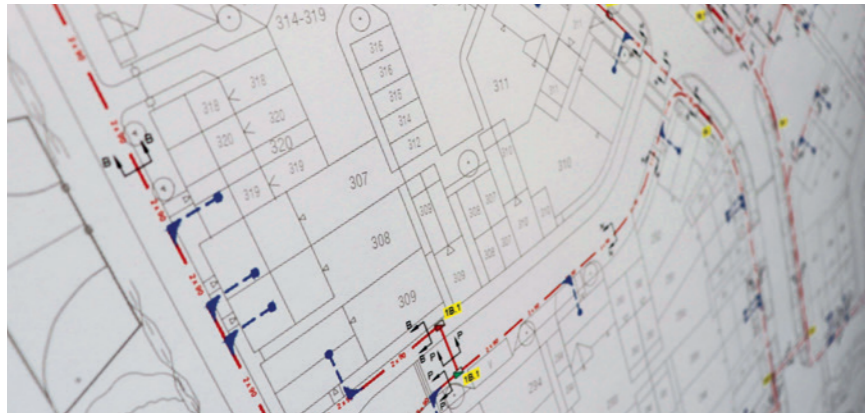
TriConnex's order book has been resilient with a growth of £0.6m over the year to £185.4m (2019: £184.8m). This represents a strong performance by TriConnex driven by the up-front, mission-critical nature of securing utility network connections on development sites.

**Order book (£m)**

**£185.4m**



## Operational review continued



### Case Study: Vistry Partnerships – Liddymore Lane, Somerset

TriConnex has secured and begun technical and planning work on a new scheme with Vistry Partnerships. This will include the connection of four services: electricity, gas, water and fibre broadband.

The project is a joint venture with Magna Housing Association and will see connections completed to 90 residential units.

The site has an electrical substation and a gas pressure reduction installation, both requiring careful coordination with the customer's layouts and management of legal agreements.

Our in-house technical teams have completed the final fibre and water designs and initial electric and gas designs, liaising with the customer to ensure these meet all the specific project requirements.



**Established reputation of delivering high-quality customer service alongside cost-effective, efficient utility connections**

**Covid-19 health and safety protocols incorporated into working practices to enable safe continuation of operations**

**Expansion continued both geographically and by diversifying its customer base**

### Our markets

The utility connections market consists of three regulated utilities: electricity, gas, and water; and the unregulated utility markets of fibre and electric vehicle charging infrastructure. Following the opening of the connections market to competition, TriConnex entered the market in 2011 to offer electricity and gas connections, expanding to offer water connections in 2014, fibre connections in 2016 and domestic electric vehicle charging in 2019.

TriConnex continues to differentiate itself in the market through its provision of a full multi-utility connection offer, coupled with a deep focus on outstanding customer service.

Historically, utility connections have been a challenge for many developers, however TriConnex's core aim is to apply its customer understanding to provide an enhanced experience and deliver connections on time, every time. With the National Housing Federation identified need for up to 340,000 new homes in England per year up to 2031, TriConnex can play a major role in supporting developers achieve this target.

TriConnex's core customer base consists of a mix of large, small and mid-sized residential developers, who are offered a full multi-utility service. Building on its established position in the gas and electricity connections market, recent regulatory changes have supported the newer service offerings. In fibre, the recent increase in tier 1 Internet Service Providers ("ISP") offering services across independent fibre networks provides developer customers with a more extensive, viable choice of networks. In water, Ofwat has mandated that all water companies publish their charging regime as well as shortening the application process for independent water adopters. In addition, a new asset adoption code has been created by Ofwat to simplify the water network adoption process.

All these changes should support greater levels of access for independent connection companies in the fibre and water connections markets, in which TriConnex is well placed to benefit. In electric vehicle charging, many town planners are now mandating the requirement for access to electric vehicle charging for new residential properties.

Looking forward, reducing carbon emissions from the heating of homes is one of the many issues being debated as part of the Government's net zero by 2050 requirement. The approach has been set out in the Future Homes Standard which proposes a ban on the use of fossil fuel heating systems in new homes by 2025 alongside other measures to improve energy efficiency. These changes would significantly change the utility requirements for new housing projects with gas potentially eliminated as a core utility, but the proposed expansion of heat pump utilisation will enhance electricity requirements. TriConnex is working in partnership with its customers to determine how these changes may impact current and proposed projects and identifying the right solutions to support this.

### Growth strategy

TriConnex's growth ambitions are to build the business in a significant and sustainable manner, with the key differentiator being the quality of service provided to its customers. The growth drivers include:

#### Market penetration:

TriConnex has expanded from its original base in the South East into the South West and most recently into the Midlands. Within these regions TriConnex has good relationships with many regional businesses of existing blue-chip customers, however there are also more regional businesses in these areas to whom TriConnex does not currently provide services. These businesses present a continued growth opportunity.

#### Customer diversification:

With a customer base of residential housebuilders, the focus had previously been the larger residential housebuilders, but TriConnex is now developing more relationships with small and mid-sized private development residential housebuilders as well as providers of affordable housing.

#### Service innovation:

When TriConnex began in 2011 the business offered the design, installation and connection of gas and electricity networks. The Company continually considers how to improve its service to customers, and this has resulted in the subsequent introduction of water networks, fibre networks and residential EV charging infrastructure, based on customer requirements. Service developments currently underway include enhancing the number and quality of fibre network providers housebuilders can connect to, including the recent addition of 'Sky' to our offering as an ISP, and expanding the ways that housing developments can access electric vehicle charging units.

#### Outlook

The proportion of regulated utility connections made by independent providers is expected to continue to increase. TriConnex has already built a reputation of providing a high level of customer service alongside cost-effective, efficient connections. The fundamental market growth drivers for our business are positive, which, with our continuing strong order book, means it is well positioned to deliver further growth.



## Operational review continued

### Smart Energy

eSmart networks



We consider this sector to have strong growth potential.

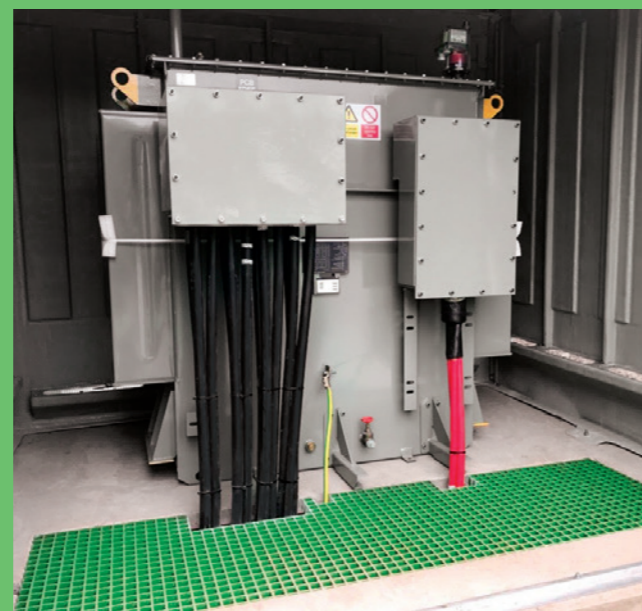
**Simon Gallagher**  
Managing Director  
of eSmart Networks



eSmart Networks, our smart energy business, provides public electric vehicle charging and smart energy infrastructure. The business was created in late 2017 to respond to the UK's need for charging infrastructure as the transition from internal combustion engines to electric vehicles gathers pace, alongside the need for smart energy solutions.

**The Government's Green Industrial Revolution accelerates the shift to zero emission vehicles**

**Requirement to meet the growing need for EV infrastructure across the UK**



The highly technical skills and specialised electrical accreditations allow eSmart Networks to offer customers a complete package of services which spans grid constraint solutions, grid connections and the onsite specialised civil and electrical installations. Of particular value to customers is eSmart Networks' capacity to control the grid connection process - effectively removing the monopoly Distribution Network Operator ("DNO") from the process, greatly reducing project timescales.

#### Financial and operating performance

eSmart Networks has continued to develop its offering to the EV charging infrastructure sector. During the year it has completed a variety of installations, including single charging units at destination sites such as pubs, supermarkets and petrol station forecourts, ultra-high-powered 'charging stations' and the commencement of work within multiple car dealerships in advance of the large expansion in the number of electric vehicle models next year.

The majority of sites that eSmart Networks was active on remained open during the lockdown, resulting in only 30% of employees being placed on furlough for a period. Revenue for the year totalled £2.2m (2019: £2.1m), as the business continues to scale up in parallel to the growing pace of the EV charging infrastructure sector.

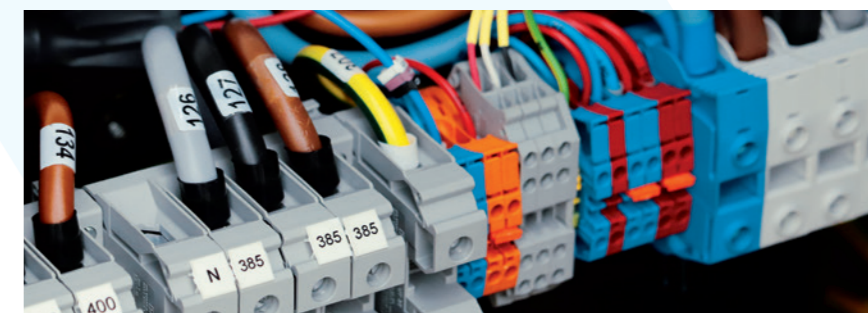
A focus on costs and improved project management has led to enhanced project efficiencies with the gross margin for the year increasing to 27.6% (2019: 23.4%), with gross profits totalling £0.6m (2019: £0.5m).

We consider this sector to have strong growth potential and so have continued to grow the team to support these opportunities. Administrative expenses have grown £0.3m to £1.4m (2019: £1.1m), with the headcount increasing to 31 by the year end (2019: headcount 24). The operating loss for the year was £0.8m (2019: loss £0.6m).

The order book at 30 September 2020 has increased by 52% to £3.8m (2019: £2.5m).

**Order book (£m)**

**£3.8m**



## Operational review continued



### Case Study: Osprey Charging – International Charging Hub, Stratford

**Project Development Manager, Osprey Charging**  
 “Delivered on-time to the highest quality. The entire project team went over and above to deliver this project.”

eSmart Networks delivered a rapid charging hub of six 50kW rapid chargers within a multi-storey car park for its customer Osprey. The project scope included design, commissioning, electrical installation, civils, on-site construction and connection. As the multi-story car park had to be kept fully operational, this needed to be carefully coordinated, including when the team made the final connection – the existing car park was kept live via temporary power to avoid the need to close the car park or limit any services.

The car park’s existing electrical supply did not have sufficient capacity for the chargers, so the eSmart Networks team upgraded the incoming supply to the area to facilitate the increased load for charging.

With a tight lead time to complete the project a bespoke earthing design was used to ensure the EV charging hub was fully compliant. Because eSmart Networks carried out the full works, this drastically reduced the timescales – the entire project was completed within a shorter timescale than that of a normal DNO grid connection. The speed of delivery enabled Osprey to start seeing a return on their investment as soon as possible.



Leverages Group capabilities to provide a complete, end-to-end smart energy solution

Installations include single charging units at destination sites as well as ultra-high-powered ‘charging stations’

Enabling the electrification of last mile delivery

### Our markets

The UK has a legal commitment to tackle climate change and in 2019, it became the first major economy to write into law the commitment to bring all greenhouse gas emissions to net zero by 2050. Transport generates approximately a quarter of all the UK’s greenhouse gas emissions; therefore, to achieve the legally binding reduction target for the UK, emissions generated from transport need to be extensively reduced.

In 2018, the UK Government published the Road to Zero strategy, which places electric vehicles at the heart of the transition to a lower emission transportation system as well as recognising the need for large-scale infrastructure investment to support this transition. Support and initiatives include the funding for rapid charging points, research and development investment to support promising EV technologies, schemes to allow businesses to try electric vehicles for free before they buy and working with private businesses to help potential EV purchasers make informed decisions.

In November 2020, the Government published The Ten Point Plan for a Green Industrial Revolution. The plan includes the acceleration of the shift to zero emission vehicles, which will end the sale of new petrol and diesel cars and vans from 2030.

Support for this plan includes the investment of £1.3bn to accelerate the roll out of charging infrastructure on motorways and major roads, along with more on-street charge points.

Recent studies suggest that the UK will require more than 25m electric vehicle charging points by 2050 in order for the UK to achieve the net zero emission target, with 2.6m in public places and the balance as private charging points for houses with off-street parking at an overall estimated installation cost of £50bn. eSmart Networks was created by Nexus to support the UK’s transition to a lower-carbon transportation system as well as to provide renewable energy connections. eSmart Networks applies the electrical expertise from within TriConnex, along with the civil engineering experience of Tamdown, to be perfectly placed to design and install the electric vehicle charging and smart energy infrastructure required in the UK.

### Growth strategy

eSmart Networks’ growth ambitions are to build the business in a significant and sustainable manner. The growth drivers include:

#### Product and service expansion:

To date, eSmart Networks has designed and installed charging units at destination sites, such as supermarkets and pubs, en-route charging points at or near petrol forecourts and complex multi-point fleet charging solutions with integrated battery storage. Utilising this experience, the business will expand the service offering to businesses with fleets of vehicles, workplace charging and continue to expand the diversity of destination sites.

In conjunction with the design and installation of electric vehicle charge points, the business is expanding its capabilities as an Independent Connections Provider for the industrial and commercial sector, with a particular focus on renewable energy sources and storage.

### Geographic expansion:

From the outset, our smart energy division was set up to be a national business. eSmart Networks has successfully designed and installed charging units, from single charge points to ultra-high-powered charging stations, in each of the nations of Great Britain. The business is well placed to take advantage of the significant investment in charging infrastructure throughout the UK that is being made by private funds, car manufacturers and Government.

### Outlook

The Board believes that the macro-environmental factors (legal net zero target, large Government finance commitment, growing awareness of carbon emissions and reducing ownership cost of EVs) will drive significant transformation to an electrified transport system. In parallel to this, a significant reduction in the use of natural gas will be necessary, requiring large and complex investments in the national electricity networks. eSmart Networks has the existing expertise and is perfectly positioned to provide the critical grid connection and installation services for the EV transition, supporting the wider electrification of the transport networks, which is expected to significantly grow revenues and lead to profitability in the years to come.

# Stakeholder relationships and engagement

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

## Our people

### Link to strategy

1 2 3

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

### Current engagement

- Regular internal communications via email, intranet and other channels
- Leadership communication, including a weekly MD update and quarterly Group CEO communication
- Company meetings with all staff, prior to Covid-19 restrictions, to update on key information and employee surveys
- Enhanced use of technology to ease two-way communication
- Regular 1-2-1s and 'My Bright Future' appraisals biannually
- Wellbeing Champions, Mental Health First Aiders and regular reminders of other tools and tips to support wellbeing

### Future enhancements

- Collaboration tool or App to share news and further enable two-way communication
- Ongoing development of benefits portal and eLearning systems
- Increased engagement within new head office building, enabling us to bring our people together
- Further development of our wellbeing offering

## Our shareholders

### Link to strategy

1 2 3

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

### Current engagement

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

### Future enhancements

- New corporate website incorporating additional areas of information
- Capital markets days and investor networking conferences
- Improved news flow with use of additional channels

## Our customers

### Link to strategy

1 2

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

### Current engagement

- Dedicated customer managers
- Assigned contacts at all levels of the customers operations
- Customer satisfaction calls and surveys
- Focus groups on key areas such as health and safety and plant
- Early project engagement to support planning
- Site visits by executives and managers

### Future enhancements

- Customer satisfaction surveys with ongoing tracking of Net Promoter Score
- Customer engagement on key business decisions including product and service diversification
- Additional presence at customer conferences

## Our communities

### Link to strategy

1 2

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

### Current engagement

- Employees are encouraged to utilise our volunteering scheme
- Nexus Community Trust supporting employee-nominated causes
- Career Fair support and attendance, including our 'Women in Construction' campaign
- Promotion of our apprenticeship and graduate employment opportunities

### Future enhancements

- Promote the Nexus Community Trust as a source of support for community causes
- Further endorse volunteering once Covid-19 limitations lift to enable a wider variety of activity
- Development of existing and new partnerships with local organisations and education centres

## Our partners

### Link to strategy

1 2 3

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

### Current engagement

- Focus groups with core suppliers to review products and service offerings
- Dedicated procurement teams to manage supply and partnerships
- Review of the Group's funding structure in the current financial year to support partnerships
- Focus on long-term partnerships with key suppliers
- Representation within key industry bodies

### Future enhancements

- Review of supply chain green credentials as we progress our ESG position
- Increase our attendance at industry events through our experienced team
- Involvement with industry bodies in the planning for the Future Homes Standard

### Key

- 1 Grow within current core markets
- 2 Expansion
- 3 Capitalise on acquisition opportunities

## Stakeholder relationships and engagement continued

### Statement by the Directors in relation to their statutory duty in accordance with Section 172(1) Companies Act 2006.

#### How we engage with our stakeholders

The concerns of key stakeholders are factored into the Board discussions and decision making. Stakeholders are impacted by, or benefit from, decisions made by the Board in different ways. It is the Board's priority to ensure that the Directors have acted both individually and collectively in the way that they consider, in good faith, would promote the success of the Group for the benefit of its members as a whole with regard to all stakeholders when performing their duty under Section 172(1) of the Companies Act 2006.

#### Directors' Section 172 Statement

The Board of Directors consider that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole in regard to the stakeholders and matters set out in Section 172 (1)(a-f) of the Companies Act 2006 in the decisions that they have taken during the year ended 30 September 2020.

- The likely consequences of any decision 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; and
- The need to act fairly as between members of the company.

The Board's key decisions in the year are noted below, including how the Board has taken into account the Section 172 requirement of the Companies Act 2006.

Decision	Actions taken	Stakeholder group
<b>Response to the Covid-19 pandemic</b>	<ul style="list-style-type: none"> <li>Regular review of Government announcements and guidelines as safety was the paramount concern.</li> <li>Detailed consideration and guidance produced to ensure continued operations safely in our offices and on site, including travel requirements.</li> <li>Completed a capital raise to provide the Group with sufficient working capital headroom and liquidity to withstand a Covid-19 downside scenario.</li> <li>Active management and reduction of capex and cost base.</li> </ul>	<ul style="list-style-type: none"> <li>The furlough scheme and short-term salary reductions were used to help protect employees' jobs and the financial position of the Group.</li> <li>Regular communication took place with employees and customers to update on our response to Covid-19.</li> <li>The Group engaged with customers and suppliers to work together on the response to Covid-19.</li> <li>The Group's response to Covid-19 was discussed with key stakeholders to keep them informed of actions being taken and the impact on Nexus.</li> </ul>

#### Decision

#### Actions taken

#### Stakeholder group

#### Share placing in June 2020

- The Group placed 7,142,900 new ordinary shares of £0.02 each in the Company, raising gross proceeds of £10m on 12 June 2020.
- The placing strengthens the Company's balance sheet, allowing management to run the business for longer-term growth with ample liquidity headroom.

- The Board considered the impact on shareholders of the share placing.
- The placing ensured the short-term cash headroom required to respond to the challenge of Covid-19 and working capital requirement, particularly the impact on suppliers and employees.

#### Forecasting and budgets approved for going concern purposes

- Rolling forecasts were introduced to monitor performance.
- Budgets were reviewed and approved for FY2021 including scenarios for the impact of Covid-19 on the going concern of the Group.
- Approved the going concern assumption.

- When reviewing the budgets, the Board considered the impact on all stakeholders.
- The forecasting and budgeting process informed the decisions on furloughing of staff and the subsequent restructuring and redundancies.
- Working capital forecasting considered payment terms with customers and suppliers.

#### Resizing and redundancies

- A resizing exercise, which included redundancies of various roles across the Group, was undertaken to streamline the business.

- The Board considered the impact on all employees of the resizing exercise, particularly those directly affected.
- Whilst the resizing exercise was carried out to protect the financial position of the business, the Board recognised the negative impact on employees.
- The Board ensured that the redundancy process was carried out fairly and transparently using experienced resources to support the process.

# Environmental, social and governance report



Nexus aims to have a positive impact on society, with measures in place to support individuals, local communities and the environment in which we live.



<p><b>Health and safety</b></p>	<p><b>People</b></p>
<p><b>Communities</b></p>	<p><b>Sustainability and the environment</b></p>



## Overview

The Group has identified its purpose as 'Building Bright Futures'. This statement captures how Nexus conducts its business to ensure that both individuals and the wider society will benefit as an integral element of the Group's strategy. Not only has this been 'the right thing to do' to match our core values - but the atmosphere and culture that has developed as a result, has brought an added advantage of improvements to business performance. 'Building Bright Futures' touches on many different aspects of operations across Nexus, such as:

- developing and supporting our teams and individual employees so that they are able to learn and flourish;
- caring for and protecting not only our own employees - but also anyone working with or for us at our various sites, offices and facilities;

- offering exciting opportunities to those interested in joining the Group - irrespective of age, gender, race, disability or religion;
- supporting our supply chain and making full use of local businesses wherever possible;
- being aware of our environmental impact - and doing whatever we can to leave a positive legacy for future generations; and
- reaching out to schools, hospitals and charities to offer support through volunteering and fundraising in a variety of different ways.

## Policies

The Board is committed to establishing high ethical standards of behaviour and corporate governance and the Group has policies in place, including, but not limited to: health and safety, anti-bribery, environmental protection, equal opportunities, equality and diversity, training and development, whistleblowing, anti-facilitation of tax evasion, and modern slavery. Our policies support our approach of conducting business in an open and transparent manner and are in line with our core values.

Nexus expects its employees to conduct themselves in a manner which reflects the highest ethical standards and complies with all applicable laws and regulations. The Group has a zero-tolerance policy towards any form of bribery or corruption and has training and appropriate procedures in place whereby any concerns in relation to malpractice can be raised in an appropriate forum.

## Environmental, social and governance report continued

### Health and safety



The health, safety and wellbeing of our staff is paramount, and every precaution is taken to protect them and those around them wherever they are working.

The year 2020 was obviously exceptionally challenging due to the impact of Covid-19. Nexus and our subsidiary businesses acted swiftly to implement the lockdown actions in line with the Government's requirements. This included the introduction of measures to enable working from home and the closure of the offices. Site/field operating procedures were put in place based on documentation published by the Government's Department for Business, Energy & Industrial Strategy. The procedures were supported by our own guidelines and advice which was issued to all employees on how to stay 'Covid-safe'. Thereafter, as Government policy changed, the offices were partly reopened with rules in place on numbers allowed, social distancing and the use of hygiene facilities.



Other 'non-Covid' activities:

- occupational health screening is offered to Nexus employees; this enables early intervention as well as identifying any underlying health problems; and
- mental health issues are highlighted as a concern within the construction industry. Our Wellbeing campaign, supported by our partnership with 'Mates in Mind', continued to provide support and resources to any employee that might feel worried about their mental health.

Health and safety is led from the top. It is given the highest priority at the very heart of our operations. Directors and senior managers are actively involved in site visits to continually emphasise the critical importance of health and safety. Leading indicators and feedback loops are used to gauge the level of workforce engagement and to identify any areas where early attention may be required. Hazards and near misses are immediately acted upon, with any longer-term trends captured and used for broader intervention activities. If there is an accident, no matter what the size or severity, the individual is treated and cared for, lessons learned are put in place and communicated widely and the incident is recorded and included in reported statistics.



Competency of individuals is assured through training and development programmes – both internally run and through external agencies.

Dedicated safety teams undertake site audits each week to confirm that procedures are being followed. The management systems for safety, quality, environment and energy are under regular review by external bodies to ensure they fully comply with the relevant national standards.

Tamdown's performance in health and safety was again recognised with a President's Award from RoSPA, one of the longest-running industry awards schemes in the UK. This was achieved as Tamdown has won a Gold Award in each of the last eleven years.

The Accident Incident Rate ("AIR") for the Group was 162 (2019: 231). By comparison, the Health and Safety Executive's figures, published in November 2020, state that the average AIR for the construction industry in 2019/20 was 330.

### People



#### Investing in the workforce

Nexus believes in success through its employees, with a dedicated in-house People Team providing structured learning, advancement and development opportunities. 'My Bright Future' appraisals, tied to our values and purpose, are our means of supporting performance and creating future career paths for our employees.

Development initiatives include Apprenticeship and Degree Apprenticeship Programme, Site Engineers and Managers Programme and Future Talent Programme for A-Level students.

Nexus also encourages leadership and management development with executive coaching, management coaching, ILM Level 3 and 5 accreditation and succession planning.

#### Communication

Strong internal communication and engagement is vital to the success of any organisation as well as to the morale, performance and empowerment of staff. We regularly share information with employees and follow a set of principles of communication to ensure timeliness, inclusivity, honesty, consistency and accessibility. A variety of tailored channels, including social media, are utilised to provide the most effective communication possible with our people.

The demonstration and communication of our Group purpose 'Building Bright Futures' is an ongoing focus for the business and its leaders, including sharing success stories from our people and key messaging around our values.

As a result of Covid-19, a specific communications plan was developed and implemented.

This ensured that all employees were informed and kept fully up to date, whether they were actively working on site, at home or had been furloughed. The plan included the communications of revised operating procedures in a variety of formats including detailed documents, slide decks, summaries of key principles and video content. The variety of media supported the engagement and understanding of all employees.

#### Recruitment and retention

We endeavour to provide good terms of employment with the provision of benefits that employees want, as well as promoting health and wellbeing and ensuring we have a happy and safe work environment. We are keen that employees should share in the growth of the Group and an Employee Share Incentive Plan is in place whereby employees can acquire shares in the Company in a tax-effective manner. Salaries are market tested along with add-on benefits. Options are reviewed and considered on a regular basis.

#### Diversity and equality

We are committed to ensuring that all employees, potential recruits and other stakeholders are treated fairly and equitably. The principles of equality and diversity are important to us and advancement is based upon individual skills and aptitude irrespective of race, gender, sexual orientation, disability, age, religion or beliefs. Full consideration is given to the diverse needs of our employees and potential recruits and we are fully compliant with all current legislation. The Group is committed to upholding basic human rights within its business.

We are taking proactive measures to help recruit and attract more women into the Group, including our 'Women in Construction' campaign among schools and colleges to raise the profile of careers within our Company and the industry as a whole.

#### Disabled employees

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

### Communities



The Nexus Community Trust is a charitable trust that was established in 2011 to support employee-nominated causes and help those charities which have been involved with, and affect the lives of, the staff of Nexus and its subsidiary companies.

As an example, in December 2019, employees donated toys to Great Ormond Street Hospital for Children NHS Foundation Trust. In addition to the collection of actual toys, £2,000 was raised to buy other items such as an Xbox, iPad, play kitchen and more.

Other activities in the year included the donation of PPE to frontline NHS staff, the completion of a gardening project for the Farleigh Hospice and the supply of items of playground equipment to Edith Borthwick, a special school.

Nexus also offers a volunteering scheme to employees, where they can take up to five working days of paid time per year for community volunteering.



# Environmental, social and governance report continued

## Sustainability and the environment



We realise that climate change is a genuine problem that affects us all, therefore we are truly committed to doing everything within our power to implement solutions to this global challenge. The Government has set a target for the UK to have net zero carbon emissions by 2050. As transportation generates approximately a quarter of all of the UK's greenhouse gas emissions, the switch of vehicles to ultra-low emissions is a key enabler to achieving this target. eSmart Networks has been created to support the transition to a low carbon transportation system as electric vehicles, and their associated infrastructure, are at the heart of this change.

We recognise that our own operations influence the local, regional and global environment due to the nature of our business. Therefore, we continuously look to improve our own environmental performance and decrease our carbon footprint.

Through our ISO 14001 accreditation, which we are proud to have held since 2002, our Directors and managers participate in defining our environmental action plan by setting realistic objectives and targets for our business in both the short and long-term. To date, our businesses have had no reportable environmental incidents.

The Group has the ISO 50001 accreditation to ensure Energy Saving Opportunity Scheme ("ESOS") compliance. This aids our approach to reducing energy consumption across our sites and offices.

Our first aim is to reduce our environmental impact and reduce our carbon footprint. We see this as a journey for us alongside our customers and suppliers. The Group has invested in new machines to reduce carbon emissions alongside regular maintenance schedules to ensure they are working efficiently. The company car scheme is focused on hybrid and low-emission vehicles.

### SECR Energy Performance Report Greenhouse gas emissions reporting

The Group reports its greenhouse gas emissions in accordance with UK regulations and the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting standard and emission factors from UK Government GHG Conversion Factors for Company Reporting 2020. The only subsidiary meeting the thresholds required to report data is Tamdown Group Limited, which is set out below.

The Group emissions have decreased by 7.8% when compared with those of the previous year. Whilst a number of energy improvement initiatives are in the process of being implemented, and others considered for the future, the majority of the reduction in consumption has arisen as a result of the impact Covid-19 has had on the business. The Group holds the ISO 50001 accreditation to ensure Energy Saving Opportunity Scheme ("ESOS") compliance. This aids our approach to reducing our energy consumption across our sites and offices. Improvement initiatives include working with key suppliers to reduce fuel wastage, reduce transport distances and monitoring driver performance.

	2020 Tonnes of CO <sub>2</sub>	2019 Tonnes of CO <sub>2</sub>
<b>GHG emissions from:</b>		
Scope 1: combustion of gas and fuel for transport	38,276	41,528
Scope 2: purchase of electricity	9	29
<b>Total emissions</b>	<b>38,285</b>	<b>41,557</b>

	2020	2019
<b>Intensity ratio:</b>		
Total emissions per employee	532	526

	2020 kWh	2019 kWh
<b>Energy usage from:</b>		
Scope 1:	15,037,770	16,315,015
Scope 2:	41,524	129,444
<b>Total usage</b>	<b>15,079,294</b>	<b>16,444,459</b>

1 Employee numbers are based on the average for the year for Tamdown Group Limited.  
2 Tamdown Group Limited only operates in the UK.  
3 Tamdown Group Limited's reporting year runs from October to September.

# Principal risks and uncertainties

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

In common with other organisations, the Group faces risks that may affect its performance. Identification, management and mitigation of such risks and uncertainties across the Group is an essential part of the ability to deliver the Group strategy. The Board has identified those risks which are deemed principal to its business due to their potential severity and link to the Group's strategy, markets and operations.

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

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

### Risk:

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

Impact	5	4	3	2	1
	4		7,8		
3			2,3,5,6		1
2			4		
1					
Score	1	2	3	4	5
<b>Likelihood</b>					

# Principal risks and uncertainties continued

## 1. Market downturn

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>• <b>The Group's success is dependent on the general economic climate and fluctuations in the UK property market</b></li> <li>• <b>The Group would be impacted by a lack of growth in the electric vehicle market</b></li> </ul>	<ul style="list-style-type: none"> <li>• The Group's success is dependent, to a large extent, upon the state of the economy and in particular the UK's private residential market in the South East of England</li> <li>• Economic weakness may result in decreased revenue, margins and earnings</li> <li>• Adverse economic conditions may decrease customer confidence levels, leading to a decrease in housebuilding or rates of development</li> <li>• Mortgage availability may decrease and the cost associated with mortgage funding may increase, which would result in fewer house purchases and in turn the number of houses built</li> <li>• A lack of new cars being introduced to the market to provide more choice to consumers would slow the growth in the EV market</li> <li>• The use of alternative power sources to electric could reduce the contracts available to eSmart Networks</li> <li>• A change in Government policy may impact the funding available for infrastructure and the move towards lower emission vehicles. This would impact on the Group's revenues</li> <li>• The Group could be impacted by the end of the transition arrangements for the UK leaving the European Union at the end of 2020. Particular impact could be seen on the supply chain for goods sourced from the EU</li> <li>• Covid-19 could slow down construction works and cancel future orders</li> </ul>	<p><b>Status: Increased</b></p> <ul style="list-style-type: none"> <li>• Diversification of the Group's customer base, services and geography</li> <li>• Regular review of tenders</li> <li>• Regular contact with customers</li> <li>• A cautious approach to debt finance</li> <li>• New opportunities being available through diversification of the service provided and the customer base</li> <li>• Regular review of supply chain and resources</li> <li>• The Group has increased its stock of materials purchased from EU countries to ensure it has a forward supply of materials</li> <li>• A share placing has provided headroom for the business to withstand a downturn</li> </ul>

## 2. Failure to procure new contracts

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>• <b>The Group's success is dependent upon winning contracts on satisfactory terms in its existing and target markets</b></li> </ul>	<ul style="list-style-type: none"> <li>• The majority of the Group's revenue is generated by work won through tender submissions</li> <li>• The Group's profitability depends upon its ability to submit tenders at satisfactory margins. If the market conditions change due to increased competition, increased costs, or reduced availability of a skilled workforce, then the cost of carrying out works may increase, which may either reduce the profitability of the contracts or result in the contracts not being won</li> <li>• If the Group's ability to exceed customer expectations is reduced due to poor quality or service, it may reduce the level of repeat work from customers</li> </ul>	<p><b>Status: Static</b></p> <ul style="list-style-type: none"> <li>• Continual review of the Group's current and target markets to ensure the opportunities they offer are understood</li> <li>• Structured bid review process in operation with specific customer and contract criteria that are designed to ensure the Group only takes on customers and contracts that are acceptable and understood</li> <li>• Ensuring we have highly skilled people delivering and managing contracts</li> </ul>

## 3. Regulatory requirements

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>• <b>All of the Group's businesses are subject to regulatory requirements with which it may be found to be non-compliant</b></li> <li>• <b>Non-compliance with business code of conduct</b></li> </ul>	<ul style="list-style-type: none"> <li>• All of the Group's businesses operate in regulated environments. Regulators may conduct investigations on companies or carry out industry-wide investigations. Non-compliance with laws, regulations or rules may result in adverse publicity, prosecution, disciplinary action, fines or revocation of licences, and would impact profitability and relationships with current and potential customers</li> <li>• The regulatory environment may change build and environment standards, such as the Future Homes Standard consultation and the draft Building Safety Bill, potentially leading to increased costs</li> <li>• Not maintaining a high standard of ethics and compliance with Group policies or regulatory requirements</li> </ul>	<p><b>Status: Static</b></p> <ul style="list-style-type: none"> <li>• Regular internal review of processes and procedures to ensure compliance with obligations</li> <li>• Frequent external regulatory audits to confirm processes and procedures are compliant with obligations</li> <li>• Regular evaluation of proposed regulations and standards</li> <li>• Consideration of the strategy to address future new markets</li> <li>• Clear policies and procedures in place including training programmes to ensure employees understand the policies and requirements</li> </ul>



## Principal risks and uncertainties continued

### 4. Availability of materials and subcontractors

Status: Static

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>The Group could be adversely affected by the availability of materials and subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>The Group requires materials to be available at the time they are needed, at a reasonable price. Increased prices and delays could increase the costs of the project and so impact the Group's profitability</li> <li>The Group is dependent on the availability, competence and consistency of subcontractors. Should subcontractors not be available at the time required, delays may occur, increasing costs and so reducing profitability. Incompetent or inconsistent workmanship may require remediation works which may impact profitability and short-term cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Multiple suppliers and subcontractors for materials and relevant trades in order to maintain continuity of supply and competitive pricing</li> <li>Supply contracts negotiated on specific contracts for certainty of price and quantity</li> <li>Increase in stock to mitigate availability of materials due to the UK's exit from the European Union</li> </ul>

### 5. Failure to retain or recruit skilled people

Status: Static

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>The Group could be adversely affected by the loss of, or an inability to recruit and retain, key personnel</li> </ul>	<ul style="list-style-type: none"> <li>The Group's success is dependent on its ability to recruit, retain and motivate high-quality senior management and other personnel with extensive experience and knowledge of the construction industry. The availability of such personnel is sparse and competition to recruit them is intense. Failure to recruit, retain and motivate could adversely affect the Group's operations, financial conditions and prospects</li> <li>The UK's exit from the EU could impact the availability of labour</li> </ul>	<ul style="list-style-type: none"> <li>Focus on learning and development, including annual performance management, to encourage and support all employees to achieve their full potential</li> <li>Attractive performance-based remuneration policy</li> <li>Recruitment and development plans to attract site-based, school leaver and graduate employees</li> <li>Support employees from the EU in securing settled status post the UK's formal exit from the EU</li> </ul>

### 6. Contract execution

Status: Static

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>Contracts may not perform as expected which may lead to contracts not being executed profitably</li> </ul>	<ul style="list-style-type: none"> <li>The Group's profitability is dependent upon its ability to manage contracts to ensure that they are delivered on time, to budget and exceeding the customers' expectations. Failure to achieve these objectives could lead to contract losses, delays, reputational damage and reduced repeat work</li> </ul>	<ul style="list-style-type: none"> <li>Detailed bid appraisal process to ensure all risks and requirements are understood</li> <li>Applying rigorous policies and procedures to manage and monitor contract performance</li> <li>Ensuring high-quality people are delivering the contracts</li> <li>Operational review to ensure elimination of poor workmanship</li> </ul>

### 7. Health and safety

Status: Static

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>The Group operates in sectors that carry significant health and safety risks</li> </ul>	<ul style="list-style-type: none"> <li>The construction, utilities and electrical connection sectors carry significant health and safety risks, including serious injury and fatalities</li> <li>Loss of confidence and damage to brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>A Board-led commitment to achieve zero accidents</li> <li>Management commitment to safety tours, safety audits and safety action groups</li> <li>Comprehensive employee training programmes</li> </ul>

### 8. IT systems and cyber security

Status: Static

Risk	Description	Mitigation
<ul style="list-style-type: none"> <li>The failure of the Group's IT systems to ensure smooth flow and retention of information</li> </ul>	<ul style="list-style-type: none"> <li>The Group uses a range of computer systems. Outages and interruptions could affect the day-to-day operations of the business, resulting in loss of sales and delays to cash flows</li> <li>Key systems could be breached, causing financial or data loss, disruption or damage</li> <li>Any theft or misuse of data held within the Group's systems could have both reputational and financial implications for the Group</li> </ul>	<ul style="list-style-type: none"> <li>The Group's IT strategies are reviewed regularly to ensure they remain appropriate for the business</li> <li>Business continuity and disaster recovery tests are regularly carried out</li> <li>The internal IT systems support team works with external providers to ensure that regular updates to technology, infrastructure, communications and application systems occur as required</li> <li>Centralised hardware and software security is in place to ensure the protection of commercial and sensitive data</li> </ul>

The financial risk management of the Group, including the Group's exposure to credit risk and liquidity risk, is set out in note 26, Financial risk management, of the financial statements.

#### Strategic report approval statement

The Strategic report, contained in pages 1 to 47 has been approved by the Board of Directors and is signed on its behalf by



**Mike Morris**  
Chief Executive Officer  
11 December 2020

## Chairman's introduction



A strong corporate governance culture.

**Geoff French CBE**  
Non-Executive Chairman

### Governance

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

To find out more about governance please go to pages 52 to 61.

Corporate governance has a key role in promoting the Group's success. The way the business is run therefore plays a significant part in meeting the Group's commitments to our customers. The Group has a long history of successful delivery and good corporate governance and the Board will ensure this continues. As Chairman, I am responsible for the leadership of the Board and for ensuring that it fulfils its responsibilities to all of the Group's stakeholders. My role includes ensuring that the Board has open and transparent discussions, allowing each member to contribute effectively. I ensure that the Board is commercial and collaborative, but also appropriately challenging. This requires us to have a good understanding of the business and its markets. The Board also operates in a way that sets an example, in terms of our commitment to the principles of governance, risk, leadership, diversity and our culture.

The Group has appropriate governance structures in place, and we will continue to develop them as the business evolves as a public company. The Directors recognise the importance of sound corporate governance and have adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") in line with the London Stock Exchange's AIM Rules requiring all AIM-listed companies to adopt a recognised corporate governance code.

**Geoff French**  
Non-Executive Chairman  
11 December 2020

The Board of Nexus Infrastructure plc (the "Group") is responsible for the Group's corporate governance and recognises the importance of high standards of corporate governance and integrity. The Group observes the requirements of the Corporate Governance Code published by the Quoted Companies Alliance ("QCA"). The Board believes that the application of the QCA Code will support the success of the business by ensuring that strong corporate governance procedures are in place.

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

## Applying the QCA Code

### Governance principle

**Principle 1:**  
Establish a strategy and business model which promotes long-term value for shareholders.

**Principle 2:**  
Seek to understand and meet shareholder needs and expectations.

**Principle 3:**  
Take into account wider stakeholder and social responsibilities and their implications for long-term success.

**Principle 4:**  
Embed effective risk management, considering both opportunities and threats throughout the organisation.

**Principle 5:**  
Maintain the Board as a well-functioning, balanced team led by the Chair.

**Principle 6:**  
Ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities.

**Principle 7:**  
Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

**Principle 8:**  
Promote a corporate culture that is based on ethical values and behaviours.

**Principle 9:**  
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

**Principle 10:**  
Communicate how the company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.

### Summary explanation

See Executive review, Business model, Operational review, Strategy and performance within the annual report.

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

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

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

Safety of all is key and initiatives are carried out throughout the business to maintain and improve a safe working environment.

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

The Audit Committee reviews the risks of each company within the Group and receives reports from the external auditor concerning any material control weakness.

The Board comprises of the Non-Executive Chairman, three Non-Executive Directors and two Executive Directors. Board profiles are provided on pages 50 and 51. The Non-Executive Chairman and the Non-Executive Directors are considered to be independent.

The details of the Directors' experience, skills and capabilities are set out on pages 50 and 51 of the annual report.

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

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

The Board recognises its responsibility for establishing high ethical standards of behaviour and corporate governance. The Group has policies in place to support our approach to conducting business in an open and transparent manner that is in line with the core values. Our managers play a pivotal role in employee engagement and we continue to invest in leadership development that is focused on ensuring our managers have the skills they need to create motivated, high-performing and engaged teams.

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

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

# Board of Directors



**Geoff French CBE**  
Independent Non-Executive  
Chairman

A R N\*

**Appointed to Board: 2016**

**Core strengths and experience**

- Over 50 years' experience in the civil engineering industry
- Former CEO and Chairman of Scott Wilson
- Former President of the Institution of Civil Engineers

**Background**

Geoff has over 50 years' civil engineering experience. He started his career as a civil engineering graduate at Scott Wilson in 1968. He progressed through Scott Wilson and was Chairman from 2002 until 2010, during which time he oversaw the Group's successful flotation on the London Stock Exchange and its sale to URS. Geoff was Chairman of the Enterprise M3 LEP from 2011 until 2017. He was formerly President of the Institution of Civil Engineers (2013 to 2014), President of the International Federation of Consulting Engineers (2011 to 2013) and Chairman of the Association for Consultancy and Engineering in 2009.

**External appointments**

- Non-Executive Chairman of HR Wallingford Group Limited
- Non-Executive Director of Aecom Pension Trustee Limited
- Chair of the Trustees of the ICE Pension Scheme



**Mike Morris**  
Chief Executive Officer

**Appointed to Board: 2006**

**Core strengths and experience**

- 30 years' experience in the essential infrastructure industry
- Experienced leader with a strong track record
- Angel investor

**Background**

Mike has led the Group through a period of significant growth since the management buyout with 3i in 1999. Mike is an entrepreneur and business leader and those talents have seen Nexus Infrastructure organically start up TriConnex (multi-utility) and eSmart Networks (electrification). The catalyst and driving force behind the continued success of the business. Mike is passionate about continuous improvement at a business and personal level.

**External appointments**

- None



**Alan Martin**  
Chief Financial Officer

**Appointed to Board: 2015**

**Core strengths and experience**

- Over ten years' experience in the construction industry
- Chartered Accountant with M&A experience

**Background**

Alan has over 30 years' financial experience. He is a Chartered Accountant, joining the Board in 2015 as Chief Financial Officer. Alan was previously Chief Financial Officer of housebuilder and strategic land specialist MJ Gleeson plc from 2009 to 2015, having joined in 2006 as Group Financial Controller, during which time he played an important role in the repositioning and revitalisation of the Group. Prior to this, he held senior roles at Psion plc and PwC. Educated at Cardiff University, Alan has a BSc Honours degree in Accountancy and Law.

**External appointments**

- None



**Richard Kilner**  
Independent Non-Executive  
Director

A R\* N

**Appointed to Board: 2016**

**Core strengths and experience**

- Significant M&A experience following 20 years' experience with private equity companies
- Over 20 years' experience within the civil engineering and construction sectors
- Qualified civil engineer

**Background**

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

**External appointments**

- Non-Executive Director of Great Bowery Investments Limited (US registered company)
- Director of Glebe Meadows Developments Limited
- Director of Deltex Consulting Limited
- Chairman of True Lens (Holdings) Limited
- Non-Executive Director of Procam Television Holdings Limited (in administration)



**Alex Wiseman**  
Independent Non-Executive  
Director

A\* R N

**Appointed to Board: 2016**

**Core strengths and experience**

- Over 20 years' experience in utility regulation and strategy
- Qualified management accountant

**Background**

Alex has significant experience within the utility sector, specialising in regulation and strategy. He is currently a Non-Executive Director at Bristol Holdings (which owns an energy, housing and waste company) as well as at the Northern Ireland Authority for Utility Regulation. Alex has previously held directorships across both public and private sector organisations, including Xoserve and the Central Manchester University Hospitals NHS Foundation Trust. Alex was previously Regulation Director at Northern Gas Networks and Head of Strategic Planning at United Utilities. Educated at Cambridge University, Alex holds an MA degree in Mathematics, an MBA and is a qualified management accountant.

**External appointments**

- Non-Executive Director of Bristol Holdings Limited
- Board member of Northern Ireland Authority for Utility Regulation



**Ffion Griffith**  
Independent Non-Executive  
Director

A R N

**Appointed to Board: 2018**

**Core strengths and experience**

- Over 30 years' experience in senior human resources roles
- Significant experience in professional services, technology and private equity sectors

**Background**

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

**External appointments**

- Member of Burnt Mill Academy Trust

# Corporate governance

We recognise the importance of having the right culture and communicating this message throughout the organisation.

## Board and sub-committee structure

The Board		
Audit Committee	Nomination Committee	Remuneration Committee
<p><b>Purpose:</b> to ensure that the financial performance of the Group is properly reported and monitored, through the internal control systems and the external auditor.</p>	<p><b>Purpose:</b> responsible for reviewing the structure, size and composition of the Board, nominating candidates for Board vacancies and succession planning.</p>	<p><b>Purpose:</b> to recommend to the Board an overall remuneration policy to retain, attract and motivate high-quality executives capable of achieving the Group's objectives.</p>

### Leadership and responsibilities

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

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

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

### The Board

At the date of this report, the Board comprised four Non-Executive Directors, including the Chairman, and two Executive Directors. Biographies of the Directors can be found on pages 50 and 51. All the Directors served throughout the year to 30 September 2020.

The Board believes it has an appropriate balance of Executive and independent Non-Executive Directors given the size and nature of the business. In addition, the Board considers that it has an appropriate balance of skills, experience and knowledge in order for it to discharge its duties and responsibilities effectively. This includes a combination of diverse backgrounds and experiences which enable it to function effectively and have dialogue that is both constructive and challenging.

All of the Directors have access to the advice and services of the Company Secretary and may, in furtherance of their duties, take independent advice, at the Company's expense.

Training is arranged, as required, to update and refresh their skills and knowledge.

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

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

### Board effectiveness

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

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

### Key actions of the Board

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

The Board has a formal schedule of matters that are reserved for its decision. This includes the approval of half-year and full-year financial statements, changes to the Company's capital structure and any significant investments, contracts, acquisitions, mergers and disposals. The Board last reviewed the matters reserved on 17 February 2020. Other specific responsibilities are delegated to the Committees which operate within clearly defined terms of reference.

### Board Committees

The Board has Audit, Nomination, Remuneration and Disclosure Committees, which operate under written terms of reference. The reports of the Audit, Nomination and Remuneration Committees can be found on pages 54 to 59.

The Disclosure Committee has been set up by the Board to comply with the requirements of the Market Abuse Regulation. The members of the Disclosure Committee are the Chief Financial Officer (Chairman), Chief Executive Officer and the Company Secretary. Other Directors, executives and external advisers may attend by invitation, as appropriate.

The Disclosure Committee is required to:

- make timely and accurate disclosure of all information required to be disclosed to meet the legal and regulatory obligations and requirements arising from the admission of the Company's shares to trading on AIM;
- determine the disclosure treatment of information likely to be of concern to an external investor and assist in designing, implementing and evaluating the disclosure controls and procedures;
- identify any price sensitive information; and
- identify any inside information.

### Attendance at meetings

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

	Board
Number of scheduled meetings	8
Geoff French	8
Richard Kilner	8
Alex Wiseman	8
Ffion Griffith <sup>1</sup>	7
Mike Morris	8
Alan Martin	8

<sup>1</sup> Ffion Griffith did not attend one of the Board meetings due to a prior commitment known when the meeting schedule was set.

### Board evaluation

During the year, under the leadership of the Chairman, the Board undertook the annual evaluation of its own performance. This was based on the completion of a detailed questionnaire by the Directors. The outcome and conclusions reached from the conduct of these evaluations were discussed by the Board at its meeting in March 2020. Actions from the evaluation were agreed, including how the Board engaged with senior management on strategy and further enhancing the strategic content of Board meetings. It was concluded that the Board, its Committees and the Chairman continued to perform effectively.

At the end of each Board meeting, the Board also self-assesses the meeting, including the quality of the papers, preparation, corpocracy, effectiveness and adhering to the Group's values.

### Internal controls

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

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

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

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

### Relations with stakeholders

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

More information on how the Board engages with our stakeholders is on pages 34 to 37

## Audit Committee report



The Committee's focus is on the Group's financial disclosures, as well as reviewing controls, procedures and risk management.

### Alex Wiseman

Chairman of the Audit Committee

#### Audit Committee

Number of scheduled meetings	3
Alex Wiseman (Chairman)	3
Geoff French	3
Richard Kilner	3
Ffion Griffith	3
Mike Morris <sup>1</sup>	3
Alan Martin <sup>1</sup>	3

<sup>1</sup> As Executive Directors, Mike Morris and Alan Martin are not members of the Audit Committee but were invited to attend the meetings in order to assist with the matters for discussion.

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

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

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

#### Roles and responsibilities

The role of the Committee is to:

- monitor the integrity of the financial statements of the Company, including formal announcements relating to its financial performance, and any significant financial reporting judgements;
- review and monitor the effectiveness of the Company's internal controls and risk management systems;
- review the Company's procedures for detecting fraud and the systems and controls for the prevention of bribery and tax evasion;

- review and monitor the effectiveness of the Company's internal audit function, including reporting to the Committee;
- consider and review all internal audit reports; and
- make recommendations to the Board in relation to the appointment, independence, objectivity and the effectiveness of the external audit process.

#### Committee meetings

The Audit Committee comprises the Non-Executive Directors of the Company. The Audit Committee is chaired by Alex Wiseman. Alex is a member of the Chartered Institute of Management Accountants.

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

#### Activities of the Committee

During the year, the Committee undertook the following:

- reviewed and discussed financial disclosures made in the annual results announcement, the annual report and financial statements and the half-yearly financial report, together with any related management letters, letters of representation and reports from the external auditor;
- reviewed reports from management covering various aspects of the Company's operations, controls and procedures and agreed actions for management to take from findings in the reports;
- reviewed the Group's risk management framework and the effectiveness of the internal controls; and
- reviewed and agreed the external auditor's plan in advance of their audit for the financial year ended 30 September 2020.

#### Risk management and internal controls

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

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

#### Internal audit

Internal audit plays an important part in monitoring the effectiveness of internal controls. The internal audit function is carried out by Executive Directors of the subsidiaries reporting to the Audit Committee. The Audit Committee requests follow-up reviews where control deficiencies are noted. During the year, the Audit Committee reviewed the process for reporting to the Committee to ensure it was comprehensive.

#### Significant and other accounting matters

There were no changes to accounting matters which the Committee were required to consider during the year.

#### External auditor

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

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

#### Non-audit services

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

Details of the audit and non-audit fees incurred are disclosed in note 7 to the financial statements.

#### Alex Wiseman

Chairman of the Audit Committee  
11 December 2020

## Nomination Committee report



The Committee's focus during the year has been reviewing succession planning within the Group.

### Geoff French CBE

Chairman of the Nomination Committee

#### Nomination Committee

Number of scheduled meetings	3
Geoff French	3
Richard Kilner	3
Alex Wiseman	3
Ffion Griffith	3
Mike Morris <sup>1</sup>	3
Alan Martin <sup>1</sup>	3

<sup>1</sup> As Executive Directors, Mike Morris and Alan Martin are not members of the Nomination Committee but were invited to attend the meetings in order to assist with the matters for discussion.

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

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

### Roles and responsibilities

The role of the Committee is to:

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

### Committee meetings

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

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

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

### Activities of the Committee

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

- reviewing the composition of the Board of the Company and the boards of the subsidiaries, including the balance of skills, knowledge and experience;
- the recommendation to the Board of appointments to subsidiary boards; and
- reviewing the Committee's terms of reference.

### Geoff French

Chairman of the Nomination Committee

11 December 2020

## Remuneration Committee report



The Committee's focus is the review of incentive and rewards packages for the Executive Directors and senior management.

### Richard Kilner

Chairman of the Remuneration Committee

#### Remuneration Committee

Number of scheduled meetings	2
Richard Kilner (Chairman)	2
Geoff French	2
Alex Wiseman	2
Ffion Griffith	2
Mike Morris <sup>1</sup>	2
Alan Martin <sup>1</sup>	2

<sup>1</sup> As Executive Directors, Mike Morris and Alan Martin are not members of the Remuneration Committee but were invited to attend the appropriate elements of the meetings in order to assist with the matters for discussion.

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the year ended 30 September 2020.

As an AIM-listed company, Nexus Infrastructure plc is not required to fully apply the Listing Rules of the Financial Conduct Authority or the BIS Directors' Remuneration Reporting Regulations and so is not required to present a Board report on remuneration in accordance with those rules. Nevertheless, the Board considers it appropriate for the Company to provide shareholders with information that follows the essence of the regulations and so includes some details of the remuneration policy and executive remuneration. The content of this report is unaudited unless stated otherwise.

### Roles and responsibilities

The Committee's main responsibilities are to:

- determine and agree with the Board the framework and broad policy for the remuneration of the Chairman, Executive Directors and other senior executives in order to retain, attract and motivate high-quality executives capable of achieving the Company's objectives. No Director participates in any discussion regarding their own remuneration;

- consider, when determining such a policy, the relevant legal and regulatory requirements and guidance;
- within the terms of the agreed policy, determine the remuneration, including pension arrangements, of the Executive Directors;
- determine the level of fees for the Chairman of the Board;
- monitor and make recommendations in respect of the remuneration of the subsidiary directors;
- review the design of share incentive plans for approval by the Board and shareholders and, for such plans, determine the level of award and performance conditions; and
- select and appoint the external advisers to the Committee.

### Committee meetings

The Remuneration Committee comprises Richard Kilner (Chairman), Geoff French, Ffion Griffith and Alex Wiseman. The Committee is required to meet at least twice a year and the table sets out the number of Committee meetings attended during the year.

# Remuneration Committee report continued

## Activities of the Committee

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

- considered and approved the long-term incentive plan awards to Executive Directors and senior management;
- reviewed and approved the short-term incentive plans;
- reviewed and approved the strategy for the year-end salary reviews;
- reviewed and approved Executive Directors' and senior management salaries for 2020;
- reviewed and approved the level of fees for the Chairman for 2020;
- reviewed the Group's pension arrangements;
- agreed the terms of senior management appointments and exits; and
- reviewed the Committee's terms of reference.

## Remuneration policy

The remuneration policy is designed to ensure that the remuneration of Executive Directors and the senior management team is appropriate to attract, retain and motivate management behaviours in support of the creation of shareholder value. The Committee will review the remuneration policy from time to time and take whatever action it considers necessary to ensure that remuneration is aligned with the overall strategic objectives of the Group.

## Advisers to the Remuneration Committee

The Committee is authorised to obtain outside professional advice and expertise and will also receive advice and support from the Chief Executive Officer, Chief Financial Officer and the Director of People, as necessary. No external advisers have provided significant services to the Committee in the year.

## Executive Directors' remuneration

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

### Salary

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

### Benefits in kind

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

### Performance-related bonuses

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

## Long-Term Incentive Plan

The Group operates a Long-Term Incentive Plan, under which certain Directors and senior management have been granted options to subscribe for ordinary shares. All options were equity settled. The options are subject to service and performance conditions.

## Pension contributions

The Company makes contributions into personal pension schemes, or makes payments in lieu of contributions, of 15% of basic salary for the Executive Directors.

## Remuneration of Non-Executive Directors

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

## Executive Directors' contracts

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

## Non-Executive Directors' contracts

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

## Directors' emoluments (audited)

	Salary/fee		Bonus		Benefits		Pension benefit		Total	
	2020 £'000 <sup>1</sup>	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Executive Directors</b>										
Mike Morris <sup>2</sup>	236	219	—	—	18	18	52	52	306	289
Alan Martin	217	240	—	—	20	21	38	37	275	298
<b>Non-Executive Directors</b>										
Geoff French	58	64	—	—	—	—	—	—	58	64
Richard Kilner	35	38	—	—	—	—	—	—	35	38
Alex Wiseman	32	35	—	—	—	—	—	—	32	35
Ffion Griffith	32	32	—	—	—	—	—	—	32	32
<b>Total</b>	<b>610</b>	<b>628</b>	<b>—</b>	<b>—</b>	<b>38</b>	<b>39</b>	<b>90</b>	<b>89</b>	<b>738</b>	<b>756</b>

1 All Directors voluntarily took a 50% reduction in their salary or fee for the period 1 April 2020 to 30 June 2020.

2 Mike Morris voluntarily forfeited his salary for the period 1 June 2019 to 30 September 2019.

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

	Options at 1 October 2019	Awarded in year	Options exercised	Options lapsed	Options at 30 September 2020	Date of grant
Mike Morris	192,850	—	—	192,850	—	15 June 2017
Mike Morris	137,846	—	—	—	137,846	20 February 2018
Mike Morris	175,312	—	—	—	175,312	14 January 2019
Mike Morris	—	168,819	—	—	168,819	14 January 2020
Alan Martin	130,600	—	—	130,600	—	15 June 2017
Alan Martin	93,357	—	—	—	93,357	20 February 2018
Alan Martin	124,667	—	—	—	124,667	14 January 2019
Alan Martin	75,000	—	—	—	75,000	1 April 2019
Alan Martin	75,000	—	—	—	75,000	1 October 2019
Alan Martin	—	122,211	—	—	122,211	14 January 2020

All options have an exercise price of £0.02. All options have a vesting period of three years. The performance conditions of the options granted in February 2018, January 2019 and January 2020 related to the average annual compound earnings per share growth and total shareholder return relative to a comparator group. There were no performance conditions for the options granted in April and October 2019. The performance conditions of the options granted in prior years related to the average annual compound earnings per share growth.

## Directors' interest in the Company's shares

At 30 September 2020, the Directors had the following interests in the Company's shares:

Director	Number of shares
Geoff French	12,000
Mike Morris <sup>1</sup>	10,074,110
Alan Martin	104,947
Richard Kilner	41,142
Alex Wiseman	53,000
Ffion Griffith	5,119

1 Including the shares held by connected persons.



**Richard Kilner**

Chairman of the Remuneration Committee

11 December 2020

## Directors' report

### The Directors present their report and the financial statements for the year ended 30 September 2020.

The corporate governance disclosures on pages 48 to 59 form part of this report.

#### Strategic report

In accordance with the requirements of the Companies Act 2006, we present a review of the business during the year to 30 September 2020 and of the position of the Group at the end of the financial year, key performance indicators, together with a description of the financial risk management and the principal risks and uncertainties faced by the Group on pages 43 to 47.

#### Results and dividends

The results are set out in the consolidated statement of comprehensive income on page 67.

No interim dividend was paid to shareholders. The Board recommends, subject to shareholder approval at the AGM, that no final dividend is paid in respect of the 2020 financial year.

#### Donations

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

#### Greenhouse gas emissions

Details of the Group's Scope 1 and Scope 2 greenhouse gas emissions during the year are set out on page 42 and form part of the Directors' report disclosures.

#### Directors

The Directors of the Company and their biographical details are shown on pages 50 and 51. There have been no changes to the Directors of the Company during the year.

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

The interests of the Directors and their connected persons in the shares of the Company at 30 September 2020 are disclosed in the Remuneration Committee report on page 59. Details of the interests of the Executive Directors in share options and awards of shares can be found on page 59 within the same report.

#### Directors' indemnity provisions

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

#### Share capital structure

At 30 September 2020, the Company's issued share capital was £905,215, divided into 45,260,750 ordinary shares of £0.02 each. The holders of ordinary shares are entitled to one vote per share at the Company's general meetings.

#### Stakeholder engagement

We have reported how we engage with our stakeholders on pages 34 to 37.

#### Substantial shareholdings

At 11 December 2020, the shareholdings noted below, representing 3% or more of the issued share capital, had been notified to the Company. In addition, as at 11 December 2020, Link IRG Trustees Limited held 100,000 ordinary shares as trustees of the Employee Share Purchase Plan.

Name of shareholder	Number of shares	Proportion of total
Mike Morris (CEO) <sup>1</sup>	10,074,110	22.3%
Ruffer	8,232,380	18.2%
Keith Breen <sup>1</sup>	6,715,907	14.8%
Business Growth Fund	2,093,998	4.6%
Premier Miton Investors	1,943,000	4.3%
Close Brothers Asset Management	1,920,863	4.2%
NR Holdings	1,738,325	3.8%
Otus Capital Management	1,727,895	3.8%

<sup>1</sup> Including the shares held by connected persons.

#### Disclosure of information to auditor

The Directors confirm that:

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

#### Auditor

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the forthcoming AGM.

#### Going concern

Management has produced budgets that have been sensitised to reflect severe but plausible downside scenarios as a result of the Covid-19 pandemic. These demonstrate the Group is forecast to generate profits and cash in the year ending 30 September 2021 and beyond, and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. The budget would satisfy the financial covenants of the banking facilities of the review period; however, the downside scenarios significantly reduce profitability resulting in some of the financial covenants, which were profit based, not being satisfied for a number of testing periods. Following detailed discussions with our bank, alternative covenants have been agreed which test various balance sheet metrics. The forecasts using the downside assumptions satisfy the alternative financial covenants and the budgets also satisfy the revised financial covenants with ample levels of headroom. As such, the Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

#### Approval

This Directors' report was approved on behalf of the Board on 11 December 2020.



#### Dawn Hillman

Company Secretary  
11 December 2020



## Directors' responsibilities statement

The Directors are responsible 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 prepared the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the Company financial statements in accordance with IFRSs as adopted by the European Union. 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 Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

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

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

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

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

By order of the Board



**Mike Morris**  
Chief Executive Officer



**Alan Martin**  
Chief Financial Officer  
11 December 2020

## Independent auditors' report to the members of Nexus Infrastructure plc

### Report on the audit of the financial statements

#### Opinion

In our opinion, Nexus Infrastructure plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2020 and of the group's loss and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report 2020 (the "Annual Report"), which comprise: The consolidated and company statement of financial position as at 30 September 2020; the consolidated statement of comprehensive income; the consolidated and company statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Our audit approach

##### Overview



##### Materiality

- Overall group materiality: £690,000 (2019: £775,000), based on 0.5% of Revenue averaged over the last 3 years (2019: 0.5% of Revenue).
- Overall company materiality: £361,000 (2019: £274,000), based on 1% of Total assets.

##### Audit scope

- Full scope audits were performed over the financial information of all entities and the audits were fully substantive in nature.
- This approach provided 100% coverage of the Group's revenues and total assets.

##### Key audit matters

- Revenue recognition and long-term contract accounting in respect of infrastructure contracts.
- Covid-19.

#### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

#### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

## Independent auditors' report continued to the members of Nexus Infrastructure plc

### Report on the audit of the financial statements continued

Our audit approach continued

Key audit matters continued

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition and long-term contract accounting in respect of infrastructure contracts (Group)</b></p> <p>The Group recognised revenue of £125.7m in the financial year (see note 4). The principal revenue streams relate to the provision of infrastructure services to the UK housebuilding and commercial sector.</p> <p>Revenue is recognised using a contract accounting basis and therefore relies on a number of estimates, with the key estimate being the forecast costs to complete projects.</p> <p>The group uses the input method, as such, these estimates drive the revenue recognised in the year. In conjunction with the billings raised to date and costs incurred to date on a contract, these estimates also drive the associated contract positions in the statement of financial position.</p>	<p>We attended a sample of meetings between company finance personnel and the commercial and operations teams relating to the status of projects at month end (Tamdown &amp; Triconnex). At these meetings, we assessed the level of challenge being made around the costs to complete projects, project profit margins and project retentions. We also assessed the level of detailed discussion and follow up on points identified at previous meetings.</p> <p>We tested revenue transactions in the year to supporting documentation, including underlying contracts and variation orders, and tested associated statement of financial position accounts such as accounts receivable, paying particular attention to individual material contracts where we reviewed the contractual terms and considered the revenue recognition treatment applied by management for reasonableness.</p> <p>Our detailed testing of revenue transactions focused on auditing the significant estimates and judgements, specifically on the areas we considered to be of greatest risk which lie in the estimates of the forecast costs to complete. We have substantively tested costs to complete of the projects by examining a sample of costs underlying the estimates to supporting documentation where available.</p> <p>Further, we also tested that revenue was only recognised on variations where customers had signed those variations by testing variations to the signed original documentation.</p> <p>We tested a sample of accounts receivables to post year end receipts. If customers had not paid yet, then we agreed the year end positions to invoices or vouched these account receivables balances by agreeing them to valuations applied for at year end.</p> <p>We reviewed the status of the work at year end in relation to the underlying sample of contracts, including the effects of any variation orders, tested project costs incurred to source documentation and performed a margin analysis (look back test) on the populations of contracts which are still in progress at year end for the purpose of considering the accuracy of management's estimate of costs to complete.</p> <p>No significant issues arose from our work.</p>
<p><b>Covid-19 (Group and Company)</b></p> <p>The COVID-19 outbreak and the social distancing measures implemented by the UK government have the potential to materially affect the operations of the Group and cause significant disruption to the operations and business of third-party suppliers with which the Group conducts business.</p> <p>We focused on re-evaluating our initial risk assessment, to determine whether the uncertainties created require additional audit testing or additional disclosures in the financial statements.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>We read relevant disclosures in the annual report and checked consistency with our knowledge of the business based on our audit.</li> <li>We considered the extent to which the Company's future cash flows might be adversely affected by the Covid-19 pandemic and assessed whether the severe but plausible downside scenario appropriately reflects the impacts of Covid-19 on the operations of the group.</li> <li>Further, we considered whether there were any indications that material assets held in the balance sheet as at 30 September 2020 might be at heightened risk of impairment, such that additional disclosures might be required.</li> <li>No exceptions were noted from our work.</li> </ul>

We determined that there were no key audit matters applicable to the company to communicate in our report.

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

We conducted full scope audits of the complete financial information of all the group companies. Taken together, the Group companies over which we performed our audit procedures accounted for 100% of revenue and 100% of total assets.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
<b>Overall materiality</b>	£690,000 (2019: £775,000)	£361,000 (2019: £274,000)
<b>How we determined it</b>	Based on 0.5% of Revenue averaged over the last 3 years (2019: 0.5% of Revenue)	Based on 1% of Total assets
<b>Rationale for benchmark applied</b>	<p>We used revenue as a basis for materiality as the Group's profit margins are low, consistent with the industry as a whole, and therefore revenue is used by the Group as a key performance indicator.</p> <p>The group's Revenue in the current year was impacted by the COVID-19 pandemic. As a result, we decided to change our benchmark this year to use the average Revenue from the Group's operations over the last 3 years as the basis for the calculation of Materiality.</p>	We believe that total assets is the most appropriate benchmark as the Company is a holding company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £43,000 and £600,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £34,500 (Group audit) (2019: £39,000) and £18,050 (Company audit) (2019: £13,700) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## Independent auditors' report continued to the members of Nexus Infrastructure plc

### Report on the audit of the financial statements continued

#### Reporting on other information continued

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### Responsibilities for the financial statements and the audit

##### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

##### Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Other required reporting

##### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



**Matthew Mullins**  
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge

11 December 2020

## Consolidated statement of comprehensive income for the year ended 30 September 2020

	Note	2020 £'000	2019 £'000
<b>Revenue</b>	4	<b>125,726</b>	155,103
Cost of sales		<b>(108,981)</b>	(127,178)
<b>Gross profit</b>		<b>16,745</b>	27,925
Administrative expenses		<b>(19,249)</b>	(21,940)
Operating (loss)/profit before exceptional items		<b>(1,873)</b>	5,985
Exceptional items	5	<b>(631)</b>	
<b>Operating (loss)/profit</b>	7	<b>(2,504)</b>	5,985
Finance income	9	<b>35</b>	59
Finance expense	9	<b>(378)</b>	(339)
<b>(Loss)/profit before tax</b>		<b>(2,847)</b>	5,705
Taxation	10	<b>482</b>	(1,530)
<b>(Loss)/profit and total comprehensive (expenses)/income for the year attributable to equity holders of the parent</b>		<b>(2,365)</b>	4,175
<b>(Losses)/earnings per share (p per share)</b>			
<b>Basic</b>	12	<b>-5.87</b>	10.95
<b>Diluted</b>	12	<b>-5.87</b>	10.63

The notes on pages 72 to 91 form part of the financial statements and accounting policies.

## Consolidated and Company statement of financial position

as at 30 September 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
<b>Non-current assets</b>					
Property, plant and equipment	13	12,971	6,992	7	5
Right of use assets	14	3,133	4,845	9	—
Goodwill	15	2,361	2,361	—	—
Investments in subsidiaries	16	—	—	23,545	22,545
Other investments	17	3	43	3	43
<b>Total non-current assets</b>		<b>18,468</b>	<b>14,241</b>	<b>23,564</b>	<b>22,593</b>
<b>Current assets</b>					
Inventories	18	1,184	378	—	—
Trade and other receivables	19	37,665	40,922	5,030	4,157
Contract assets	4	12,727	11,986	—	—
Corporation tax asset		641	—	—	—
Cash and cash equivalents		32,115	27,366	7,594	728
<b>Total current assets</b>		<b>84,332</b>	<b>80,652</b>	<b>12,624</b>	<b>4,885</b>
<b>Total assets</b>		<b>102,800</b>	<b>94,893</b>	<b>36,188</b>	<b>27,478</b>
<b>Current liabilities</b>					
Borrowings	20	1,613	2,000	1,050	2,000
Trade and other payables	21	32,245	39,392	9,194	9,851
Contract liabilities	4	28,581	22,572	—	—
Lease liabilities	14	1,265	1,461	9	—
Corporation tax		—	164	—	—
<b>Total current liabilities</b>		<b>63,704</b>	<b>65,589</b>	<b>10,253</b>	<b>11,851</b>
<b>Non-current liabilities</b>					
Borrowings	20	7,749	2,745	1,850	2,400
Lease liabilities	14	2,269	3,136	1	—
Deferred tax liabilities	22	278	152	—	—
<b>Total non-current liabilities</b>		<b>10,296</b>	<b>6,033</b>	<b>1,851</b>	<b>2,400</b>
<b>Total liabilities</b>		<b>74,000</b>	<b>71,622</b>	<b>12,104</b>	<b>14,251</b>
<b>Net assets</b>		<b>28,800</b>	<b>23,271</b>	<b>24,084</b>	<b>13,227</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	23	905	762	905	762
Share premium account		9,419	—	9,419	—
Retained earnings		18,476	22,509	13,760	12,465
<b>Total equity</b>		<b>28,800</b>	<b>23,271</b>	<b>24,084</b>	<b>13,227</b>

### Retained earnings of the Company

The profit of the Company in the financial year amounted to £2,963,000 (2019: £4,611,000).

The financial statements were approved by the Board of Directors and authorised for issue on 11 December 2020.



**Mike Morris**  
Director



**Alan Martin**  
Director

The notes on pages 72 to 91 form part of the financial statements and accounting policies.

## Consolidated statement of changes in equity

for the year ended 30 September 2020

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
<b>Equity as at 1 October 2018</b>		762	—	20,262	21,024
<b>Transactions with owners</b>					
Dividend paid	11	—	—	(2,515)	(2,515)
Share-based payments	27	—	—	587	587
		—	—	(1,928)	(1,928)
<b>Total comprehensive income</b>					
Profit and total comprehensive income for the year		—	—	4,175	4,175
		—	—	4,175	4,175
<b>Equity as at 30 September 2019</b>		762	—	22,509	23,271
<b>Transactions with owners</b>					
Dividend paid	11	—	—	(1,677)	(1,677)
Share-based payments	27	—	—	9	9
Issue of share capital		143	9,419	—	9,562
		143	9,419	(1,668)	7,894
<b>Total comprehensive expense</b>					
Loss and total comprehensive expense for the year		—	—	(2,365)	(2,365)
		—	—	(2,365)	(2,365)
<b>Equity as at 30 September 2020</b>		<b>905</b>	<b>9,419</b>	<b>18,476</b>	<b>28,800</b>

The notes on pages 72 to 91 form part of the financial statements and accounting policies.

## Company statement of changes in equity

for the year ended 30 September 2020

Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
<b>Equity as at 1 October 2018</b>	762	—	9,782	10,544
<b>Transactions with owners</b>				
Dividend paid	11	—	(2,515)	(2,515)
Share-based payments	27	—	587	587
			(1,928)	(1,928)
<b>Total comprehensive income</b>				
Profit and total comprehensive income for the year	—	—	4,611	4,611
	—	—	4,611	4,611
<b>Equity as at 30 September 2019</b>	762	—	12,465	13,227
<b>Transactions with owners</b>				
Dividend paid	11	—	(1,677)	(1,677)
Share-based payments	27	—	9	9
Share issue	143	9,419		9,562
	143	9,419	(1,668)	7,894
<b>Total comprehensive income</b>				
Profit and total comprehensive income for the year	—	—	2,963	2,963
	—	—	2,963	2,963
<b>Equity as at 30 September 2020</b>	905	9,419	13,760	24,084

The notes on pages 72 to 91 form part of the financial statements and accounting policies.

## Consolidated and Company statement of cash flows

for the year ended 30 September 2020

Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Restated Company 2019 £'000
<b>Cash flow from operating activities</b>				
(Loss)/profit before tax	(2,847)	5,705	2,963	4,611
<b>Adjusted by:</b>				
Loss/(profit) on disposal of property, plant and equipment – owned	81	(40)	—	—
Loss on disposal of property, plant and equipment – right of use	—	6	—	—
Share-based payments	27	587	9	587
Finance expense (net)	9	280	191	169
Loss on disposal of assets measured at FVOCI	40	—	40	—
Depreciation of property, plant and equipment – owned	13	686	3	1
Depreciation of property, plant and equipment – right of use	14	1,504	8	—
<b>Operating (loss)/profit before working capital changes</b>	(416)	8,728	3,214	5,368
<b>Working capital adjustments:</b>				
Decrease/(increase) in trade and other receivables	19	(6,837)	(873)	(3,793)
Increase in contract assets	4	(1,274)	—	—
Increase in inventories	18	(349)	—	—
(Decrease)/increase in trade and other payables	21	5,998	(704)	2,170
Increase in contract liabilities	4	3,929	—	—
<b>Cash generated from operating activities</b>	107	10,195	1,637	3,745
Interest paid	9	(339)	(145)	(172)
Taxation paid	(197)	(1,667)	—	—
<b>Net cash (used in)/generated from operating activities</b>	(418)	8,189	1,492	3,573
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment – owned	13	(2,071)	(5)	(6)
Proceeds from disposal of property, plant and equipment – owned	13	665	—	3,351
Proceeds from disposal of property, plant and equipment – right of use	14	50	—	—
Proceeds from disposal of assets measured at FVOCI	—	4	—	4
Purchase of additional share capital in subsidiary	—	—	(1,000)	(2,000)
Interest received	9	59	1	3
<b>Net cash (used in)/generated from investing activities</b>	(5,969)	(1,293)	(1,004)	1,352
<b>Cash flow from financing activities</b>				
Dividend payment	11	(2,515)	(1,677)	(2,515)
Drawdown of term loan	6,117	345	—	—
Drawdown of revolving credit facility	5,000	—	5,000	—
Repayment of term loan	(1,500)	(2,000)	(1,500)	(2,000)
Repayment of revolving credit facility	(5,000)	—	(5,000)	—
Principal elements of lease repayments	(1,366)	(1,774)	(7)	—
Net proceeds from the issue of share capital	9,562	—	9,562	—
<b>Net cash generated from/(used in) financing activities</b>	11,136	(5,944)	6,378	(4,515)
<b>Net change in cash and cash equivalents</b>	4,749	952	6,866	410
Cash and cash equivalents at the beginning of the year	27,366	26,414	728	318
<b>Cash and cash equivalents at the end of the year</b>	32,115	27,366	7,594	728

Cash and cash equivalents comprise cash and short-term deposits held.

The notes on pages 72 to 91 form part of the financial statements and accounting policies.

# Notes to the financial statements

for the year ended 30 September 2020

## 1. Accounting policies

### General information

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

Those services comprise:

- specialised infrastructure services;
- design, installation and connection of utility networks; and
- electric vehicle charging and smart energy infrastructure.

The principal trading subsidiaries are Tamdown Group Limited, TriConnex Limited, eSmart Networks Limited, Tamdown Services Limited and Tamdown Plant Hire Limited.

The Company is a public limited company (by shares) which is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 1 Tamdown Way, Braintree, Essex, CM7 2QL.

The registered number of the Company is 05635505.

### Basis of preparation

The consolidated and Company financial statements are for the year ended 30 September 2020. They have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS.

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

The accounting policies used to prepare these financial statements are the same as those used in the preparation of the Group's financial statements for the year ended 30 September 2019, which have been delivered to the Registrar of Companies.

The preparation of the consolidated and Company 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and Company financial statements, are disclosed in note 2.

### Company results

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act and has not presented its own statement of comprehensive income. The Group profit for the year includes a profit for the Company of £2,963,000 (2019: £4,611,000).

### Restatement of Company statement of cash flows

On reviewing the presentation of cash flows in the Company's statement of cash flows, the Directors determined that the Company's purchase of additional share capital in its subsidiary in the year to 30 September 2019 should be classified as an investing activity to better reflect the nature of the cash flows. Accordingly, the Company's statement of cash flows for the year to 30 September 2019 has been restated to classify £2,000,000 purchase of share capital in its subsidiary as investing activities instead of financing activities.

### Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of over one half of the voting rights.

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

### Going concern

In determining the appropriate basis of preparation of these financial statements, the Directors are required to consider whether the Group can continue in operational existence. Budgets for the three-year period to September 2023 have been prepared and approved by the Board; they incorporate the forecast impact of Covid-19 on current operations and reflect a cautious view on recovery.

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

- a further two-month lockdown where minimal site activity occurs;
- a reduction in work secured of approximately 21%;
- a reduction in revenue of approximately 26%; and
- a reduction in gross profit of approximately 27%.

The Budgets, as approved by the Board, satisfied all of the financial covenants of the banking facilities. The downside scenarios significantly reduced profitability resulting in some of the financial covenants, which were profit based, not being satisfied for a number of testing periods. Following detailed discussions with our bank, alternative covenants have been agreed which test various balance sheet metrics. The forecasts, using the downside assumptions, satisfy the revised financial covenants and the Budgets also satisfy the revised financial covenants with ample levels of headroom.

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

### New and amended standards adopted by the Group

The Group has applied the following standards, interpretations and amendments for the first time for their annual report period commencing 1 October 2019.

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### Standards, interpretations and amendments in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2020 reporting periods and have not been adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

### Revenue recognition

Revenue, which excludes intra-group revenue and value added tax, comprises:

- contract revenue from construction contracts;
- contract revenue from the design, installation and connection of utility networks; and
- contract revenue from electric vehicle charging and smart energy infrastructure.

In line with IFRS 15, the Group recognises revenue based on the application of the standard's principle-based 'five step' model to the Group's contracts with customers.

### Construction contracts – Tamdown

The performance obligations and transaction price are determined within contracts between the customer and the Company.

Each contract has one performance obligation, the provision of specific construction activities for both residential and commercial developments. Contract modifications are added to existing contracts where they are extensions to the original contracts. There are no variable consideration elements attached to any of the contracts. The revenue is recognised over time as the Company's performance of its obligations creates or enhances an asset that the customer controls. Payment of the transaction price is typically due up to a maximum of 45 days after the valuation is submitted.

### Design, installation and connection of utility networks – TriConnex

The performance obligations and transaction price are determined within contracts between the customer and the Company. Each contract has one performance obligation, the provision of utility connections. Contract modifications are added to existing contracts where they are extensions to the original contracts. There are no variable consideration elements attached to any of the contracts. The revenue is recognised over time as the Company's performance of its obligations creates or enhances an asset that the customer controls. Payment of the transaction price is typically due in a number of stage payments throughout the contract.

### Electric vehicle charging and smart energy infrastructure – eSmart Networks

The performance obligations and transaction price are determined within contracts between the customer and the Company. Each contract has one performance obligation, the provision of charging and smart energy infrastructure. Contract modifications are added to existing contracts where they are extensions to the original contracts. There are no variable consideration elements attached to any of the contracts. The revenue is recognised over time as the Company's performance of its obligations creates or enhances an asset that the customer controls. Payment of the transaction price is typically due in a number of stage payments throughout the contract.

### Transversal policies applicable to all three of the above companies

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

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

Contract assets' (as discussed in IFRS 15.107) are recognised when the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. This asset is assessed for impairment in accordance with IFRS 9.

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

### Segmental reporting

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

### Inventory

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

Raw materials	First in, first out method
---------------	----------------------------

Net realisable value is based on an estimated selling price less any further costs expected to be incurred for completion and disposal.

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 1. Accounting policies continued

##### Retirement benefits: defined contribution schemes

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

##### Exceptional items

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

##### Government grants

Government grants relating to income are recognised in the statement of comprehensive income and are offset against the costs they are intended to compensate.

##### Property, plant and equipment

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

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

Freehold buildings	2.5% straight-line
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	2-4 years straight-line
Leasehold improvements	over the life of the lease

##### Right of use assets

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

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

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

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

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

##### Intangible assets - goodwill

Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. It is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and is subject to impairment testing on an annual basis, or more frequently if circumstances indicate that the asset may have been impaired.

##### Intangible assets - impairment

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

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

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

##### Financial instruments

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

##### Amortised cost

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

##### Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI").

##### Fair value through profit or loss

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

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

##### Financial instruments - impairment

The Group assesses the expected credit losses associated with its financial assets measured at amortised cost on a forward looking basis; the Group applies the simplified approach as permitted by IFRS 9.

#### Investments

##### Subsidiaries

The Company has investments in subsidiaries which are carried at historical cost.

##### Unlisted investments

The Group's investment in unlisted shares are categorised as fair value through other comprehensive income, which the Group has irrevocably elected at initial recognition. The Group has no control over the strategic or financial activity of the companies it has invested in.

##### Share capital and retained earnings

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

Retained earnings are classified as equity.

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

##### Dividends

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

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

##### Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

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

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

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

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

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

##### Share-based payments

The share option scheme allows employees to acquire shares in the capital of the Company. The fair value of these share options is recognised as an employee expense in the statement of comprehensive income, together with a corresponding credit to retained earnings in equity.

The fair value is measured at grant date and spread over the period in which the employees become unconditionally entitled to the options. The fair value of the share options granted is measured using generally accepted option pricing models, taking into account the terms and conditions upon which the share options were granted. This expense is recognised on a straight-line basis based on the Group's estimate of the number of shares that will vest.

#### 2. Critical accounting estimates and judgements

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

- recoverability of debt – as part of the process of gaining new business it is necessary to carry out checks on the organisations for which the Group will carry out work. The value of individual contracts is substantial and the risk of default is always present, so the estimate of the non-recoverability of the debt made by the Directors is critical. See note 19 for further details; and
- profitability of contracts – individual contracts are negotiated so as to provide a reasonable return to the Group. The calculation of the margin to be achieved and the pricing set by the Directors is of paramount importance to the success of the Group. The Directors assess the profitability of contracts by regularly reviewing costs incurred and the estimate of costs to complete.
- impairment of goodwill – the Group tests goodwill annually for impairment, based on discounted future cash flows. These calculations require the use of estimates, as detailed in note 15.

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 3. Capital management

The Group's capital is made up of share capital and retained earnings totalling £28,800,000 (2019: £23,271,000).

The Group's objectives when maintaining capital are:

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

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

Note 26 to the financial statements provides details of how the Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

#### 4. Revenue

Revenues from external customers are generated from the supply of services relating to construction contracts, design, installation and connection of utility networks, and electric vehicle charging and smart energy infrastructure. Revenue is recognised in the following operating divisions:

	2020 Tamdown £'000	2020 TriConnex £'000	2020 eSmart Networks £'000	2020 Total £'000
Segment revenue	85,828	39,091	2,196	127,115
Inter-segment revenue	(1,389)	—	—	(1,389)
<b>Revenue from external customers</b>	<b>84,439</b>	<b>39,091</b>	<b>2,196</b>	<b>125,726</b>
<b>Timing of revenue recognition</b>				
Over time	84,439	39,091	2,196	125,726
<b>Customer type</b>				
Residential	80,478	39,091	—	119,569
Non-residential	3,961	—	2,196	6,157
	84,439	39,091	2,196	125,726
	2019 Tamdown £'000	2019 TriConnex £'000	2019 eSmart Networks £'000	2019 Total £'000
Segment revenue	112,228	41,798	2,108	156,134
Inter-segment revenue	(1,031)	—	—	(1,031)
<b>Revenue from external customers</b>	<b>111,197</b>	<b>41,798</b>	<b>2,108</b>	<b>155,103</b>
<b>Timing of revenue recognition</b>				
Over time	111,197	41,798	2,108	155,103
<b>Customer type</b>				
Residential	110,615	41,798	—	152,413
Non-residential	582	—	2,108	2,690
	111,197	41,798	2,108	155,103

Inter-segment revenues are earned on an arm's length basis.

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

	2020 £'000	2019 £'000
<b>Contract assets</b>		
Accrued income	12,727	11,986
<b>Total</b>	<b>12,727</b>	<b>11,986</b>
<b>Contract liabilities</b>		
Deferred income	26,026	21,330
Contract cost accruals	2,555	1,242
<b>Total</b>	<b>28,581</b>	<b>22,572</b>

Management expects that £90,849,000 representing 32.2% (2019: £127,186,000 representing 37.5%) of the transaction price allocated to unsatisfied performance obligations as at 30 September 2020 will be recognised within one year, £148,236,000 representing 52.6% (2019: £173,326,000 representing 51.1%) within two to five years and £42,943,000 representing 15.2% (2019: £38,542,000 representing 11.4%) over five years.

The Group has not recognised any assets in relation to costs to fulfil a contract (2019: £nil).

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

	2020 £'000	2019 £'000
<b>Tamdown</b>		
Customer 1	13,253	17,048
Customer 2 <sup>1</sup>	—	19,714
Customer 3 <sup>1</sup>	—	18,535

<sup>1</sup> Customers 2 and 3 are no longer responsible for over 10% of revenue in the current year.

#### 5. Exceptional items

	2020 £'000	2019 £'000
Restructuring costs	631	—
	631	—

Due to lower activity levels, Tamdown and central departments were restructured, resulting in redundancy costs.

#### 6. Segmental analysis

The Group is organised into the following three operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8: Operating Segments:

- Tamdown;
- TriConnex; and
- eSmart Networks.

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



## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 6. Segmental analysis continued

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

	2020 £'000	2019 £'000
<b>Revenue</b>		
Tamdown	85,828	112,228
TriConnex	39,091	41,798
eSmart Networks	2,196	2,108
Inter-company trading	(1,389)	(1,031)
<b>Total revenue</b>	<b>125,726</b>	<b>155,103</b>
<b>Gross profit</b>		
Tamdown	4,235	14,547
TriConnex	11,904	12,885
eSmart Networks	606	493
<b>Total gross profit</b>	<b>16,745</b>	<b>27,925</b>
<b>Operating profit</b>		
Tamdown	(3,288)	4,033
TriConnex	3,400	4,319
eSmart Networks	(791)	(621)
Group administrative expenses	(1,194)	(1,746)
Operating (loss)/profit before exceptional items	(1,873)	5,985
<b>Exceptional items</b>		
Tamdown	(572)	–
Group	(59)	–
<b>Total operating (loss)/profit</b>	<b>(2,504)</b>	<b>5,985</b>
Net finance cost	(343)	(280)
<b>(Loss)/profit before tax</b>	<b>(2,847)</b>	<b>5,705</b>
Taxation	482	(1,530)
<b>(Loss)/profit and total comprehensive (expense)/income for the year</b>	<b>(2,365)</b>	<b>4,175</b>

Balance sheet analysis of operating segments:

	2020 Assets £'000	2020 Liabilities £'000	2020 Net assets/ (liabilities) £'000
Tamdown	35,758	27,748	8,010
TriConnex	19,469	33,332	(13,863)
eSmart Networks	666	1,348	(682)
Group	14,792	11,572	3,220
Cash and cash equivalents	32,115	–	32,115
	<b>102,800</b>	<b>74,000</b>	<b>28,800</b>

	2019 Assets £'000	2019 Liabilities £'000	2019 Net assets/ (liabilities) £'000
Tamdown	38,931	35,674	3,257
TriConnex	20,576	29,849	(9,273)
eSmart Networks	828	542	286
Group	7,609	5,974	1,635
Cash and cash equivalents	27,366	–	27,366
	<b>95,310</b>	<b>72,039</b>	<b>23,271</b>

Group represents head office expenses. Assets principally comprise goodwill and land. Liabilities principally comprise borrowings and creditors.

#### 7. Operating (loss)/profit

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

	2020 £'000	2019 £'000
<b>Depreciation:</b>		
Depreciation of property, plant and equipment	538	686
Depreciation of right of use assets	1,420	1,504
Profit/(loss) on disposal of assets	81	(34)
<b>Audit and non-audit services:</b>		
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	25	21
Fees payable to the Company's auditors for the audit of the Company's subsidiaries pursuant to legislation	99	83
Tax advisory services	7	8

There are no amounts other than those listed above included in the operating (loss)/profit in respect of non-audit remuneration.

#### 8. Staff costs

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Wages and salaries	34,196	36,387	1,985	2,263
Share-based payments	9	587	9	587
Social security costs	3,605	3,700	240	258
Other pension costs	707	640	110	109
	<b>38,517</b>	<b>41,314</b>	<b>2,344</b>	<b>3,217</b>

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

	2020 Number	2019 Number
Tamdown	514	546
TriConnex	239	223
eSmart Networks	31	8
Group	34	33
	<b>818</b>	<b>810</b>

The average number of people employed by the Company (including Directors) during the year was 34 (2019: 33).

Amounts claimed in respect of the Coronavirus Job Retention Scheme during the year and offset against staff costs was Group: £4,454,000 and Company: £122,000.

The Directors of the Group are considered by the Board to be the key management of the Group, for which remuneration in the year ended 30 September 2020 totalled £741,000 (2019: £948,000), including: short-term employee benefits £38,000 (2019: £39,000), employer pension contributions £90,000 (2019: 89,000) and share-based payment charge £3,000 (2019: £192,000). Further details of the Directors' remuneration are provided in the audited section of the Remuneration Committee report on pages 57 to 59.

#### 9. Finance income and expense

	2020 £'000	2019 £'000
<b>Finance income</b>		
Interest on bank deposits	35	59
<b>Finance expense</b>		
Interest on bank loan	(252)	(199)
Interest on lease liabilities	(126)	(140)
	<b>(378)</b>	<b>(339)</b>
<b>Finance expense (net)</b>	<b>(343)</b>	<b>(280)</b>

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 10. Taxation

	2020 £'000	2019 £'000
<b>Current tax:</b>		
UK corporation tax on profits for the year	–	1,004
Adjustment in respect of prior periods	(608)	(56)
Exceptional adjustment in respect of prior periods	–	422
Total current tax	(608)	1,370
<b>Deferred tax:</b>		
Origination and reversal of timing differences	182	297
Adjustment in respect of prior periods	(67)	(137)
Effect of tax rate change on opening balance	11	–
<b>Total tax (credit)/charge</b>	<b>(482)</b>	<b>1,530</b>

The tax assessed for the year is different from the standard rate of corporation tax as applied in the UK. The differences are explained below:

	2020 £'000	2019 £'000
(Loss)/profit before tax	(2,847)	5,705
(Loss)/profit before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.0%) (2019: 19.0%)	(541)	1,084
Effects of:		
Fixed asset differences	8	626
Non-deductible expenses	141	168
Income not taxable for tax purposes	–	(150)
Group relief surrendered	55	–
Other tax adjustments, reliefs and transfers	(89)	(560)
Losses carried back	582	–
Adjustment in respect of prior periods – current tax	(608)	(56)
Exceptional adjustment in respect of prior periods	–	422
Adjustment in respect of prior periods – deferred tax	(67)	(137)
Deferred tax not recognised	26	–
Deferred tax – other	11	133
<b>Total tax (credit)/charge</b>	<b>(482)</b>	<b>1,530</b>

The credit to current tax arises as a result of an adjustment to the prior year tax charge due to the carry back of losses generated in the current year.

There was no income tax (charged)/credited directly to equity in the year (2019: £nil).

The tax charge for 2019 included an exceptional adjustment in respect of prior periods. The exceptional item has been recorded as the tax charge relating to 2016 and previous years has been found to be understated. The understatement is not material in any year to which it relates or in total but has been considered exceptional due to its nature.

#### 11. Dividends

Group and Company	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2020 of £nil per share (2019: 2.2p per share)	–	838
Final dividend for the year ended 30 September 2019 of 4.4p per share (2018: 4.4p per share)	1,677	1,677
	<b>1,677</b>	<b>2,515</b>

No final dividend is proposed for the year ended 30 September 2020.

#### 12. (Losses)/earnings per share

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

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

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

	2020 £'000	2019 £'000
(Loss)/profit for the year attributable to equity shareholders	(2,365)	4,175
Weighted average number of shares in issue for the year	40,284,139	38,117,850
Effect of dilutive potential ordinary shares:		
Share options	2,418,224	1,170,294
Weighted average number of shares for the purpose of diluted earnings per share	42,702,363	39,288,144
Basic (losses)/earnings (p per share)	-5.87	10.95
Diluted (losses)/earnings (p per share)	-5.87	10.63

There is no dilutive effect of the share options given the loss in the current year.

#### 13. Property, plant and equipment

Group	Freehold land and buildings £'000	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>						
At 1 October 2018	3,978	657	3,950	1,200	609	10,394
Additions	1,460	–	51	386	174	2,071
Disposals	–	–	(1,616)	(407)	(170)	(2,193)
Asset reclassification	–	–	(227)	227	–	–
At 30 September 2019	5,438	657	2,158	1,406	613	10,272
Additions	6,347	–	13	–	113	6,473
Disposals	–	–	(1,142)	(114)	(4)	(1,260)
Transfer from right of use assets	–	–	1,269	–	–	1,269
<b>At 30 September 2020</b>	<b>11,785</b>	<b>657</b>	<b>2,298</b>	<b>1,292</b>	<b>722</b>	<b>16,754</b>
<b>Accumulated depreciation</b>						
At 1 October 2018	271	515	2,511	501	365	4,163
Charge for the year	16	99	211	183	177	686
Disposals	–	–	(1,081)	(318)	(170)	(1,569)
Asset reclassification	–	–	(270)	270	–	–
At 30 September 2019	287	614	1,371	636	372	3,280
Charge for the year	15	43	161	193	126	538
Disposals	–	–	(631)	(79)	–	(710)
Transfer from right of use assets	–	–	675	–	–	675
<b>At 30 September 2020</b>	<b>302</b>	<b>657</b>	<b>1,576</b>	<b>750</b>	<b>498</b>	<b>3,783</b>
<b>Net book value</b>						
At 30 September 2018	3,707	142	2,061	699	244	6,853
At 30 September 2019	5,151	43	787	770	241	6,992
<b>At 30 September 2020</b>	<b>11,483</b>	<b>–</b>	<b>722</b>	<b>542</b>	<b>224</b>	<b>12,971</b>

Freehold land and buildings includes buildings in construction with a net book value of £11,158,000, which is held by the wholly owned subsidiary Nexus Park Limited.

The fair value of the building is not materially different to the carrying value included above.

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 13. Property, plant and equipment continued

Company	Freehold land and buildings in construction £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 October 2018	3,351	—	3,351
Additions	—	6	6
Disposals	(3,351)	—	(3,351)
At 30 September 2019	—	6	6
Additions	—	5	5
Disposals	—	—	—
<b>At 30 September 2020</b>	<b>—</b>	<b>11</b>	<b>11</b>
<b>Accumulated depreciation</b>			
At 1 October 2018	—	—	—
Charge for the year	—	1	1
Disposals	—	—	—
At 30 September 2019	—	1	1
Charge for the year	—	3	3
Disposals	—	—	—
<b>At 30 September 2020</b>	<b>—</b>	<b>4</b>	<b>4</b>
<b>Net book value</b>			
At 30 September 2018	3,351	—	3,351
At 30 September 2019	—	5	5
<b>At 30 September 2020</b>	<b>—</b>	<b>7</b>	<b>7</b>

During the year ended 30 September 2019 the Company transferred land and buildings in construction to the wholly owned subsidiary Nexus Park Limited.

#### 14. Right of use assets and lease liabilities

The statement of financial position shows the following information relating to leases:

	2020 £'000	2019 £'000
<b>Right of use assets</b>		
Freehold property	607	829
Plant and machinery	1,856	3,157
Motor vehicles	651	792
Fixtures and fittings	19	67
	<b>3,133</b>	<b>4,845</b>
<b>Lease liabilities</b>		
Current	1,265	1,461
Non-current	2,269	3,136
	<b>3,534</b>	<b>4,597</b>

Additions to the right of use assets during the year were £378,000 (2019: £6,349,000 comprising transitional adjustments and new leases). Disposals of £670,000 (2019: £56,000) were also recorded.

The statement of comprehensive income shows the following amounts relating to leases:

	2020 £'000	2019 £'000
<b>Depreciation</b>		
Freehold property	221	188
Plant and machinery	712	903
Motor vehicles	463	398
Fixtures and fittings	24	15
	<b>1,420</b>	<b>1,504</b>
Interest expense	126	140
Expenses relating to short-term leases	344	143
Expenses relating to low-value leases that are not shown above as short-term leases	6	2

The total cash outflow for leases during the year was £1,492,000 (2019: £1,638,000).

The present value of lease liabilities is as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Within one year	1,378	1,600	9	—
Two to five years	2,261	3,315	1	—
Over five years	—	47	—	—
Future finance charge on lease liabilities	(105)	(365)	—	—
<b>Present value of lease liabilities</b>	<b>3,534</b>	<b>4,597</b>	<b>10</b>	<b>—</b>

#### 15. Goodwill

	2020 £'000	2019 £'000
<b>Carrying value</b>	<b>2,361</b>	<b>2,361</b>

#### Impairment testing

The Group tests goodwill annually for impairment. During the year, impairment tests were undertaken over the goodwill of Tamdown Group Limited (£2,361,000). There are considered to be three cash generating units ("CGUs") in the Group which will provide the future economic benefit to the Group, comprising Tamdown Group Limited, TriConnex Limited and eSmart Networks Limited. No goodwill is attached to TriConnex Limited or eSmart Networks Limited.

The recoverable amount was determined using a value-in-use calculation based upon management forecasts for the trading results for the three years ending 30 September 2023 extended to 30 September 2025 using an estimated growth rate of 2.0%. The growth rate beyond 2025 remains at 2.0%.

A discount rate of 10.0% (2019: 10.0%) has been used in this calculation, which is based upon the capital structure of the Group. Changes to the capital structure may impact upon the Group's discount rate in future periods. The key assumptions utilised within the forecast model relate to the level of future sales, which have been estimated based upon the Directors' expectations, current trading and recent actual trading performance. The value-in-use calculation indicates that Tamdown Group Limited has a recoverable amount which is greater than the carrying amount of assets allocated to them. The Directors have undertaken sensitivity analysis and do not feel that a reasonable change in assumption will give rise to an impairment.

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

	2021 £'000	2022 £'000	2023 £'000	2024+ £'000
Revenue (% annual growth rate)	-23.3%	14.0%	6.9%	2.0%
Gross margin	13.7%	15.0%	15.9%	15.9%
Operating margin	2.8%	4.4%	5.6%	5.6%

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 16. Investments in subsidiaries

	2020 £'000	2019 £'000
Investments in subsidiary companies	23,545	22,545

During 2020 the Company invested a further £1,000,000 in eSmart Networks Limited (2019: £2,000,000).

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

	Activity
Tamdown Group Limited	Construction services
Tamdown Regeneration Limited <sup>1</sup>	Dormant
Tamdown Services Limited <sup>1</sup>	Supply of labour to the construction industry
Tamdown Plant Hire Limited <sup>1</sup>	Engineering plant hire
TriConnex Limited	Utilities contractor
eSmart Networks Limited	Electric vehicle charging and smart energy infrastructure
Nexus Park Limited	Development of building projects

<sup>1</sup> Held by Tamdown Group Limited.

The registered address of all subsidiaries apart from TriConnex Limited is 1 Tamdown Way, Braintree, Essex CM7 2QL. The registered address of TriConnex Limited is 4 Tamdown Way, Braintree, Essex CM7 2QL.

Investments in Group undertakings are recorded at cost.

#### 17. Other investments

The Group held investments that are measured at fair value through other comprehensive income where the Group has no control over the strategic or financial activity of the investment, as shown below:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Unlisted investments				
At 1 October	43	47	43	47
Addition	—	—	—	—
Disposal	(40)	(4)	(40)	(4)
Write off	—	—	—	—
<b>At 30 September</b>	<b>3</b>	<b>43</b>	<b>3</b>	<b>43</b>

#### 18. Inventories

	2020 £'000	2019 £'000
Raw materials	1,184	378
	1,184	378

The value of raw materials purchased as inventory and later recognised as an expense in the year ended 30 September 2020 amounted to £2,623,000 (2019: £2,052,000). These were included in cost of sales.

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

#### 19. Trade and other receivables

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade receivables from contracts with customers	35,290	37,278	—	—
Other receivables	1,496	2,785	42	55
Prepayments	879	859	520	322
Amounts owed by Group undertakings	—	—	4,468	3,780
	37,665	40,922	5,030	4,157

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Overdue trade receivables				
By less than three months	4,947	4,730	—	—
Over three but less than six months	3,359	2,136	—	—
Over six months but less than one year	2,886	1,104	—	—
Over one year	1,971	1,331	—	—
	13,163	9,301	—	—

The carrying value of trade and other receivables is stated after the following allowance for doubtful debts:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
At 1 October	1,114	1,301	—	—
Additions	—	—	—	—
Created/(written back) to the statement of comprehensive income	73	(187)	—	—
Written off as impaired	—	—	—	—
<b>At 30 September</b>	<b>1,187</b>	<b>1,114</b>	<b>—</b>	<b>—</b>

During the year, a detailed review of trade receivable balances was carried out, which resulted in some new allowances relating specifically to retentions being created and older allowances where the provision is no longer required being written back to the statement of comprehensive income. This has resulted in a net increase of £73,000.

Amounts owed by Group undertakings are unsecured, repayable on demand and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. No allowance for expected credit losses is deemed necessary.

#### 20. Borrowings

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Current	1,613	2,000	1,050	2,000
Non-current	7,749	2,745	1,850	2,400

The Company entered into a £12.0m five-year term facility with Allied Irish Bank in December 2015. The loan is secured over the whole of the Company's undertaking and assets and by way of cross guarantee from other Group undertakings. The loan carries interest at LIBOR plus 2.25% and is repayable in instalments of £1.4m per annum with a termination payment in October 2022.

The Group entered into a £10.0m ten-year term facility and £5.0m five-year revolving credit facility with an accordion facility extension of £5.0m with Allied Irish Bank in August 2019. The loan is secured over the whole of the Company's undertaking and assets and by way of cross guarantee from other Group undertakings. The loan carries interest at LIBOR plus up to 2.20% and is repayable in instalments of £750,000 per annum.

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 21. Trade and other payables

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade payables	28,666	35,266	352	305
Other payables	995	838	4	5
Payments on account	220	—	—	—
Accruals	1,359	2,003	264	156
Social security and other tax payable	1,005	1,285	78	65
Amounts owed to Group undertakings	—	—	8,496	9,320
Current	32,245	39,392	9,194	9,851

Other payables comprises payroll-related liabilities.

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

#### 22. Deferred income tax

	2020 £'000	2019 £'000
Accelerated capital allowances		
Brought forward	152	(7)
Charge for the year	126	159
	278	152

#### 23. Share capital

On 12 June 2020, a total of 7,142,900 new ordinary shares of £0.02 each in the Company were issued at a placing price of £1.40. £143,000 was recognised as share capital and £9,419,000 as share premium which is net of share issue costs of £438,000. All proceeds were received in cash on the date of the placing.

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

	2020 £'000	2019 £'000
Group and Company		
45,260,750 (2019: 38,117,850) ordinary shares of £0.02 each (authorised and in issue)	905	762
	905	762

#### 24. Net cash/(debt)

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash and cash equivalents	32,115	27,366	7,594	728
Borrowings	(9,362)	(4,745)	(2,900)	(4,400)
Lease liabilities	(3,534)	(4,597)	(10)	—
<b>Net cash/(debt)</b>	<b>19,219</b>	<b>18,024</b>	<b>4,684</b>	<b>(3,672)</b>
Cash and cash equivalents	32,115	27,366	7,594	728
Gross debt at fixed interest rates	(12,896)	(9,342)	(2,910)	(4,400)
<b>Net cash/(debt)</b>	<b>19,219</b>	<b>18,024</b>	<b>4,684</b>	<b>(3,672)</b>

	Cash and cash equivalents £'000	Borrowings £'000	Lease liabilities £'000	Total £'000
<b>Net cash/(debt) at 1 October 2018</b>	26,414	(6,400)	(586)	19,428
Cash flows	952	1,854	1,914	4,720
New leases and transitional adjustments	—	—	(6,349)	(6,349)
Finance expense	—	(199)	(140)	(339)
Other changes	—	—	564	564
<b>Net cash/(debt) at 30 September 2019</b>	27,366	(4,745)	(4,597)	18,024
Cash flows	4,749	(4,365)	1,492	1,876
New leases	—	—	(378)	(378)
Finance expense	—	(252)	(126)	(378)
Other changes	—	—	75	75
<b>Net cash/(debt) at 30 September 2020</b>	<b>32,115</b>	<b>(9,362)</b>	<b>(3,534)</b>	<b>19,219</b>

#### 25. Financial instruments

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
<b>Non-current assets</b>				
Investments	3	43	3	43
	3	43	3	43
<b>Current assets</b>				
Trade receivables	35,290	37,695	—	—
Contract assets	12,727	10,123	—	—
Other receivables	601	632	—	1
Amounts owed by Group undertakings	—	—	4,468	3,780
	48,618	48,450	4,468	3,781
Cash and cash equivalents	32,115	27,366	7,594	728
<b>Total financial assets</b>	<b>80,736</b>	<b>75,859</b>	<b>12,065</b>	<b>4,552</b>
<b>Non-current liabilities</b>				
Borrowings	7,749	2,745	1,850	2,400
Lease liabilities	2,269	3,136	1	—
	10,018	5,881	1,851	2,400
<b>Current liabilities</b>				
Borrowings	1,613	2,000	1,050	2,000
Trade payables	28,666	35,683	352	305
Accruals	3,913	5,449	264	156
Other payables	1,964	2,123	82	70
Lease liabilities	1,265	1,461	9	—
Amounts owed to Group undertakings	—	—	8,496	9,320
	37,421	46,716	10,253	11,851
<b>Total at amortised cost</b>	<b>47,439</b>	<b>52,597</b>	<b>12,104</b>	<b>14,251</b>

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 26. Financial risk management

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

##### a) Credit risk

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

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

	2020 £'000	2019 £'000
<b>Group</b>		
Trade and other receivables	37,665	40,922
Contract assets	12,727	11,986
Cash and cash equivalents	32,115	27,366
<b>Company</b>		
Trade and other receivables	5,030	4,157
Contract assets	—	—
Cash and cash equivalents	7,594	728

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

Management consider default to be when companies do not make payment when due; this would further be considered as impaired when it becomes clear that no payment will be made. Historically, and for the year to date, no impairment to receivables has been made and therefore the expected credit loss is zero.

Provision of services by members of the Group results in trade receivables which management consider to be of low risk. Management do not consider that there is any concentration of risk within either trade or other receivables.

##### b) Liquidity risk

###### Group

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

2020	Within one year £'000	Two to five years £'000	Over five years £'000
Borrowings	1,687	7,773	—
Lease liabilities	1,378	2,261	—
Trade payables	28,666	—	—
Accruals and payments on account	30,160	—	—
Other payables	2,000	—	—
2019	Within one year £'000	Two to five years £'000	Over five years £'000
Borrowings	2,442	2,400	—
Lease liabilities	1,600	3,315	47
Trade payables	35,683	—	—
Accruals and payments on account	24,575	—	—
Other payables	2,123	—	—

The bank loans and overdrafts are secured by cross guarantees from other Group undertakings.

###### Company

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

2020	Within one year £'000	Two to five years £'000	Over five years £'000
Borrowings	1,124	1,874	—
Trade payables	352	—	—
Amounts owed to Group undertakings	8,496	—	—
Accruals and payments on account	264	—	—
Other payables	82	—	—
2019	Within one year £'000	Two to five years £'000	Over five years £'000
Borrowings	2,097	2,400	—
Trade payables	305	—	—
Amounts owed to Group undertakings	9,320	—	—
Accruals and payments on account	156	—	—
Other payables	70	—	—

##### c) Capital risk management

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

##### d) Market risk

The Group has no significant exposure to currency risk. The Group is exposed to interest rate risk and the borrowings carry interest at LIBOR plus up to 2.25% as per note 20.

#### 27. Share-based payments

During the year to 30 September 2020, the Group had the following share-based payment arrangements, all of which are equity settled.

A summary of the arrangements is shown below:

Arrangement	Contractual life	Vesting conditions
Share incentive plan	Rolling scheme	All employees who were employed by the Group on 11 July 2017 were awarded 100 free shares that are subject to a three-year holding period. These will be forfeited if the employee leaves before the end of the holding period. Employees can also purchase partnership shares that are immediately exercisable. The Group matches partnership shares on a one for three basis. The Group matching shares are only exercisable after three years.
Share options (Pre IPO)	Three years	For the Executive Directors the award lapsed on the third anniversary of the grant date as the performance conditions were not met. The performance conditions included an EPS growth target for the three financial years from 1 October 2015 to 30 September 2018.
Share options	Three years	For the Executive Directors the award will vest on the third anniversary of the grant date if performance conditions have been met. The performance conditions include an EPS growth target and a total shareholder return ("TSR") target.
Share options (April and October 2019)	Three years	For an Executive Director the award will vest on the third anniversary of the grant date.

Fair value is used to measure the value of outstanding options.

## Notes to the financial statements continued

### for the year ended 30 September 2020

#### 27. Share-based payments continued

##### Share incentive plan

The fair value of each share granted in the share incentive plan is equal to the share price at the date of the grant. Shares are granted on a monthly basis.

##### Share options

The fair value per option has been calculated using either the Binomial or Monte Carlo valuation option pricing models. The inputs into the models were as follows:

Date of grant	15/06/2017	20/02/2018	04/10/2018	14/01/2019	01/04/2019	01/10/2019	14/01/2020
Stock price at grant date	£1.48	£2.48	£2.48	£1.94	£2.07	£1.22	£2.03
Weighted average exercise price	£0.02	£0.02	£0.02	£0.02	£0.02	£0.02	£0.02
Expected life	Three years	Three years	Three years	Three years	Three years	Three years	Three years
Expiry date	15/06/2027	20/02/2028	20/02/2028	14/01/2029	01/04/2029	01/10/2029	14/01/2030
Expected volatility	43%	35%	35%	35%	35%	35%	30%
Risk-free interest rate	0.20%	0.85%	0.85%	0.83%	0.66%	0.25%	0.47%
Dividend yield	4.25%	3.40%	3.40%	3.40%	3.20%	5.40%	3.30%
Fair value of one option (EPS)	£1.29	£2.22	£2.22	£1.74	£0.00	£0.00	£1.82
Fair value of one option (TSR)	£0.00	£1.81	£1.81	£1.27	£0.00	£0.00	£1.63
Fair value of one option	£0.00	£0.00	£0.00	£0.00	£1.86	£1.02	£0.00
Performance condition period	01/10/2016 – 30/09/2019	01/10/2017 – 30/09/2020	01/10/2017 – 30/09/2020	01/10/2018 – 30/09/2021	–	–	01/10/2019 – 30/09/2020

Where there is a TSR performance condition attached to the share options, this is incorporated into the fair value calculation.

Expected volatility has been calculated based on historical share price movements of comparable companies.

Further details of the option plans are as follows:

Date of grant	15/06/2017	20/02/2018	04/10/2018	14/01/2019	01/04/2019	01/10/2019	14/01/2020
No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Outstanding at 1 October 2019	929,550	732,809	95,000	1,015,588	75,000	–	–
Granted in the year	–	–	–	–	–	75,000	1,107,975
Lapsed	852,800	–	–	–	–	–	–
Forfeited	76,750	92,360	–	95,577	–	–	70,317
Outstanding at 30 September 2020	–	640,449	95,000	920,011	75,000	75,000	1,037,658
Remaining contractual life	–	5 months	13 months	16 months	19 months	25 months	28 months

None of the options are currently exercisable.

The total share-based payments charged to the statement of comprehensive income was a charge of £9,000 (2019: £587,000).

#### 28. Related party transactions

The Group's key management personnel are the Executive and Non-Executive Directors, as identified in the Remuneration Committee report on pages 57 to 59.

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Dividend received from other Group companies	–	–	4,301	6,553
Amounts sold to the Nexus Community Trust	1	2	–	–
Donations made to the Nexus Community Trust	3	5	–	–

In the year, the Group transacted with the Nexus Community Trust, of which Mike Morris is a trustee. The Nexus Community Trust is a charitable trust established to support employee-nominated causes and help those charities which have been involved with, and affect the lives of, the staff of Nexus and its subsidiary companies. The terms were at normal market rates and payment terms. The amount owed to the Nexus Community Trust at 30 September 2020 was £nil (2019: £nil).

#### 29. Contingent liabilities

##### Group and Company

Under a Group registration the Company is jointly liable for value added tax by other Group companies.

The Group's bank debt is guaranteed jointly and severally with other Group companies. At 30 September 2020, the bank debt covered by this guarantee amounted to £9,362,000 (2019: £4,745,000).

These debts are also secured by a fixed and floating charge over the assets of the Company.

#### 30. Capital commitments

##### Group and Company

At 30 September 2020, the Group had capital commitments of £3,996,000 (2019: £2,798,000) relating to buildings in construction. The Company had no capital commitments (2019: £nil).

#### 31. Events after the reporting year

##### Group and Company

There are no events after the reporting year to disclose.

## Further information

### Registered office

1 Tamdown Way  
Braintree  
Essex CM7 2QL

### Bankers

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

### Solicitors

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

### Registered number

05635505  
Registered in England and Wales

### Nomad and Broker

**Numis Securities Ltd**  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

### Registrar

**Link Asset Services**  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

### Company Secretary

Dawn Hillman

### Auditor

**PricewaterhouseCoopers LLP**  
The Maurice Wilkes Building  
St. Johns Innovation Park  
Cowley Road  
Cambridge CB4 0DS

### Financial PR

**Camarco**  
107 Cheapside  
London EC2V 6DN

## Shareholder information

### Shareholder enquiries

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

### Share price information

London Stock Exchange  
Symbol: NEXS.

### Investor relations

#### **Nexus Infrastructure plc**

1 Tamdown Way  
Braintree  
Essex CM7 2QL  
Email:  
investors@nexus-infrastructure.com  
Tel: 01376 320 856

## Financial calendar

### Annual General Meeting ("AGM")

The Company's AGM will be held on 16 February 2021, details will be circulated in the notice of the AGM in due course.

Some images were shot prior to March 2020.



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# NEXUS

Essential infrastructure services

**Nexus Infrastructure plc**

1 Tamdown Way

Braintree

Essex CM7 2QL

**[www.nexus-infrastructure.com](http://www.nexus-infrastructure.com)**