



NEXUS



# Essential Infrastructure Solutions

Annual report and financial statements **2023**

# Welcome to the **Nexus** Infrastructure plc annual report 2023

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



## Contents

### Strategic report

- 1 Our highlights
- 2 At a glance
- 3 Chairman's statement
- 5 CEO Q&A
- 8 Investment case
- 9 Executive review
- 12 Our markets
- 13 Business model
- 14 Our culture
- 16 Strategy
- 17 Key performance indicators
- 18 Case study
- 19 Stakeholder relationships and engagement
- 21 Sustainability
- 28 Principal risks and uncertainties

### Governance

- 33 Chairman's introduction
- 34 Applying the QCA Code
- 35 Board of Directors
- 38 Corporate governance
- 40 Audit Committee report
- 42 Nomination Committee report
- 43 Remuneration Committee report
- 49 Directors' report

### Financial statements

- 52 Directors' responsibilities statement
- 53 Independent auditors' report
- 60 Consolidated statement of comprehensive income
- 61 Consolidated statement of financial position
- 62 Consolidated statement of changes in equity
- 63 Company statement of changes in equity
- 64 Consolidated statement of cash flows
- 66 Notes to the financial statements
- 91 Further information
- 92 Shareholder information

## Q&A

Discussing the year  
with CEO Charles Sweeney  
Read more on pages 5 to 7

## Investment case

Creating long-term,  
sustainable growth and value  
Read more on page 8

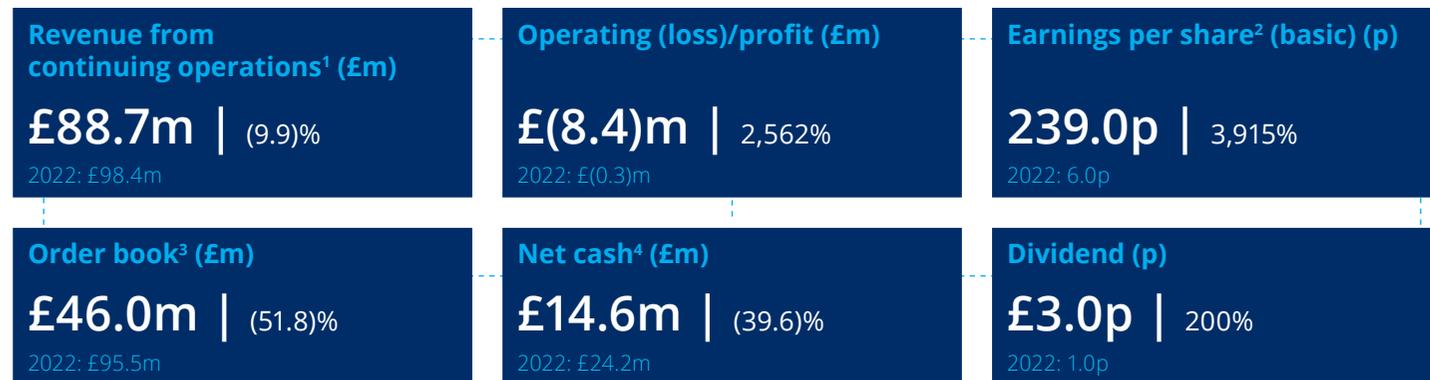
## Relationships

Relationships are fundamental  
to the success of the business  
Read more on pages 19 and 20



# Our highlights

## Financial



- 1 Excluding discontinued operations.  
 2 Continuing operations, including the return to shareholders on the sale of TriConnex and eSmart Networks.

- 3 Secured work yet to be carried out for continuing operations.  
 4 Cash and cash equivalents less borrowings for continuing operations.

## Strategic

### Inherent value crystallised

- During the year the sale of TriConnex and eSmart Networks was completed and generated £60.5m return to shareholders
- Restructure undertaken to set up the business for the current market conditions

## Operational

### Overall revenue

- Revenue for Tamdown is down, due to well-publicised market conditions, at £87.8m (2022: £98.4m)
- Revenue for discontinued subsidiaries totalled £23.5m (2022: £75.0m)

### Decreased profitability

- Decrease in profitability due to the impact of ilke Homes going into administration and the challenging market conditions

### Order book remains strong

- Order book remains strong despite market conditions
- Significant impact from ilke Homes going into administration

### Balance sheet strength

- Cash and cash equivalents remain high at £14.6m (2022: £4.6m)<sup>4</sup>
- Net assets remain strong following sale of previous subsidiaries, at £33.0m (2022: £34.1m)

# At a glance

Our purpose...

is **Building Bright Futures**.....

Our values mean we...



Challenge assumptions



Find a better way



Support each other



Make it happen



Keep our word

## What we do

Nexus is developing and delivering essential infrastructure solutions. Our services include earthworks, building highways, substructures and basements, and installing sustainable drainage systems.

We have a well-established market position, having been in operation for over 45 years.



### Sustainable drainage systems

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

### Building highways

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

### Earthworks

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

### Substructures and oversites

Construction of all substructures, foundations and flooring systems

## Customer focused

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



# Chairman's statement



“Effectively organised for current market circumstances and has the foundations in place for growth as conditions improve.”

## Richard Kilner

Non-Executive Chairman

## Overview of the year

It has been a year of significant change for Nexus with the successful sale of TriConnex and eSmart Networks in February 2023, which saw the return of £60.5m via a tender-offer process to shareholders and crystallised the inherent value of these businesses as well as helping to ensure that the Group was well capitalised for the future. The strategic disposal marked an important step change for the Group. As a Board, we are extremely proud of the team's hard work and commitment to achieving a successful outcome. Following the disposal, Mike Morris and Alan Martin stepped down from their respective roles as CEO and CFO. We would like to thank them for their significant contributions in completing the disposal and for their leadership in driving the development of Nexus during their time with the Group. Mike will continue to provide input and guidance to the Board in his role as a Non-Executive Director.

Following the completion of the sale, Tamdown became the main trading business of Nexus. The business navigated a challenging market and performed well in the first half, successfully growing revenues and profit, securing new work, and maintaining a good order book despite the difficult environment. The widely expected market upturn in the second half did not materialise and housebuilding activity, in fact, slowed significantly. The decline in house sales negatively impacted several of Tamdown's customers, resulting in a significant reduction in new housing developments. ilke Homes filed for administration in June 2023, causing a material one-off impact on the business.

In response to the declining market conditions, the team carried out an operational review and implemented a range of cost management measures and decisions to right-size the business. This has now been completed and it ensures we are well placed to benefit when housebuilding output improves again.

As a Board, we remain confident in the strength of Tamdown and its ability to deliver once market conditions normalise. We believe that there is a positive outlook for the housebuilding sector in the future due to the chronic undersupply of good-quality housing across the UK.

## Board and governance

Upon completion of the sale of TriConnex and eSmart Networks, we welcomed Charles Sweeney to the Nexus Board as CEO and Dawn Hillman as CFO, to lead the Group. Both have deep knowledge and experience in the leadership of construction businesses, including a collective total of 43 years with the Group. Since their appointment, they have played a crucial role in transitioning the Group and ensuring that Tamdown is effectively organised for current market circumstances and has the foundations in place for growth as conditions improve. The Board and the management team are also developing a refreshed strategy, to ensure the Group remains a high-quality business and continues to grow over the long term.

# Chairman's statement continued

## Board and governance continued

Post period end, after seven and a half years as a Non-Executive Director, we announced that Alex Wiseman will not stand for re-election at the forthcoming AGM in March 2024 and will step down from the Board. Alex has had a huge impact on the Group since he was appointed in June 2016 and played a pivotal role in the growth of the business and the successful disposal of TriConnex and eSmart Networks. We wish him all the very best for the future.

A primary driver of Nexus' success is the team of highly skilled, driven and loyal employees across the Group. Nexus places great importance on engaging with and developing its employees and providing a platform for personal growth and successful career development. On behalf of the Board, I would like to congratulate and thank our employees for their continued hard work and dedication throughout the year.

## Dividend

Nexus continues to operate with a robust balance sheet, with net cash of £14.6m at year-end. The Board intends to recommend the payment of a final dividend of 2.0p per share.

## Stakeholder engagement

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

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

## Sustainability

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

Our dedication to health & safety was recognised by the Royal Society for the Prevention of Accidents ("RoSPA") with Tamdown receiving its 14th consecutive Gold Award and the 'RoSPA' President's award. We also launched a bespoke Behavioural Safety Programme to influence actions towards safer outcomes.

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

Our teams are working to continuously improve our and our customers' journeys to: lower emissions, decrease carbon footprint and reduce the environmental impact of project operations. During the year Tamdown undertook a Plant Renewal Programme, investing in new machinery to improve fuel and other efficiencies. We also adopted a greener fleet to reduce our emissions and worked with suppliers at our Nexus Park head office to improve our waste management and energy consumption.

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

## Summary and outlook

The Group has taken effective mitigating actions during the year and continues to be committed to protecting and improving margins to ensure we are well positioned to support established and new customers when market confidence returns. The balance sheet has remained resilient, which was particularly demonstrated in the second half of the year, and continues to support us in FY24. Despite the challenging environment, the long-term fundamental market growth drivers for Tamdown are positive. The housing market has been in a long-term position of structural undersupply and the recent downturn in new housebuilding is only exacerbating the situation.

Trading in the first quarter of FY24 is in line with the Board's expectations. There are several new opportunities on the horizon, reflecting the strength of our offering and the value Tamdown brings to its customer base, providing confidence in the long-term success of Nexus.



**Richard Kilner**

Non-Executive Chairman  
22 March 2024



## Q&A

### with Charles Sweeney, CEO



“We have every opportunity to benefit as the residential housebuilding sector returns to growth. Additionally, we will consider other areas of activity.”

#### Charles Sweeney

Chief Executive Officer

Q

**How would you describe the last year at Nexus?**

A

It has been a year of change and transition for Nexus.

In the first half, we successfully completed the sale of two of our subsidiaries (TriConnex and eSmart Networks) and returned the majority of the proceeds £60.5m to shareholders via a tender offer process.

The post-sale separation was carefully managed to ensure there was little disruption to operating activities. We diligently worked to reduce Nexus’ central costs both internally and externally and achieved our target run-rate by year end.

We also examined our strategic partnerships and made several changes where necessary, an example being the addition of a new banking partner, Barclays.

During the year, the residential housebuilding sector suffered a significant downturn. As a result, Tamdown had to make some difficult decisions to reflect its circumstances.

Overall, from the actions we have taken, Nexus is well placed to operate in the subdued business environment and will have the ability to respond quickly to future improving conditions and emerging opportunities.

Q

**Can you provide any further information on the actions taken due to the market downturn?**

A

Unfortunately, in June, one of Tamdown’s customers, ilke Homes, entered into administration, leaving Tamdown with substantial unpaid debts and the closure of uncompleted sites. Tamdown acted quickly to mitigate the impact but the consequences of ilke’s failure were significant.

Although the residential housebuilding sector had been suffering from a downturn, many developers had predicted a market pick-up for the spring/early summer of 2023. However, market activity in the second half of the year did not improve, it slowed significantly.

With the background of the difficult market conditions, many of Tamdown’s customers significantly hardened their commercial stances on existing contracts, to an extent not seen for many years. In addition, with falling unit sales rates, the major developers cut back heavily on new contract orders.

## Q&A continued

**Q** Can you provide any further information on the actions taken due to the market downturn? continued

**A** As a result, we implemented a number of actions to ensure the business was set up for the prevailing circumstances, and to be well placed for future market recovery. This included the resizing of Tamdown's operations and we recognise this was a difficult period, particularly for those directly affected. We thank our former colleagues for their support in the past and wish them all the best for the future.

**Q** Looking forward, what are your thoughts on the current residential housebuilding market and when it is likely to recover in the future?

**A** The sector suffered a significant downturn during 2023. Geopolitical uncertainties, instigated by the war in Ukraine, fuelled inflation – prompting interest rate hikes which had a dramatic knock-on effect on mortgage rates. The UK's largest housebuilders published the impact on their sales, and substantially reduced the rate of new construction starts. However, there is a continuing long-term chronic need for new housing in the UK. There's no doubt that the market will recover, though exactly when that will be is not yet fully clear. Our expectations are that conditions will start to improve in the second half of 2024, as the economy picks up and with the added potential of Government incentives prior to a General Election.

**Q** What are your views on UK civil infrastructure overall and the challenges and opportunities ahead?

**A** Clearly, this is a very broad and complex area. Our daily lives are affected by a range of basic requirements: housing, health, education, water quality, transport, power/heating, and others. Many of these are directly or indirectly affected by the imperative need to meet the challenges of global warming – from preventative measures such as the move to renewable energy through to the management of interim consequences – such as water conservation and flood prevention. Added to this, are the driving forces from ageing infrastructure, security of supply, rising costs and changing demographics. Whilst investment in most of the sectors is dependent upon the public purse, and thus sometimes affected by changes in political priorities, the long-term trend is an ever-increasing requirement for significant expenditure to satisfy the demands mentioned.

**Q** What is the Nexus approach to sustainability?

**A** Our purpose is 'Building Bright Futures' and at the heart of this is our desire to have a positive impact on the lives of all our stakeholders – those that will benefit from the infrastructure we build, local communities, our employees, supply partners, and society as a whole.

Examples of our ongoing efforts in sustainability include:

- our fleet and plant renewal programmes, which have been investing in greener and more fuel-efficient vehicles;
- our tree-planting campaign, which sponsors a new tree for every foundation we complete;
- our offices have energy supplied from 100% non-fossil fuel sources and no waste goes to landfill;
- our apprenticeship scheme is assisting school and college leavers as they begin their careers in construction;
- our 'My Bright Future' programme helps all our people to develop in their roles and to fulfil their career aspirations;

## Q&A continued

Q

**What is the Nexus approach to sustainability?** continued

A

- our Employee Assistance Programme (“EAP”) offers 24/7 confidential professional support to our employees and their immediate family members to help with life’s challenges;
- our charity, the ‘Nexus Community Trust’, sponsors many events in support of local charities, and we have numerous volunteering and fundraising activities undertaken by our people;
- we have a full suite of policies, procedures and guidelines which set out our standards and how they are to be met. These documents are maintained and updated regularly and are published and available to all employees via our intranet; and
- we provide training to employees to minimise risk but also in areas of governance including corporate ethics and anti-bribery and corruption.

There is a genuine attitude across the Group to ‘do the right thing’ – and this is a positive culture which we nurture and encourage.

Q

**What are Nexus’ strengths and how might they be applied in the future?**

A

Nexus has a very strong track record in the delivery of essential civil infrastructure services. In past years, we have grown and developed individual businesses focused on particular sectors. Currently, our subsidiary Tamdown’s activities, are targeted within the residential housebuilding sector.

We have every opportunity to benefit from Tamdown’s rise as the residential housebuilding sector returns to growth. Additionally, we will consider other areas of activity, but only if those sectors also have long-term prospects for growth driven by national strategic needs.

Q

**What would be your concluding reflections on FY23 and the future for Nexus?**

A

FY23 was definitely a year of change and transition. We have restructured Nexus and reduced our cost base both internally and externally. Our balance sheet remains robust, despite the impact of the failure of ilke Homes.

We had to take some difficult decisions to ensure that Tamdown was set up correctly for the prevailing market conditions – but also to ensure foundations were in place for future growth.

Tamdown’s principal activities are at the start of a project development, before other trades are involved. We would, therefore, expect the business to be at the leading edge of any future recovery curve. Tamdown’s brand is strong and relationships with customers are good. The business has a highly skilled and dedicated team and is well placed to flourish as the housebuilding market picks up again in the future.

Nexus has a wealth of experience in the development of businesses, and we will consider opportunities in other sectors where the strategic needs of the country drive demand for vital infrastructure services.

We remain committed to our values and to our purpose of ‘Building Bright Futures’.

# Investment case

The long-term growth trend will bring a significant increase in demand for Tamdown's services, at the leading edge of the market upturn.



**Essential infrastructure solutions**

Nexus has a history of growing businesses within housebuilding as well as other sectors. We have the potential to apply our experience wherever there is a need for high-quality essential infrastructure solutions.



**High-quality customer relationships and expertise**

Extensive customer base developed during our 47-year heritage, the relationships we build and maintain with our customers are our day-to-day focus. We ensure the highest levels of customer service throughout all phases of large-scale, complex, multi-phase developments.



**Experienced and loyal team**

The combination of our experienced Board and our highly skilled, motivated and loyal workforce supports our ongoing development and success. We work hard to ensure our people are recognised and engaged, with 25% of all employees having been with us for more than ten years.



**Robust balance sheet**

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



**Chronic undersupply of housing in the UK**

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



**Sustainability**

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

# Executive review



“Well placed to benefit fully from the upturn in the sector which is expected in the years ahead.”

**Dawn Hillman** **Charles Sweeney**

Chief Financial Officer Chief Executive Officer

This year has been one of change. Following the sale of TriConnex and eSmart Networks in February 2023, a new management team is now in place, and we have made a number of adjustments in Tamdown, including reducing overhead, plant and labour costs, to reflect the subdued market conditions in the housebuilding sector. Tamdown is now well placed to benefit fully from the upturn in the sector which the market expects in the years ahead. In parallel, we are developing our strategy that will deliver a path of long-term sustainable growth for the Group, to deliver expansion and diversification opportunities to take full advantage of the Group's capabilities and experience.

The sale of TriConnex and eSmart Networks returned £60.5m via a tender-offer process to shareholders and ensured that the Group was well capitalised for the future. However, Tamdown subsequently faced a significant decline in market conditions and the expected upturn in the housebuilding sector in the second half of 2023 did not materialise. Housebuilding activity slowed dramatically in an environment of high inflation and elevated interest rates. There were several high-profile 'casualties' during the year, including the modular housebuilder ilke Homes which entered into administration and was formally liquidated with unpaid debts in excess of £300m. Tamdown had been working on two projects for ilke Homes.

Tamdown's order book was £46.0m at year end. Since then, Tamdown has continued to focus on customer service, winning high-quality contracts, and improving gross margins. By the end of January 2024, a number of key new contract awards had been secured, increasing the order book to £57.2m.

Overall, the Group revenues for the continuing operations for FY23 were £88.7m (2022: £98.4m) with an operating loss of £8.4m (2022: £(0.3)m) including exceptional items of £0.6m.

Nexus has a robust balance sheet with cash and cash equivalents of £14.6m at the FY23 year end (2022: £4.6m). Having taken the prudent actions mentioned above, the Board is confident that the Group is well positioned to fully benefit from the widely anticipated improvement in the residential housebuilding market.

## Operational update: Nexus Infrastructure

Following the sale of TriConnex and eSmart Networks, a 'Transition Project' was implemented to ensure these subsidiaries were separated from the Group in an efficient and orderly way.

The Nexus organisation was restructured to reflect the new requirements of the Group and to benefit from a reduction in costs where possible. A review of our external service providers was undertaken with new arrangements introduced as necessary. This included the appointment of new auditors (MHA) and financial PR company (Alma Strategic Communications).

The Group also considered if it would be appropriate to change its banking arrangements. After a detailed evaluation process, we were pleased to secure Barclays as an additional banking services provider.

## Executive review continued

### Operational update: Tamdown

Tamdown provides a range of essential civil engineering and infrastructure solutions to the UK housebuilding sector. These services include earthworks, building highways, substructures and basements, and installing sustainable drainage systems. It has an established market-leading position having been in operation for over 45 years. It is particularly recognised for its experience and capabilities in the safe delivery of large, complex, multi-phase developments. It has a strong brand and a loyal customer base.

Tamdown's performance in Health & Safety was again recognised by the Royal Society for the Prevention of Accidents ("RoSPA"), receiving a Gold Award for the 14th consecutive year. Tamdown was also awarded the 'RoSPA' President's Award. A Behavioural Safety Programme was rolled out across the business and this, along with a number of other initiatives, was used to proactively protect the health and safety of our site and office personnel and all those working at or visiting our facilities. Tamdown's Accident Incidence Rate ("AIR") for the year was 122 (2022: 369). By comparison, the Health and Safety Executive's figures, published in November 2023, state that the equivalent average for the UK construction industry overall in 2022/23 was 296.

During the first half of the year, Tamdown won work from several customers, leveraging its strong relationships and reputation for quality delivery. However, in the second half, the major housebuilders experienced a material decline in new house sales and, as a result, significantly reduced the award of new projects.

As noted above, there were several high-profile 'casualties' during the year, including the modular housebuilder, ilke Homes, which entered into administration and thereafter was formally liquidated with unpaid debts in excess of £300m. Tamdown had been working on two projects for ilke Homes and, as an unsecured creditor, debts of £2.9m went unpaid, impacting Tamdown's profits and cash collection. There were further impacts due to the removal of work in progress and the future expected revenues listed in the order book.

Tamdown's order book was £46.0m (2022: £95.5m) at the year end but, following the award of a number of new projects post period end, the order book by the end of January 2024 had grown by 24% to £57.2m.

At the end of FY23, we implemented a restructuring of our organisation to reduce costs and to position the business for recovery when the inevitable market upturn takes place. We have maintained our reputation and relationships with our supply chain; this loyalty is in line with our values and we expect will be returned in-kind as we return to growth.

### Financial review

#### Revenue and profits

Revenue for the Group (for continuing operations) decreased to £88.7m (2022: £98.4m). Tamdown's revenue decreased to £87.8m (2022: £98.4m), reflecting the challenging market for housebuilders in the second half.

Gross profit for the Group (for continuing operations) decreased to £5.9m (2022: £9.9m). The gross profit margin for Tamdown decreased to 5.8% (2022: 17.4%) reflecting the significant impact of ilke Homes on profitability.



# Executive review continued

## Financial review continued

**Revenue and profits** continued  
Administrative expenses for the Group (for continuing operations) increased in the year to £10.8m before exceptional items (2022: £10.2m). The exceptional items for the year relate to restructuring costs.

The Group's operating loss for the year was £8.4m (2022: £0.3m). The sale of TriConnex and eSmart Networks generated profits of £67.3m taking the profit attributable to equity holders of the parent company to £58.8m (2022: £2.7m).

The net finance charge for the year totalled £0.16m (2022: £0.6m). Interest received on bank deposits increased to £0.4m (2022: £0.0m) due to the increase in interest rates. Interest payable on bank borrowings was £0.0m (2022: £0.2m) due to borrowings being settled in 2022. Interest on lease liabilities of £0.6m (2022: £0.4m) increased due to lease liabilities increasing following the sale and leaseback of Nexus Park.

### Tax

The Group recorded a tax charge for the year of £(0.05)m (2022 £0.1m) representing an effective tax rate of 22.1% (2022 21.5%). The income tax expense relates to continuing operations.

## Strong balance sheet and cash

The Group continues to maintain a strong balance sheet with shareholders' funds increasing during the year to 30 September 2023 to £33.1m (2022: £34.1m), the movement representing the trading performance of the Group less the payment of dividends totalling £0.09m and the return to shareholders of £60.5m following the sale of TriConnex and eSmart Networks.

The cash and cash equivalents balance at 30 September 2023 was £14.6m (2022: £4.6m). Operating cash outflows before working capital movements were £5.9m (2022: inflows £1.5m). Working capital decreased during the year by £7.2m (2022: £2.9m outflow).

Tax and interest payments amounted to £0.1m (2022: £0.8m). Cash generated from investing activities totalled £60.2m (2022: £11.9m).

Net cash outflows from financing activities totalled £62.1m (2022: £14.0m) with £1.5m of lease repayments, £0.09m (2022: £1.1m) on dividend payments, and £60.5m on returns to shareholders following the sale of TriConnex and eSmart Networks.

The Group introduced a new banking relationship with Barclays in the year alongside its ongoing relationship with Allied Irish Bank ("AIB"), a good indicator of the strength of the business. The facilities provided by AIB, including the undrawn revolving credit facility of £5.0m and an associated accordion of £5.0m, were cancelled in the year as these are no longer considered to be required by the business.

## Order book

The order book stood at £46.0m (2022: £95.5m); which the Board considers to reflect a resilient performance during a year of exceptionally challenging market conditions. By the end of January 2024, a number of key new contract awards had been secured, increasing the order book to £57.2m.

## Market update

The fundamental market growth drivers for the Group remain positive. The UK's housing market has been in a long-term position of structural undersupply for many years and the number of new houses being built has failed to keep pace with the rate of household formation. This structural undersupply provides us with confidence that our housebuilding customers will continue to demand our quality services when conditions normalise.

Market sentiment is that there will be a recovery in the housebuilding market over the next 18 months. Tamdown's services, capabilities and expertise form the principal element of activities at the start of any new development and will therefore feature early in the cycle when the market upturn takes place.

## Summary and outlook

FY23 was a year of significant change for the Group, with Tamdown now the primary operating business of Nexus. Whilst Tamdown operated in difficult market conditions, we took decisive action to respond and right-size the business. As a result of this, along with our strong financial footing, we are well placed to return to a growth trajectory when the housebuilding market improves.

It has been widely reported that market conditions in the UK are expected to improve over the next 18 months, which alongside our long-standing relationships, a loyal and dedicated team, strong management of cash, and a range of potential strategic opportunities, means we can look to the future with confidence.



**Charles Sweeney**

Chief Executive Officer



**Dawn Hillman**

Chief Financial Officer

22 March 2024

# Our markets



Civil engineering and infrastructure solutions to UK housebuilders and developers.

## Market drivers

- Housing shortage 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 incentives and initiatives to accelerate housing delivery
- Expected reduction in inflation during 2024, allowing interest rates to be reduced, supporting new home sales
- Support driven by the accepted importance of the housing market to the wider economy

## Opportunities

- Growth in demand for new housing developments due to the national housing shortage and the requirement for affordable housing
- Large-scale, complex, multi-phase developments requiring experienced infrastructure partners
- Non-private tenure provides more predictable delivery requirements
- Potential for additional Government funding to unlock and accelerate land acquisition for housing developments
- Demand for essential infrastructure services in other sectors



# Business model

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

## Relationships and resources

### The relationships and resources we need to run our business:

#### Our people

Highly skilled, motivated, and loyal workforce.

Experienced senior management team and Board.

#### Markets

Essential market supported by national housing shortage and requirement for affordable housing.

#### Financials

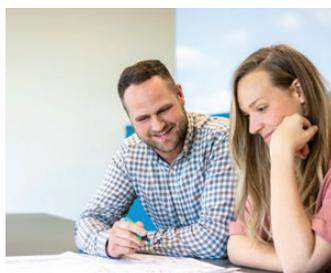
A strong balance sheet provides resilience and sustainability.

## How we do it



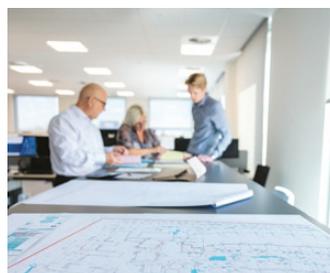
### 1 Business development

- Customer engagement
- Consultation and estimating
- Value engineering



### 2 Planning

- Programme and logistics
- Procurement and resources
- Project collaboration



### 3 Execution

- Flexible delivery
- Team approach
- Safe working



## Creating value

#### Our shareholders

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

#### Our customers

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

#### Our people

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

#### Our communities

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

## What makes us different

### Safety and sustainability

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

### Customer service

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

### Best solutions

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

# Our culture

'Building Bright Futures' is our purpose, and this is underpinned by our values. Together we...

 Challenge assumptions

 Find a better way

 Support each other

 Make it happen

 Keep our word



Nexus is Building Bright Futures through our mission to have a positive impact on the people we work with, the communities we live and work in, and the environment we depend upon.

We work hard to ensure that working for Nexus and Tamdown is a rewarding experience for our people. Working towards a common purpose with aligned values supports the development of both our business and our teams.

Our culture defines and supports how we work together, with our customers, suppliers and other stakeholders.

Diversity, equity and inclusion are at the core of who we are and our commitment to these areas is unwavering. They are central to our purpose and our impact.

We know that having varied perspectives helps generate brighter, better ideas to solve the complex problems of a changing world.

"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 processes. 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."

## Our culture continued



"I am so glad I joined Tamdown; the business has given me the opportunities, guidance and training to progress my career. From the leadership team to the operatives on site, everyone is a pleasure to work with and I really do enjoy my role and delivering great results on our sites."

**Tyler Grove**  
Site Supervisor



"One of the great things about my role is the variety and working closely with the whole business to ensure our projects are a success. Supporting our team to do their best work, find new and innovative ways to deliver, and being safe on site is absolutely key for me."

**Barry Maile**  
Construction Director



"I really enjoy my role within Nexus, it offers a variety of tasks and I have been supported and encouraged to develop my skills in the years I've been with the business. That professional development and working within such a great team are things you just don't get everywhere."

**Sue Garner**  
People Support Coordinator



"I thrive on helping my team, dealing with drawings, material quotes and keeping everything organised. In turn, my line manager and colleagues are super supportive of me and my career."

**Laura Potter**  
Commercial Administrator



"I love the diversity of my role and have found such great support and camaraderie in the Tamdown Construction team and the wider business and industry; I can thoroughly recommend a career within construction."

**Louise Blackburn**  
Construction PA



"The balancing act of having happy customers through our quality delivery and ensuring Tamdown's margins on each job is always the key goal, and I thrive on making this happen."

**Cleve Geisha**  
Quantity Surveyor



# Strategy

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

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

The Board has taken a number of decisive actions in FY23 to reduce costs and to improve operational efficiencies. This has positioned the business for increased returns as the market recovers.

## Strategic objectives

### Growing with our customers

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

### Expanding our market

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

### Focus on financial delivery

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



# Key performance indicators

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



1 Excluding discontinued operations.  
2 Continuing operations, including the return to shareholders on the sale of TriConnex and eSmart Networks.

3 Cash and cash equivalents less borrowings for continuing operations.  
4 Secured work yet to be carried out for continuing operations.

5 All figures updated to reflect continuing operations.

# Tamdown case study

## Dandara | Towerlands Park, Essex



“Tamdown partnered with Dandara right from the concept stages of our Towerlands Park scheme, providing early budget and design advice. Tamdown have provided quality delivery, consistently, and the ongoing engagement between our businesses is testament to the end product.”

**John Stanton**  
Operations Director  
Dandara Eastern



Tamdown is currently delivering infrastructure, Section 278 works, off-site drainage and groundworks at the prestigious Towerlands Park development in Braintree for repeat customer Dandara Eastern. Site-wide infrastructure works involve the delivery of over 5,000 metres of infrastructure road that will provide access to the individual land parcels that are being phased to deliver more than 500 new homes over the coming years. Off-site work comprises two Section 278 junctions that provide access into the site, coupled with 500 meters of off-site foul water sewer that connects the development drainage network to an existing foul water sewer.

Our teams are well progressed with Phase 1, which comprised 2,300 metres of infrastructure and the first 168 properties, and we are now delivering Phase 2 of the groundworks; this second phase comprises a further 162 homes on the site and a further 1,000 metres of infrastructure road. We are delivering earthworks, highways, drainage systems, plot works to oversite level, and associated hard and soft landscaping. Dandara came to Tamdown for this project because of our existing relationship and early engagement with them on the scheme. We provided early budget and value engineering along with technical support associated with the build and programme. These factors, coupled with our continued operational excellence on site and our attention to health and safety, high quality and speed of build, were all significant contributors to our continuation on the next phase of the development.

# Stakeholder relationships and engagement

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

## How we engage with our stakeholders

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

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

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

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

**Key:**

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

### Our people

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

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

- Our response to key issues**
- Additional benefits provided to support our people in managing the cost of living crisis
  - Supporting our people, both departing and remaining, following redundancy resize process

**Link to strategy:** 1 2



### Our shareholders

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

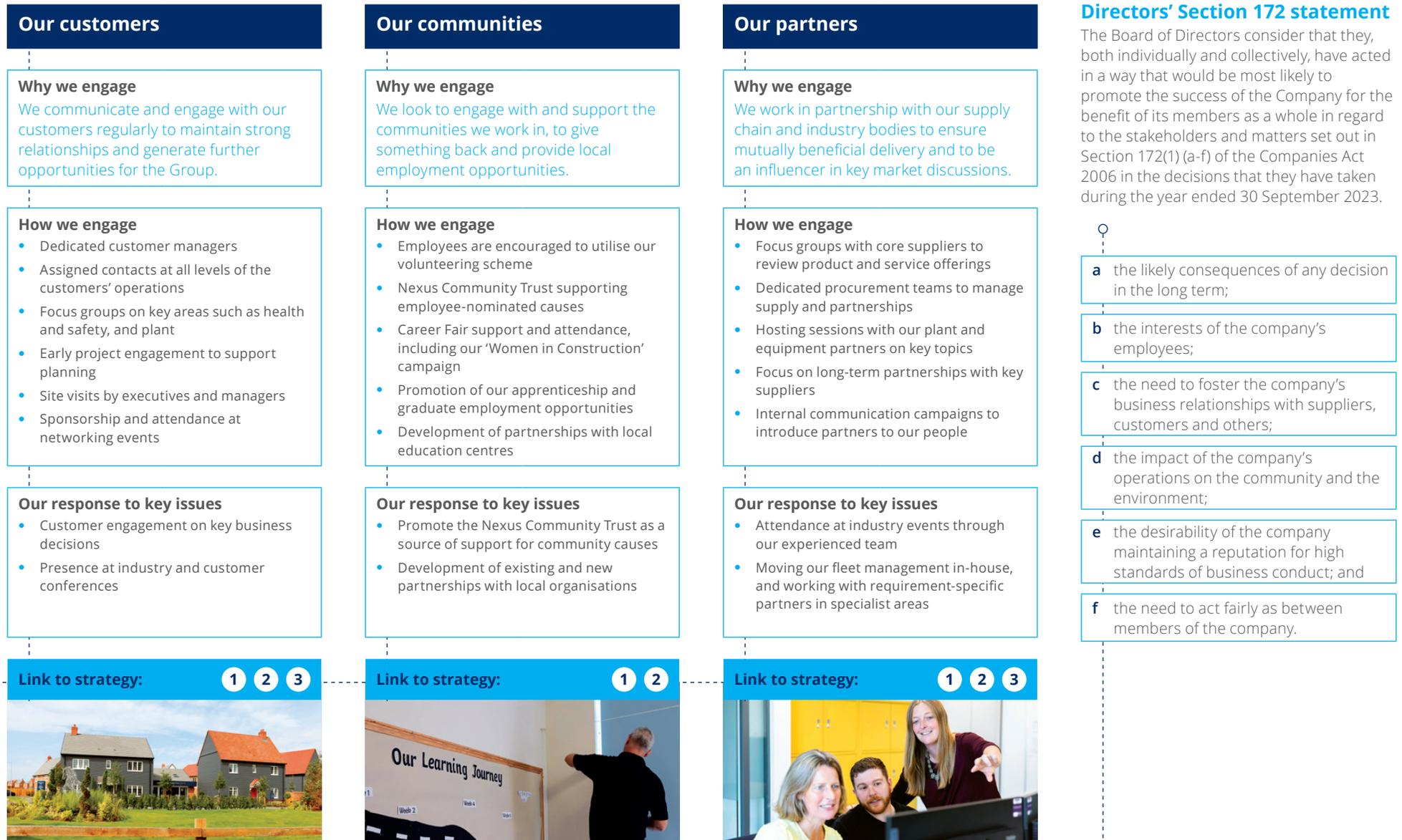
- How we engage**
- Board members hold meetings with institutional shareholders throughout the year
  - Investor roadshows for both interim and full-year results
  - Annual report to communicate our purpose and what we are looking to achieve, as well as the year's financial results
  - Regulatory news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

- Our response to key issues**
- New CEO and CFO introductions with key shareholders
  - Ongoing updates to our corporate website

**Link to strategy:** 2 3



# Stakeholder relationships and engagement continued



# Sustainability

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

Sadly, the year 2023 raised the bar as the warmest year on record: the maximum extent of sea-ice in the Antarctic was 1 million km<sup>2</sup> less than the previous record low; communities across the world faced the devastating effects of floods, forest fires, droughts and rising sea levels.

At the same time, the global economy struggled in the fight against inflation; statistics indicate that absolute poverty in the UK will increase in the coming years.

# Sustainability continued

Sustainability is at the centre of our strategy and forms the core of our purpose 'Building Bright Futures'.

Building Bright Futures...

## ... for our people



### We continuously invest in our greatest asset:

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

Read more on pages 23 and 24



## ... for our communities



### We support the communities in which we work:

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

Read more on page 25



## ... for our planet



### We are doing our bit to tackle climate change:

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

Read more on pages 26 and 27



# Sustainability continued

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

The health and safety of our employees and all those working at, or visiting, our sites and offices is our number one priority. Our management systems are under regular review by external bodies to ensure they fully comply with the relevant national standards.

Competency of individuals is assured through training and development programmes, both internally run and through external agencies, with 11,224 hours of training delivered in FY23 (FY22: 11,176 hours)<sup>1</sup>.

The Group collates extensive data on Health & Safety including an All Accident Incidence Rate (“AAIR”), which records the rate of all accidents, no matter how minor, per 100,000 personnel in a workforce. AAIR for the year was limited to 4,885 (FY22: 4,834)<sup>1</sup>.

The Accident Incidence Rate (“AIR”), which records the rate of more serious Reporting of Injuries, Diseases and Dangerous Occurrences Regulations RIDDOR-reportable accidents per 100,000 in a workforce, was 122 (FY22: 369)<sup>1</sup>.

Our continued focus on safe working environments and the encouragement of our teams to report all observations and incidents, no matter how minor, is a likely contributing factor to the increases seen in the years’ Health & Safety statistics.

By comparison, the Health and Safety Executive’s figures, published in December 2023, state that the equivalent average for the UK construction industry overall in 2022/23 was significantly higher at 296.

The total number of all RIDDOR-reportable events (including injuries, diseases and dangerous occurrences) across the Group in the year was 3 (FY22:1)<sup>1</sup>.

Tamdown’s performance in Health & Safety continues to be recognised by the Royal Society for the Prevention of Accidents (“RoSPA”), receiving a Gold Award for the 14th consecutive year. Tamdown was again awarded the RoSPA President’s Award.



### Case study

## Tamdown launch new bespoke Behavioural Safety Programme

During the year, Tamdown launched and rolled out a bespoke Behavioural Safety Programme to help our people stay safe and support safe working environments for all our customers, contractors and partners.

The behaviour-based programme is designed to influence employee actions towards safer outcomes, ideally by preventing an accident or injury before it occurs. These sessions help us to further promote safety, eliminate hazards and prevent injuries.

As well as briefings from Tamdown’s leadership team and Health & Safety representatives, we commissioned the support of Justin Manley of Titanium Talks, who has worked in the sector for over 20 years, but sadly suffered life-changing injuries after an accident at work. The story he shares describes both organisational and personal failings; it adds a real-life example and significant impact.

Kieron Richardson from the Tamdown team commented:

“The session really got me thinking about behaviour at work and in all aspects of life. I drove home afterwards analysing the risks around me... It really hits home and makes you think.”

<sup>1</sup> FY22 numbers are comparisons to Tamdown only.

# Sustainability continued

## Building Bright Futures **for our people** Wellbeing



### Case study

## Expanding our wellbeing services

During the year we trained more staff in Mental Health First Aid – adding more Wellbeing Champions to our existing group. The most recent cohort focused on members of our site-based teams, to widen the mental health first aid experience on site.

We continuously promote our Employee Assistance Programme (“EAP”) and in-house Wellbeing Champions to ensure our people are aware of, and can access, support in a variety of areas. The support available includes stress and anxiety, relationships, work-life balance, health and wellbeing, lifestyle addictions, debt and legal advice.

Our EAP offers confidential professional support to help with life’s challenges. Our Wellbeing Champions are available for staff to speak to directly and they are trained to signpost them to other available resources where appropriate.

At Nexus, and as part of our purpose ‘Building Bright Futures’, we believe that our employees are our most important asset. Taking care of our employees is therefore a critical aspect of our long-term strategy. We have a dedicated in-house People Team, providing support to all our people, so that working lives are enjoyable and productive. Our ‘My Bright Future’ (“MBF”) framework is used by individuals and managers to discuss performance and career aspirations. Any training and development needs, opportunities for promotion, internal moves or longer-term career goals are reviewed at the MBF meetings. It is also one of the ways we communicate our Business Targets with our employees, so they feel connected to our strategy.

We endeavour to 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. Salaries are market-tested on a regular basis and adjustments are made where necessary. During the year, our employee benefits were adapted to best meet the needs of our people; this included the addition of independent, free mortgage advice due to the challenging mortgage market.

We are proud to have strong female representation on the Board, over and above many businesses in our sector. However, we recognise that there is a gender pay gap across the Group, largely driven by a lack of female representation within our on-site workforce. Unfortunately, this is a common issue within our industry, which historically has been male dominated.

# Sustainability continued

## Building Bright Futures **for our communities** Community

During the year, Nexus, Tamdown and individual employees were involved in a variety of events aimed at raising funds for various charities and causes.

Our Group charity, the 'Nexus Community Trust', also hosted a variety of fundraising events and activities during the year, including bingo, raffles, a summer quiz and bake sales.

There were several other fundraising activities, including Tamdown sponsoring and taking part in the Housebuilder Challenge again in the summer, which brought together teams from across the housebuilding industry to take on a 20-mile hike across some serious terrain in Eryri (Snowdonia) in support of the Youth Adventure Trust. The charity offers vulnerable young people a programme of outdoor activity and support that aims to help them increase resilience, build confidence, and learn new skills so that they can fulfil their potential and lead better lives.

Teams from across the Group took part in volunteering days in support of community organisations, including a local school and a community drop-in centre. They also supported a 'wrapathon' day to wrap presents being sent to Ukrainian children.

We continue our efforts to attract and engage with the next generation of workers; we welcomed new team members joining on a variety of apprenticeships, including Engineering, Groundworks, Health & Safety Administration and Quantity Surveying.



### Case study

## Construction Team volunteer at local school

In August, some of our Tamdown Construction Team spent time volunteering at St Mary's Primary School in Hatfield Broad Oak.

The school has just 53 children on the register, meaning funding from the local authority is minimal and they are heavily dependent on support from the local community. As a small community school, they are able to provide a caring and nurturing environment for children with complex needs. However, like many village schools, the budget they have is always spread thin, which means simple groundwork, redecoration and repairs are often only completed when donations and volunteers come forward.

It was a very busy couple of days with two classrooms completely redecorated, a pond area cleared and brought up to date with levelling work and a path, as well as various other fixes.

Ruth Baugh, Head Teacher of the school, commented:

"Thank you so much for the works carried out – the classrooms look bright, clean and airy and the pond area has been transformed. A completely overrun space the children were unable to enter due to safety issues will now be used every day to enhance our curriculum. We are so thrilled and would never have managed it without your help. Thank you for your time, efforts and energy."

# Sustainability continued

## Building Bright Futures for our planet Planet



### Case study

## 'Roots for Foundations' tree planting campaign continues

Tamdown launched a tree-planting campaign 'Roots for Foundations' in 2022 as part of an initiative run by the Future Forest Company which aims to establish a new forest by 2025.

Tamdown continued to sponsor the planting of a tree for every foundation that the business completed during 2023. The total number of trees planted through Tamdown's sponsorship since we started the campaign had reached 2,825 by the end of FY23.

The Future Forest Company aims to remove CO<sub>2</sub> from the atmosphere, restore biodiversity, and fight climate change and, by planting new trees, we are contributing towards this goal. You can see the location of some of our new trees at the [what3words](https://what3words.com/lads.puns.missions) address: lads.puns.missions

Climate change and reaching net zero is a critical issue for Government, businesses and the community as a whole. We continue to identify and implement measures to do our part and minimise our impact on the planet.

We are working to continuously improve our and our customers' journeys to lower emissions, decrease carbon footprint, and reduce the environmental impact of project operations.

As part of our Plant Renewal Programme, we invested in new machinery to improve efficiency and productivity on site. In replacing 20 of our 14 tonne machines, a new model was selected, after proving to be 9% more fuel efficient than the previous version.

Tamdown also adopted a greener fleet, selected with a focus on how we could reduce emissions. We have now distributed over 100 new Ford Fiesta mild hybrid vans with impressive eco-boost engines that produce compact precision power, giving an efficient MPG. In addition, the vans are compliant with ultra-low emission zones.

We also work with our housebuilder customers to ensure the delivery of sustainable communities through effective solutions, and see sustainability as a journey for our business alongside our customers and suppliers.

Tamdown has continued to sponsor the planting of a tree for every foundation that the business completes. The total number of trees planted through this sponsorship in the year was 1393 (FY22:1432).

The Facilities team of our Nexus Park head office is working with a range of suppliers to ensure sustainability. We have diverted 100% of our waste from landfill and 32% of our waste is recycled. In addition, we have reduced our annual energy consumption through a range of initiatives including street lighting timers in our car park and careful management of our air conditioning systems. 74% of the energy we use in the building is from renewable sources.

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations were introduced in January 2022 and apply to financial years starting on or after 6 April 2022. The sale of TriConnex and eSmart Networks reduced the size of the Group and the requirements to comply with these regulations in the current financial year. We continue with activities to ensure improvements and that we will be able to meet the requirements when they apply to the Group.

# Sustainability continued

## SECR Energy Performance Report

The Group reports its greenhouse gas emissions in accordance with UK regulations and the Greenhouse Gas (“GHG”) Protocol Corporate Accounting and Reporting standard and emission factors from UK Government GHG Conversion Factors for Company Reporting 2023.

The Group emissions have increased by 31% when compared with those of the previous year. The majority of the increase in consumption has arisen as a result of the change in the use of fuel on housebuilding sites, where red diesel can no longer be used. This is being counteracted by various improvement initiatives, amongst others working with Certas and key suppliers to reduce fuel wastage, reduce transport distances, monitor driver performance and refresh the ageing vehicles in the fleet with hybrid vehicles.

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.

	2023 Tonnes of CO <sub>2</sub>	Restated 2022 Tonnes of CO <sub>2</sub>
<b>GHG emissions from:</b>		
Scope 1: combustion of gas and fuel for transport	56,660	43,370
Scope 2: purchase of electricity	0	13
<b>Total emissions</b>	<b>56,660</b>	<b>43,383</b>
	2023	2022
<b>Intensity ratio:</b>		
Total emissions per employee	1,090	904
	2023 kWh	2022 kWh
<b>Energy usage from:</b>		
Scope 1	22,554,968	16,961,003
Scope 2	0	65,545
<b>Total usage</b>	<b>22,554,968</b>	<b>17,026,548</b>

- Tamdown Group Limited meets the threshold to report for the year 2023. In 2022, two subsidiaries were required to report: Tamdown Group Limited and TriConnex Limited. The comparative year has been adjusted to just reflect Tamdown Group Limited.
- Employee numbers are based on the average for the year, for Tamdown Group Limited only.
- Tamdown Group Limited operates in the UK only.
- The reporting year runs from October to September.
- Nil scope 2 emissions have been justified by the fact that all energy consumed in office spaces falls into scope 3 upstream emissions rather than scope 2. Tamdown rents office space but doesn't pay for any utilities at Nexus Park directly, this is paid by the property owner. In prior years there was a proportion of the reporting period where Tamdown owned it's own office premises, but that was sold last financial year. Any power to construction sites is provided and paid for by customers also.



# 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.

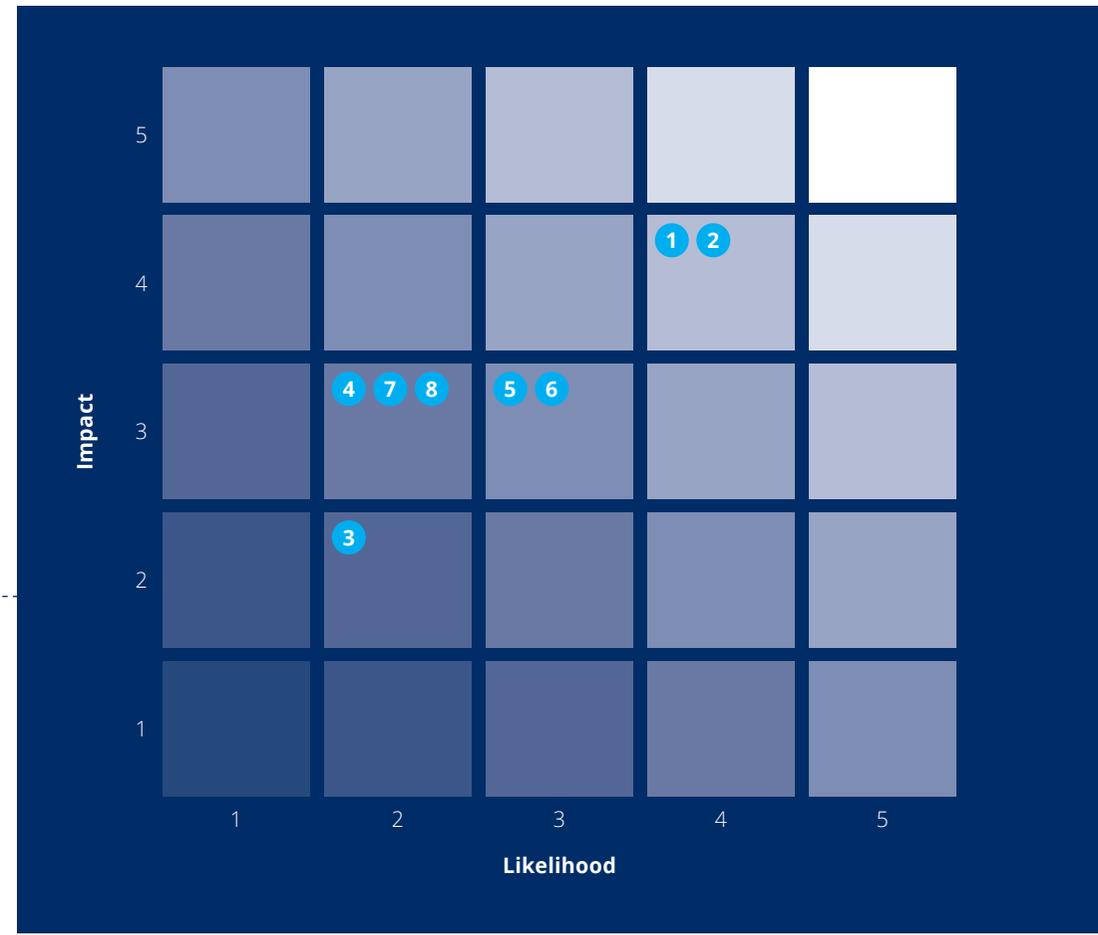
In common with other organisations, the Group faces risks that may affect its performance. Identification, management and mitigation of such risks and uncertainties across the Group is an essential part of the ability to deliver the Group strategy.

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.

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



# Principal risks and uncertainties continued

## 1 Market downturn

Status	Static
<b>Risk</b>	
<ul style="list-style-type: none"> <li>The Group's success is dependent on the general economic climate and fluctuations in the UK property market</li> </ul>	
<b>Description</b>	
<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 such as inflation and interest rate increases 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>Customers may experience financial difficulties</li> </ul>	
<b>Mitigation</b>	
<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>Regular review of supply chain and resources</li> <li>The Group maintains a stock of materials to ensure it has a forward supply</li> <li>The Group maintains a strong cash position</li> <li>Regular credit checks carried out on customers</li> </ul>	

## 2 Failure to procure new contracts

Status	Increased
<b>Risk</b>	
<ul style="list-style-type: none"> <li>The Group's success is dependent upon winning contracts on satisfactory terms in its existing and target markets</li> </ul>	
<b>Description</b>	
<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>	
<b>Mitigation</b>	
<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

Status	Reduced
<b>Risk</b>	
<ul style="list-style-type: none"> <li>All businesses are subject to regulatory requirements with which it may be found to be non-compliant</li> <li>Non-compliance with business code of conduct</li> </ul>	
<b>Description</b>	
<ul style="list-style-type: none"> <li>The Group operates in regulated environments. Regulators may conduct investigations on companies or carry out industry-wide investigations. Non-compliance with laws, regulations or rules may result in adverse publicity, prosecution, disciplinary action, fines or revocation of licences, and would impact profitability and relationships with current and potential customers</li> <li>The regulatory environment may change build and environment standards, such as the Building Safety Act, potentially leading to increased costs or claims on legacy projects</li> <li>Not maintaining a high standard of ethics and compliance with Group policies or regulatory requirements</li> </ul>	
<b>Mitigation</b>	
<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

<b>Status</b>	<b>Reduced</b>
<b>Risk</b>	
<ul style="list-style-type: none"> <li>The Group could be adversely affected by the availability of materials and subcontractors</li> </ul>	
<b>Description</b>	
<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>	
<b>Mitigation</b>	
<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> </ul>	

## 5 Failure to retain or recruit skilled people

<b>Status</b>	<b>Static</b>
<b>Risk</b>	
<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>	
<b>Description</b>	
<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> </ul>	
<b>Mitigation</b>	
<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 for employees, apprentice and graduate employee programmes</li> <li>Continual review of benefits</li> <li>Benchmarking of labour market rates</li> </ul>	

## 6 Contract execution

<b>Status</b>	<b>Static</b>
<b>Risk</b>	
<ul style="list-style-type: none"> <li>Contracts may not perform as expected which may lead to contracts not being executed profitably</li> </ul>	
<b>Description</b>	
<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 and claims on current and legacy projects</li> </ul>	
<b>Mitigation</b>	
<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>	

# Principal risks and uncertainties continued

## 7 Health and safety

<b>Status</b>	<b>Reduced</b>
<p><b>Risk</b></p> <ul style="list-style-type: none"> <li>The Group operates in sectors that carry significant health and safety risks</li> </ul>	
<p><b>Description</b></p> <ul style="list-style-type: none"> <li>The construction sector carries significant health and safety risk, including serious injury and fatalities</li> <li>Loss of confidence and damage to brand reputation</li> </ul>	
<p><b>Mitigation</b></p> <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> <li>Behavioural Safety Programme launched</li> </ul>	

## 8 IT systems and cyber security

<b>Status</b>	<b>Reduced</b>
<p><b>Risk</b></p> <ul style="list-style-type: none"> <li>The Group's success is dependent upon winning contracts on satisfactory terms in its existing and target markets</li> </ul>	
<p><b>Description</b></p> <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>	
<p><b>Mitigation</b></p> <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 31, has been approved by the Board of Directors and is signed on its behalf by



**Charles Sweeney**

Chief Executive Officer

22 March 2024

# Corporate governance



## What's in this section

- 33 Chairman's introduction
- 34 Applying the QCA Code
- 35 Board of Directors
- 38 Corporate governance
- 40 Audit Committee report
- 42 Nomination Committee report
- 43 Remuneration Committee report
- 49 Directors' report

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

# Chairman's introduction



**Richard Kilner**  
Non-Executive Chairman

## Governance

As Chairman, I am responsible for the leadership of the Board and for ensuring that it fulfils its responsibilities to all of the Group's stakeholders. My role includes ensuring that the Board has open and transparent discussions, allowing each member to contribute effectively. I ensure that the Board is commercial and collaborative, but also appropriately challenging. This requires us to have a good understanding of the business and its markets. The Board also operates in a way that sets an example, in terms of our commitment to the principles of governance, risk, leadership, diversity and our culture.

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

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

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

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

A handwritten signature in black ink, appearing to read 'R Kilner'.

**Richard Kilner**

Non-Executive Chairman

22 March 2024

# Applying the QCA Code

- 1 Establish a strategy and business model which promotes long-term value for shareholders.**  
See Executive review, Business model, Strategy and performance within the annual report.
- 2 Seek to understand and meet shareholder needs and expectations.**  
The Group maintains regular dialogue with investors through results roadshows, Annual General Meetings, and other ad hoc meetings as requested by shareholders. The Group monitors the share register to ensure that its investor relations communications are appropriate for its shareholder base. The Chief Executive Officer, Chief Financial Officer, and all Board members are available for discussions with shareholders.
- 3 Take into account wider stakeholder and social responsibilities and their implications for long-term success.**  
The Board understands that engaging with stakeholders is key to the Group's success. Strengthening the relationships with stakeholders helps the Group make better business decisions.  
The Group is committed to the development of its employees, ensuring that they have the skills required to carry out their work.  
See Stakeholder relationships and engagement within the annual report.
- 4 Embed effective risk management, considering both opportunities and threats throughout the organisation.**  
The Group operates controls to manage its risk, including, but not limited to, a clearly defined organisational structure, written policies, clear authorisation levels, comprehensive budgeting and rolling forecast processes, alongside detailed monthly reporting.  
The Audit Committee reviews the risks of each company within the Group and receives reports from the external auditor concerning any material control weakness identified during the course of their audit work.
- 5 Maintain the Board as a well-functioning, balanced team led by the Chair.**  
The Board comprises of the Non-Executive Chairman, four Non-Executive Directors and two Executive Directors. Board profiles are provided on pages 35 to 37. The Board reviews the independence of the members of the Board on a regular basis and considers the Non-Executive Chairman and three of the Non-Executive Directors to be independent. The Board does not consider Mike Morris to be independent.
- 6 Ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities.**  
The details of the Directors' experience, skills and capabilities are set out on pages 35 to 37 of the annual report.  
The Board is supported by the Nomination Committee when considering new appointments and succession planning. The Board is satisfied that the Directors have an appropriate balance of industry, financial and people experience to operate effectively. See the Nomination Committee report for future changes to Board structure.
- 7 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.**  
The Board carries out an internal evaluation review at the end of each Board meeting. The evaluation considers matters such as composition, effectiveness, balance, transparency, consideration of stakeholders' feedback, and regulatory understanding. Also, see the Nomination Committee report.
- 8 Promote a corporate culture that is based on ethical values and behaviours.**  
The Board recognises its responsibility for establishing high ethical standards of behaviour and corporate governance. The Group has policies in place to support our approach to conducting business in an open and transparent manner that is in line with the core values. We use an eLearning platform to ensure our employees are trained on the policies in place on a regular basis.
- 9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.**  
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.
- 10 Communicate how the Company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.**  
The Board achieves this through shareholder meetings with the Chief Executive Officer and Chief Financial Officer, the AGM, half-year and full-year announcements and regulatory news. A range of corporate information is available on the Group's website  
[www.nexus-infrastructure.com](http://www.nexus-infrastructure.com)

# Board of Directors

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

**Key:**

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

**Richard Kilner**  
Independent  
Non-Executive  
Chairman



**Appointed to Board:** 2016

**Core strengths and experience**

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

**Background**

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

**External appointments**

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

**A R N**

**Charles Sweeney**  
Chief Executive  
Officer



**Appointed to Board:** 2023

**Core strengths and experience**

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

**Background**

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

**External appointments**

- None

**A R N**

# Board of Directors continued



**Dawn Hillman**  
Chief Financial Officer

**Appointed to Board:** 2023

**Core strengths and experience**

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

**Background**

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

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

**External appointments**

- Trustee of Nexus Community Trust, independent charity



**Mike Morris**  
Non-Executive Director

**Appointed to Board:** 2006

**Core strengths and experience**

- 30 years' experience in the essential infrastructure industry
- Angel investor
- Leadership, health and safety, strategic development, commercial, organisational and culture, business development

**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 saw Nexus Infrastructure organically start-up TriConnex and eSmart Networks, which were sold in February 2023. Mike is passionate about continuous improvement at a business and personal level.

**External appointments**

- Director of Advanced Utility Networks Ltd
- Director of Advanced Utility Asset Networks Ltd
- Director of Advanced Water Infrastructure Networks Ltd
- Director of Advanced Electricity Networks Ltd
- Director of eSmart Networks Ltd
- Director of TriConnex Ltd



**Alex Wiseman**  
Independent Non-Executive Director

**Appointed to Board:** 2016

**Core strengths and experience**

- Over 20 years' experience in utility regulation and strategy
- Qualified management accountant
- Accounting and finance, corporate governance, risk management, strategic development, compliance and regulation

**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 a 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**

- Chair of Bristol Holdings Limited
- Board member of Northern Ireland Authority for Utility Regulation



# Board of Directors continued

**Ffion Griffith**  
Independent  
Non-Executive  
Director



**Appointed to Board:** 2018

**Core strengths and experience**

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

**Background**

Ffion 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 Mills Academy Trust
- Trustee Chair of Relate Charity



**Clare Lacey**  
Independent  
Non-Executive  
Director



**Appointed to Board:** 2022

**Core strengths and experience**

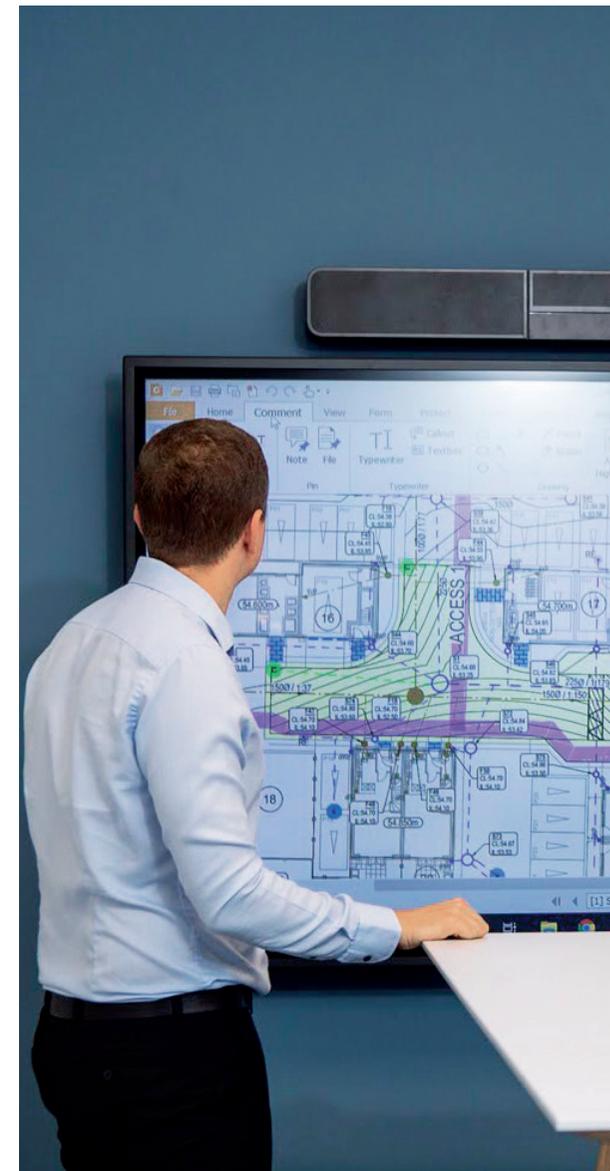
- Significant experience in infrastructure and renewable energy sectors
- Qualified Chartered Accountant

**Background**

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

**External appointments**

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



# Corporate governance

## Board and sub-committee structure

### The Board

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

### Audit Committee

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

### Nomination Committee

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

### Remuneration Committee

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

## Attendance at meetings

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

	Board
Number of scheduled meetings	15
Richard Kilner	15
Alex Wiseman	14
Ffion Griffith	14
Clare Lacey	15
Mike Morris	12
Alan Martin <sup>1</sup>	6
Charles Sweeney <sup>2</sup>	7
Dawn Hillman <sup>2</sup>	7

1 Alan Martin resigned 3 February 2023.

2 Charles Sweeney and Dawn Hillman appointed 3 February 2023.

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

### Leadership and responsibilities

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

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

The Company's shares are quoted on the Alternative Investment Market 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 five Non-Executive Directors, including the Chairman, and two Executive Directors. Biographies of the Directors can be found between pages 35 to 37. Following the sale of two subsidiaries of Nexus in February 2023, Alan Martin resigned from the Board and Mike Morris became a Non-Executive Director. Charles Sweeney was appointed as Chief Executive Officer and Dawn Hillman was appointed as Chief Financial Officer.

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.

# Corporate governance continued

## The Board continued

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. 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 40 to 48.

## Board evaluation

The Board carried out a full evaluation of its performance in July 2023 where the Board concluded that the Board, its Committees and the Chairman continued to perform effectively.

## Internal controls

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

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

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

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

## Relations with stakeholders

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

More information on how the Board engages with our stakeholders is on pages 19 and 20.

## Board activities

### Strategy

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

### Financial

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

### Operational

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

### Governance

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

# Audit Committee report



## Alex Wiseman

Chair of the Audit Committee

	Audit Committee
Number of scheduled meetings	5
Alex Wiseman (Chair)	5
Richard Kilner	5
Ffion Griffith	5
Clare Lacey	5
Charles Sweeney <sup>1</sup>	3
Dawn Hillman <sup>1</sup>	3
Mike Morris <sup>2</sup>	5
Alan Martin <sup>3</sup>	2

- 1 Charles Sweeney and Dawn Hillman appointed 3 February 2023. As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Audit Committee but were invited to attend the meetings in order to assist with the matters for discussion.
- 2 Mike Morris resigned as an Executive Director on 3 February 2023. He was then appointed as a Non-Executive Director.
- 3 Alan Martin resigned as an Executive Director on 3 February 2023.

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

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

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

## Roles and responsibilities

The role of the Committee is to:

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

## Committee meetings

The Audit Committee comprises the Non-Executive Directors of the Company. The 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, considered the significant estimates and judgements, together with any issues raised, letters of representation and reports from the external auditor;
- reviewed the subsidiary risk registers as presented by management and agreed actions for management to take from the risk register review;
- reviewed the Group's risk management framework and the effectiveness of the internal controls;
- reviewed and agreed the appointment of a new external auditor, their fees and the audit plan in advance of their audit for the financial year ended 30 September 2023; and
- reviewed the insurance cover in place for the Group.

# Audit Committee report continued

## Risk management and internal controls

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

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

## 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 using the subsidiary risk register. Items used to monitor and reduce the risk are identified in the risk register with sample reports and actions presented to the Audit Committee.

## Significant and other accounting matters

The sale of TriConnex and eSmart Networks announced in December 2022, and which completed in February 2023, required the Committee to consider the application of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations on the financial statements.

## External auditor

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

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

## Non-audit services

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

Details of the audit and non-audit fees incurred are disclosed in note 8 to the financial statements.

*Alex Wiseman*

## Alex Wiseman

Chair of the Audit Committee

22 March 2024



# Nomination Committee report



## Richard Kilner

Chair of the Nomination Committee

	Nomination Committee
Number of scheduled meetings	2
Richard Kilner	2
Alex Wiseman	2
Ffion Griffith	2
Clare Lacey	2
Mike Morris <sup>2</sup>	2
Alan Martin <sup>3</sup>	1
Charles Sweeney <sup>1</sup>	1
Dawn Hillman <sup>1</sup>	1

- 1 Charles Sweeney and Dawn Hillman appointed 3 February 2023. As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Nomination Committee but were invited to attend the meetings in order to assist with the matters for discussion.
- 2 Mike Morris resigned as an Executive Director on 3 February 2023. He was then appointed as a Non-Executive Director.
- 3 Alan Martin resigned as an Executive Director on 3 February 2023.

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 Company and subsidiary boards is appropriate for the Group with the right balance of skills and knowledge in place.

The Nomination Committee's key review during the year was the composition of the Nexus Infrastructure plc Board. A new Chief Executive Officer, Charles Sweeney, and a new Chief Financial Officer, Dawn Hillman, were appointed to the Board in February 2023. Both have significant experience within Nexus and the construction industry. Upon the completion of the sale of two of the subsidiaries, Mike Morris, Chief Executive Officer, and Alan Martin, Chief Financial Officer, resigned as Executive Directors. Mike Morris was then appointed to the Board as a Non-Executive Director.

## 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 twice during the year to discuss the composition of the Company and subsidiary boards and succession planning for the Group.

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

The Committee is required to meet at least once a year and the table 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
- the recommendation to the Board of a new Chief Executive Officer and new Chief Financial Officer, who were appointed following the completion of the sale of TriConnex and eSmart Networks and the resignation of Mike Morris and Alan Martin.

## Richard Kilner

Chair of the Nomination Committee

22 March 2024

# Remuneration Committee report



## Ffion Griffith

Chair of the Remuneration Committee

	Remuneration Committee
Number of scheduled meetings	4
Ffion Griffith (Chair)	4
Richard Kilner	4
Alex Wiseman	4
Clare Lacey	4
Mike Morris <sup>2</sup>	1
Alan Martin <sup>3</sup>	1
Charles Sweeney <sup>1</sup>	2
Dawn Hillman <sup>1</sup>	2

- 1 Charles Sweeney and Dawn Hillman appointed 3 February 2023. As Executive Directors, Charles Sweeney and Dawn Hillman are not members of the Remuneration Committee but were invited to attend the meetings in order to assist with the matters for discussion.
- 2 Mike Morris resigned as an Executive Director on 3 February 2023. He was then appointed as a Non-Executive Director.
- 3 Alan Martin resigned as an Executive Director on 3 February 2023.

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the year ended 30 September 2023.

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.

# Remuneration Committee report continued

## Committee meetings

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

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

## 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;
- considered and approved the detailed rules and performance targets for a combined bonus and long-term incentive plan to senior management;
- considered and approved the vesting of awards of the long-term incentive plan;
- reviewed and approved the short-term incentive plans;
- reviewed and approved the strategy for the salary reviews;
- reviewed and approved Executive Directors' and senior management salaries for 2023;
- reviewed and approved the level of fees for the Chairman for 2023;
- reviewed the gender pay gap reporting for the Group; and
- reviewed the Committee's terms of reference.

## Remuneration policy

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

## Advisers to the Remuneration Committee

The Committee is authorised to obtain outside professional advice and expertise and will also receive advice and support from the Chief Executive Officer, Chief Financial Officer and the Company Secretary, as necessary. The Committee sought advice from Evelyn Partners and Mills & Reeve during the year on the ending of the long-term incentive plan for Executive Directors following the sale of TriConnex and eSmart Networks.



# Remuneration Committee report continued

## Executive Directors' remuneration

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

### Salary

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

### Benefits in kind

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

### Performance-related bonuses

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

### Long-Term Incentive Plan

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

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

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

During the year, the Committee reviewed the cash payments and conditional share awards on the Long-Term Incentive Plan and considered the position to be taken on the vesting of the grants for those employees leaving the Group and those remaining with the Group following the sale of TriConnex and eSmart Networks. The Committee approved changing the rules of the scheme so that stayers with the Group would be treated the same as leavers. The Committee also considered the time apportionment of the awards on completion of the sale. Following a review, the Committee approved the granting of the awards without time apportionment being applied.

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

## Pension contributions

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

## Remuneration of Non-Executive Directors

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

## Executive Directors' contracts

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

## Non-Executive Directors' contracts

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



# Remuneration Committee report continued

## Directors' emoluments (audited)

	Salary/fee		Bonus		Benefits		Pension benefit		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Executive Directors</b>										
Charles Sweeney <sup>1</sup>	280	—	11	—	19	—	1	—	311	—
Dawn Hillman <sup>1</sup>	142	—	—	—	9	—	1	—	152	—
Mike Morris <sup>2</sup>	144	342	99 <sup>3</sup>	46 <sup>4</sup>	7	18	18	54	268	460
Alan Martin <sup>2</sup>	94	259	16	24	7	19	14	41	131	343
<b>Non-Executive Directors</b>										
Richard Kilner	78	66	—	—	—	—	—	—	78	66
Ffion Griffith	42	39	—	—	—	—	—	—	42	39
Alex Wiseman	39	37	—	—	—	—	—	—	39	37
Clare Lacey	36	25	—	—	—	—	—	—	36	25
Mike Morris <sup>2</sup>	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>855</b>	<b>768</b>	<b>126</b>	<b>70</b>	<b>42</b>	<b>37</b>	<b>34</b>	<b>95</b>	<b>1057</b>	<b>970</b>

1 Charles Sweeney and Dawn Hillman were appointed as Chief Executive Officer and Chief Financial Officer respectively on 3 February 2023.

2 Mike Morris and Alan Martin resigned as Executive Directors on 3 February 2023. Mike Morris was then appointed as a Non-Executive Director.

3 Mike Morris was awarded a cash bonus in lieu of the 65,829 ordinary shares due to him under the 2019 Long-Term Incentive Plan award, which he voluntarily surrendered.

4 Mike Morris was awarded a cash bonus in lieu of the 20,664 ordinary shares due to him under the 2019 Long-Term Incentive Plan award, which he voluntarily surrendered.

# Remuneration Committee report continued

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

### 2016 Long-Term Incentive Plan

All options have an exercise price of £0.02. All options awarded up to and including the February 2021 award have a vesting period of three years. The performance conditions of the options granted in 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 October 2019 and March 2022.

		Number at 1 October 2022	Awarded in year	Exercised in year	Lapsed in year	Number at 30 September 2023	Date of grant
Mike Morris	Option <sup>1</sup>	168,819	—	35,108 <sup>3</sup>	133,711 <sup>3</sup>	—	14 January 2020
Mike Morris	Option <sup>1</sup>	218,440	—	30,721 <sup>3</sup>	187,719 <sup>3</sup>	—	9 February 2021
Alan Martin	Option <sup>1</sup>	75,000	—	75,000	—	—	1 October 2019
Alan Martin	Option <sup>1</sup>	122,211	—	25,415	96,796	—	14 January 2020
Alan Martin	Option <sup>1</sup>	160,504	—	22,573	137,931	—	9 February 2021
Alan Martin	Conditional share <sup>2</sup>	93,033	—	10,094	82,939	—	30 September 2021
Alan Martin	Option <sup>1</sup>	175,000	—	175,000	—	—	1 March 2022
Charles Sweeney	Option <sup>1</sup>	81,078	—	16,861	64,217	—	14 January 2020
Charles Sweeney	Option <sup>1</sup>	106,483	—	14,976	91,507	—	9 February 2021
Charles Sweeney	Conditional share <sup>2</sup>	61,721	—	6,697	55,024	—	30 September 2021
Dawn Hillman	Option <sup>1</sup>	40,038	—	8,326	31,712	—	14 January 2020
Dawn Hillman	Option <sup>1</sup>	52,584	—	7,395	45,189	—	9 February 2021
Dawn Hillman	Conditional share <sup>2</sup>	15,240	—	6,233	9,007	—	30 September 2021

1 2016 Long-Term Incentive Plan.

2 2021 Long-Term Incentive Plan.

3 Mike Morris voluntarily surrendered the share options as he is precluded from acquiring additional shares in Nexus under Rule 9 of the Takeover Code. Of the 387,259 awarded share options, 17% would have vested having achieved the performance conditions, equal to 65,829 share options. The equivalent of the share options that would have vested was paid as a cash bonus, subject to taxes.

# Remuneration Committee report continued

## 2021 Long-Term Incentive Plan

The conditional shares have an exercise price of £0.02. The performance conditions of the conditional shares granted in September 2021 related to operating profit and total shareholder return targets.

Mike Morris was not awarded conditional shares under the 2021 Long-Term Incentive Plan, as he and his concert party (the “Morris Concert Party”) are precluded from acquiring additional shares in Nexus under Rule 9 of the Takeover Code.

Details of the options exercised by Directors during the year are as follows:

	Number of shares	Exercise price pence	Mid-market share price on date of exercise pence	Gain on exercise £'000
Alan Martin	308,082	2.0	150.0	456
Charles Sweeney	38,533	2.0	150.0	57
Dawn Hillman	21,955	2.0	150.0	32

## Directors’ interest in the Company’s shares

At 30 September 2023, the Directors had the following interests in the Company’s shares:

Director	Number of shares
Richard Kilner	8,662
Mike Morris <sup>1</sup>	1,679,018
Ffion Griffith	853
Alex Wiseman	8,833
Clare Lacey	—
Charles Sweeney	39,541
Dawn Hillman <sup>1</sup>	32,020

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



### Ffion Griffith

Chair of the Remuneration Committee

22 March 2024



# Directors' report

## The Directors present their report and the consolidated financial statements for the year ended 30 September 2023.

The corporate governance disclosures on pages 33 to 48 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 2023 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 28 to 31.

### Principal Activities Statement

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

### Future Developments

The Group's future developments are covered in the CEO Q&A on pages 5 to 7 and Strategy on page 16 of the report.

### Results and dividends

The results are set out in the consolidated statement of comprehensive income on page 60.

An interim dividend of 1.0p per share was paid to shareholders on 30 June 2023 (2022: 1.0p per share). The Board recommends, subject to shareholder approval at the AGM, a final dividend of 2.0p per share in respect of the 2023 financial year (2022: £nil per share) is paid on 5 April 2024 to shareholders on the register at the close of business on 8 March 2024. On this basis, the total dividend for the year will be 3.0p per share (2022: 1.0p per share).

In March 2023, the Board paid a total of £60.5m to shareholders by way of a Tender Offer to return funds raised from the sale of TriConnex and eSmart Networks.

### 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 27 and form part of the Directors' report disclosures.

### Directors

The Directors of the Company as of the date of this report and their biographical details are shown on pages 35 to 37. Mike Morris resigned as Chief Executive Officer on 3 February 2023.

Alan Martin resigned as Chief Financial Officer on 3 February 2023. Charles Sweeney was appointed as Chief Executive Officer and Dawn Hillman as Chief Financial Officer on 3 February 2023. Mike Morris was appointed as a Non-Executive Director on 3 February 2023.

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 2023 are disclosed in the Remuneration Committee report on page 48. Details of the interests of the Executive Directors in share options and awards of shares can be found on page 47 within the same report.

### Directors' indemnity provisions

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

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

### Disabled employees

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

### Share capital structure

At 30 September 2023, the Company's issued share capital was £180,686.14 divided into 9,034,307 ordinary shares of £0.02 each. The holders of ordinary shares are entitled to one vote per share at the Company's general meetings.

### Stakeholder engagement

We have reported how we engage with our stakeholders on pages 19 and 20.

# Directors' report continued

## Substantial shareholdings

At 7 March 2024, the shareholdings noted below, representing 3% or more of the issued share capital, had been notified to the Company. In addition, as at 7 March 2024, Link IRG Trustees Limited held 1,463 ordinary shares as trustees of the Employee Share Purchase Plan.

Name of shareholder	Number of shares	Proportion of total
Mike Morris <sup>1</sup>	1,679,002	18.6%
Otus Capital Management	1,676,575	18.6%
Ruffer LLP	975,000	10.8%
NR Holdings	837,913	9.3%
Keith Breen <sup>1</sup>	764,278	8.5%
JM Finn	455,382	5.0%
Redmayne Bentley	320,692	3.5%
Close Brothers Asset Management	292,976	3.2%

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

## Financial risk management

We have reported on how we manage financial risk in note 26 of the financial statements.

## Auditor

PricewaterhouseCoopers LLP resigned as auditor in 2023. MHA were appointed by the Board as the Group's new auditor and a resolution to re-appoint MHA will be proposed at the forthcoming AGM.

## Going concern

Management has produced budgets that have been sensitised to reflect a plausible downside scenario. They reflect a cautious view on the trading outlook based on the current market. These demonstrate that the Group is forecast to generate a loss in the year ending 30 September 2024 and 2025, returning to profitability in the periods beyond. The Group does, however, have sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

## Approval

This Directors' report was approved on behalf of the Board on 22 March 2024.



## Dawn Hillman

Company Secretary  
22 March 2024

# Financial statements



## What's in this section

- 52 Directors' responsibilities statement
- 53 Independent auditor's report
- 60 Consolidated statement of comprehensive income
- 61 Consolidated statement of financial position
- 62 Consolidated statement of changes in equity
- 63 Company statement of changes in equity
- 64 Consolidated statement of cash flows
- 66 Notes to the financial statements
- 91 Further information
- 92 Shareholder information

## Directors' responsibilities statement

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

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

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

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

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

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

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

### Directors' confirmations

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

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

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

By order of the Board



**Charles Sweeney**

Chief Executive Officer



**Dawn Hillman**

Chief Financial Officer

22 March 2024

# Independent auditor's report

to the members of Nexus Infrastructure PLC

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Nexus Infrastructure PLC. For the purposes of the table on pages 55 and 56 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Nexus Infrastructure PLC and its subsidiaries (the “Group”). The “Parent Company” is defined as Nexus Infrastructure PLC, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

## Opinion

We have audited the financial statements of Nexus Infrastructure PLC for the year ended 30 September 2023.

The financial statements that we have audited comprise:

- the Consolidated Statement of Comprehensive Income
- the Consolidated and Company Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Company statement of Changes in Equity
- the Consolidated and Company Statement of Cash Flows
- Notes 1 to 33 to the financial statements, including significant accounting policies

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

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

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

# Independent auditor’s report continued

to the members of Nexus Infrastructure PLC

## Overview of our audit approach

<b>Scope</b>	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We undertook full scope audits on the complete financial information of 2 components and specified audit procedures on aspects and balances on the other 5 components.		
<b>Materiality</b>	<b>2023</b>	<b>2022</b>	
<b>Group</b>	£857k	£867k	1% of revenue excluding discontinued operations (2022: 0.5% of revenue including discontinued operations)
<b>Parent Company</b>	£395k	£332k	1% (2022: 1%) of gross assets
<b>Key audit matters</b>			
<b>Recurring</b>	<ul style="list-style-type: none"> <li>• Revenue recognition and long-term contract accounting in respect of infrastructure contracts (group)</li> <li>• Valuation of the investments in subsidiary undertakings (Parent Company only)</li> <li>• Disposal of subsidiaries</li> </ul>		

### Key Audit Matters

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

## Independent auditor's report continued

to the members of Nexus Infrastructure PLC

### Overview of our audit approach continued

**Key audit matters** continued

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

##### Key audit matter description

The Group recognised revenue of £112.2m in the financial year (see note 4) of which £88.7m related to continuing operations and £23.5m relates to discontinued operations. It is a rebuttable assumption that the risk of misstatement of revenue exists. The principal revenue streams relate to the provision of infrastructure services to the UK house building and commercial sector. Revenue is recognised using a contract accounting basis and therefore relies on a number of estimates, with the key estimate being the forecast costs to complete projects. The Group uses the input method, as such, these estimates drive the revenue recognised in the year. In conjunction with the billings raised to date and costs incurred to date on a contract, these estimates also drive the associated contract positions in the statement of financial position including trade receivable (£23.3m, see note 19), contract assets (£2.8m see note 4) and contract liabilities (£0.6m, see note 4).

Revenue recognition is classed as a key audit matter due to the significant estimates involved and the material impact revenue has on the consolidated financial statements.

##### How the scope of our audit responded to the key audit matter

- We evaluated the accounting policies for revenue recognition to ensure these are aligned to IFRS 15 and based on the standard's principle-based 'five step' model. We have then assessed the appropriateness of application to the accounting policies to the Group's contracts with customers.
- We tested revenue transactions in the year to supporting documentation, including signed contracts and variation orders. We corroborated a sample of actual costs incurred to date to supporting documentation (for example invoices or timesheets) and recalculated the revenue recognised for the financial year on a sample basis with reference to actual costs incurred as a proportion of total costs forecast to be incurred on individual contracts.
- We challenged the estimates used in forecast costs to complete, obtaining a breakdown of forecast costs to complete and vouching a sample of costs to supporting documentation (for example purchase order or latest third-party invoice supporting the values attributed to tasks to complete). We have also compared the forecast margins used by the Directors at 30 September 2022 to actual outturn at end of contracts during the year ended 30 September 2023 to assess the accuracy of previous estimates. We have also compared a sample of actual margins at the end of December 2023 to those forecast margins at September 2023.
- For revenue recognised for variations, we validated the value of the variation to signed customer variation order.
- We tested a sample of accounts receivables, contract assets and contract liabilities to supporting documentation, including signed contract, variation orders and post year end cash receipts, where appropriate. We found no material exceptions in our testing.

##### Key observations communicated to the Group's Audit Committee

We are satisfied that revenue was reasonable and recognised in accordance with IFRS 15.

#### Valuation of the investment in subsidiary undertakings (Parent)

##### Key audit matter description

At 30 September 2023, the Company recognised investment in Tamdown Group Limited of £20,545,000 on its statement of financial position. The value is highly material to the company's statement of financial position and therefore a risk of a material impairment charge. Indicators of impairment were identified by management resulting in an impairment review of the investment in accordance with IAS36.

We considered this to be a key audit matter due to the highly material balance recognised in the Company's statement of financial position and the significant judgement and estimates involved in the impairment review process.

# Independent auditor's report continued

## to the members of Nexus Infrastructure PLC

### Overview of our audit approach continued

#### Valuation of the investment in subsidiary undertakings (Parent) continued

##### How the scope of our audit responded to the key audit matter

- We considered the value of the net assets held within the investment entity.
- We considered the current information available in relation to the performance of the relevant entities
- We engaged the support of our corporate finance modelling specialists to assist in assessing the appropriateness management's models and certain key judgements and assumptions.
- We completed sensitivity analysis on management's calculations to assess the need for impairment of the investment value
- We obtained management's forecasts and performed various tests over the reasonableness of the inputs and assumptions within them.

##### Key observations communicated to the Group's Audit Committee

We found no exceptions in our testing to indicate a requirement for impairment of the investment in accordance with IAS36.

#### Disposal of subsidiaries

##### Key audit matter description

During the financial year, Nexus Infrastructure plc sold the shares it held in TriConnex Limited and eSmart Networks Limited for £77,700,000. The assets and liabilities of these businesses were classified as held for sale at 30 September 2022. There is an audit risk that the disposal of these subsidiaries have not been accounted for correctly in accordance with IFRS10. There is also a risk that this transaction has not been disclosed appropriately in the consolidated financial statements in accordance with relevant standards.

We have identified the disposal of subsidiaries to be a key audit matter because the impact from the disposal is highly material and pervasive as it impacts the whole consolidated financial statements.

##### How the scope of our audit responded to the key audit matter

- We obtained a copy of the sale and purchase agreement to understand the material terms in respect of the transaction such as the consideration involved (including assessing whether there is any deferred or contingent consideration) and disposal date
- We reviewed the accounting entries in respect of the disposal in the current year to ensure it has been accounted for correctly in accordance with IFRS10.
- We reviewed the disclosures in the consolidated financial statements to ensure it is disclosed appropriately in accordance with IFRS10.

##### Key observations communicated to the Group's Audit Committee

We are satisfied that the disposal was accounted for, and disclosed, appropriately in accordance with IFRS 10.

#### Our application of materiality

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

Materiality in respect of the Group was set at £857,000 (2022: £867,000) which was determined on the basis of 1% of the Group's revenue excluding discontinued operations (2022: 0.5% of revenue including discontinued operations). Group's revenue excluding discontinued operations was deemed to be the appropriate benchmark for the calculation of Group materiality as this is the main measure by which the users of the financial statements will consider the future financial performance and success of the Group's continuing operations. Group revenue from continuing operations is also a Key Performance Indicator used by management.

Materiality in respect of the Parent Company was set at £395,000 (2022: £332,000), determined on the basis of 1% (2022: 1%) of the Parent Company's gross assets. Gross assets was deemed to be the appropriate benchmark for the calculation of materiality because the Parent Company is a holding company and this is the metric by which the performance and risk exposure of the Parent Company is principally assessed.

# Independent auditor’s report continued

to the members of Nexus Infrastructure PLC

## Overview of our audit approach continued

### Our application of materiality continued

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

Performance materiality for the Group was set at £514,000 (2022: £650,000) and at £237,000 (2022: £251,000) for the Parent Company which represents 60% (2022: 75%) of the above materiality levels.

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

We agreed to report any corrected or uncorrected adjustments exceeding £42,850 and £19,750 in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

### Overview of the scope of the Group and Parent Company audits

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

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 7 reporting components of the Group, we identified 5 components in the UK which represent the principal business units of continuing operations within the Group. We identified 2 components in the UK which represented principal business units of discontinued operations.

**Full scope audits** – Of the 7 components identified, full scope audits of the complete financial information of 2 components were undertaken by the Group Audit Team, being Nexus Infrastructure plc and Tamdown Group Limited. These entities were selected based upon their financial significance to the Group or risk characteristics.

**Specified procedures** – of the 7 components identified, specified audit procedures were undertaken by the Group Audit Team on material account balances and classes of transactions of 5 components. Components from continuing operations were Nexus Park Limited, Tamdown Services Limited and Tamdown Plant Hire Limited and from discontinued operations were TriConnex Limited and eSmart Networks Limited.

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

	Number of components	Revenue	Total assets	Loss before tax from continuing operations
<b>Full scope audit</b>	2	100%	73%	84%
<b>Specific procedures</b>	3	—%	27%	16%
		100%	100%	100%

### The control environment

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

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

### Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management’s climate-related risk assessment, along with relevant documentation and reports relating to management’s assessment and held discussions with management to understand their process for identifying and assessing those risks.

We then engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the business activities, its processes and the geographic distribution of its activities. We have agreed with managements’ assessment that climate-related risks are not material to these financial statements.

We specifically considered the Group and Parent Company’s exposure to physical and transitional climate-related risks, given the sector in which the Group operates is considered a ‘high impact’ sector exposed to climate-related risks in the value chain. We critically reviewed management’s assessment and challenged the assumptions underlying their assessment. We also designed our audit procedures to specifically consider those assets where we anticipated, based on the work performed, that the highest impact arising from climate change might fall. We considered whether any indicators of impairment arose, as a result of climate-related risks, on the valuation of property, plant and equipment, right of use assets, and goodwill. We considered the climate-related regulatory and legislative requirements the Group and Parent Company are subject to. We specifically audited cash flows supporting the carrying values of Cash Generating Units (CGUs) where climate impacts are anticipated and considered the ongoing viability of the business in respect both to direct climate risks and changes in legislation as nations grapple with their commitments to reduce emissions.

## Independent auditor's report continued

### to the members of Nexus Infrastructure PLC

#### Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

#### Matters on which we are required to report by exception

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

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

#### Responsibilities of directors

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

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

#### Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

## Independent auditor's report continued

to the members of Nexus Infrastructure PLC

### Auditor responsibilities for the audit of the financial statements continued

#### Identifying and assessing potential risks arising from irregularities, including fraud

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

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

#### Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board meetings, inspection of legal and regulatory correspondence
- audit procedures performed by the engagement team in connection with the risks identified included:

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

#### Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



#### Andrew Moyser FCA FCCA

(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

22 March 2024

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

# Consolidated statement of comprehensive income

for the year ended 30 September 2023

	Note	2023 £'000	2022 £'000
<b>Continuing operations</b>			
Revenue	4	<b>88,691</b>	98,392
Cost of sales		<b>(82,719)</b>	(88,482)
<b>Gross profit</b>		<b>5,972</b>	9,910
Administrative expenses		<b>(10,779)</b>	(10,225)
Impairment loss	19	<b>(2,935)</b>	—
<b>Operating loss before exceptional items</b>		<b>(7,742)</b>	(315)
Exceptional items	7	<b>(645)</b>	—
<b>Operating loss</b>		<b>(8,387)</b>	(315)
Finance income	10	<b>447</b>	13
Finance expense	10	<b>(599)</b>	(607)
<b>Loss before tax</b>		<b>(8,540)</b>	(909)
Taxation	11	<b>46</b>	(109)
<b>Loss from continuing operations</b>		<b>(8,494)</b>	(1,018)
<b>Discontinued operations</b>			
Profit from discontinued operations (after tax)	20	<b>67,292</b>	3,729
<b>Profit and total comprehensive income for the year attributable to equity holders of the parent</b>		<b>58,799</b>	2,711
<b>Earnings/(losses) per share (p per share)</b>			
Basic (p per share) – total operations	8	<b>238.96</b>	5.96
Diluted (p per share) – total operations	8	<b>238.96</b>	5.89
Basic (p per share) – continuing operations	8	<b>(34.52)</b>	(2.24)
Diluted (p per share) – continuing operations	8	<b>(34.52)</b>	(2.24)
Basic (p per share) – discontinued operations	8	<b>273.48</b>	8.20
Diluted (p per share) – discontinued operations	8	<b>273.48</b>	8.10

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

The notes on pages 66 to 90 form part of the financial statements and accounting policies.

# Consolidated statement of financial position

as at 30 September 2023

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Non-current assets</b>					
Property, plant and equipment	14	5,377	5,459	405	275
Right of use assets	15	11,435	12,620	42	5
Goodwill	16	2,361	2,361	—	—
Investments in subsidiaries	17	—	—	20,545	23,545
Deferred tax asset	22	—	—	—	4
<b>Total non-current assets</b>		<b>19,173</b>	20,440	<b>20,992</b>	23,829
<b>Current assets</b>					
Inventories	18	44	43	44	43
Trade and other receivables	19	24,135	30,388	6,731	6,312
Contract assets	19	2,784	8,120	—	—
Corporation tax asset		—	27	—	—
Cash and cash equivalents		14,626	4,597	11,797	3,099
		41,589	43,175	18,572	9,454
Assets classified as held for sale	20	—	57,411	—	—
<b>Total current assets</b>		<b>60,763</b>	100,586	<b>18,572</b>	9,454
<b>Total assets</b>		<b>60,763</b>	121,026	<b>39,564</b>	33,283
<b>Current liabilities</b>					
Trade and other payables	19	15,540	21,698	1,464	5,867
Contract liabilities	19	552	3,543	—	—
Lease liabilities	15	1,826	1,663	10	1
Corporation tax liability		18	—	—	—
		17,936	26,904	1,474	5,868
Liabilities associated with assets classified as held for sale	20	—	49,094	—	—
<b>Total current liabilities</b>		<b>17,936</b>	75,998	<b>1,474</b>	5,868

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Non-current liabilities</b>					
Lease liabilities	15	9,818	10,793	32	4
Deferred tax liabilities	22	—	95	—	—
<b>Total non-current liabilities</b>		<b>9,818</b>	10,888	<b>32</b>	4
<b>Total liabilities</b>		<b>27,754</b>	86,886	<b>1,507</b>	5,872
<b>Net assets</b>		<b>33,010</b>	34,140	<b>38,060</b>	27,411
<b>Equity attributable to equity holders of the Company</b>					
Share capital	23	181	911	181	911
Share premium account		9,419	9,419	9,419	9,419
Retained earnings		23,410	23,810	28,460	17,081
<b>Total equity</b>		<b>33,010</b>	34,140	<b>38,060</b>	27,411

## Retained earnings of the Company

The profit of the Company in the financial year amounted to £70,577,000 (2022: £1,623,000).

The financial statements on pages 60 to 65 were approved by the Board of Directors on 22 March 2024 and signed on its behalf by


**Charles Sweeney**

Director

Company number 05635505


**Dawn Hillman**

Director

The notes on pages 66 to 90 form part of the financial statements and accounting policies.

# Consolidated statement of changes in equity

for the year ended 30 September 2023

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
<b>Equity as at 1 October 2021</b>		908	9,419	21,805	32,132
Profit for the period		—	—	2,711	2,711
<b>Total comprehensive income for the period</b>		—	—	2,711	2,711
<b>Transactions with owners</b>					
Dividend paid	12	—	—	(1,091)	(1,091)
Share-based payments		—	—	385	385
Issue of share capital		3	—	—	3
		3	—	(706)	(703)
<b>Equity as at 30 September 2022</b>		911	9,419	23,810	34,140
Profit for the period		—	—	58,799	58,799
<b>Total comprehensive income for the period</b>		—	—	58,799	58,799
<b>Transactions with owners</b>					
Dividend paid	12	—	—	(90)	(90)
Share buyback		(743)	—	(59,808)	(60,551)
Share-based payments		—	—	700	700
Issue of share capital		13	—	—	13
		(730)	—	(59,198)	(59,929)
<b>Equity as at 30 September 2023</b>		181	9,419	23,410	33,010

The notes on pages 66 to 90 form part of the financial statements and accounting policies.

# Company statement of changes in equity

for the year ended 30 September 2023

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
<b>Equity as at 1 October 2021</b>		908	9,419	16,164	26,491
Profit for the period		—	—	1,623	1,623
<b>Total comprehensive income for the period</b>		—	—	1,623	1,623
<b>Transactions with owners</b>					
Dividend paid	12	—	—	(1,091)	(1,091)
Share-based payments	27	—	—	385	385
Issue of share capital	24	3	—	—	3
		3	—	(706)	(703)
<b>Equity as at 30 September 2022</b>		911	9,419	17,081	27,411
Profit for the period		—	—	70,577	70,577
<b>Total comprehensive income for the period</b>		—	—	70,577	70,577
<b>Transactions with owners</b>					
Dividend paid	12	—	—	(90)	(90)
Share buyback	23	(743)	—	(59,808)	(60,551)
Share-based payments	27	—	—	700	700
Issue of share capital	23	13	—	—	13
		(730)	—	(59,198)	(59,929)
<b>Equity as at 30 September 2023</b>		181	9,419	28,460	38,060

The notes on pages 66 to 90 form part of the financial statements and accounting policies.

# Consolidated statement of cash flows

for the year ended 30 September 2023

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Cash flow from operating activities</b>					
(Loss)/profit before tax from continuing and discontinued operations		<b>58,753</b>	3,454	<b>70,577</b>	1,623
<b>Adjusted by:</b>					
Gain on sale of subsidiaries		<b>(67,292)</b>	—	—	—
Profit on disposal of property, plant and equipment – owned		<b>(573)</b>	—	—	—
Share-based payments	27	<b>700</b>	385	<b>700</b>	385
Finance expense (net)	10	<b>152</b>	588	<b>(367)</b>	61
Depreciation of property, plant and equipment – owned	14	<b>726</b>	833	<b>171</b>	58
Depreciation of property, plant and equipment – right of use	15	<b>1,618</b>	1,215	<b>1</b>	1
<b>Operating profit before working capital changes</b>		<b>(5,917)</b>	6,475	<b>71,082</b>	2,128
Working capital adjustments:					
Decrease/(increase) in trade and other receivables	19	<b>6,949</b>	(7,384)	<b>(85)</b>	2,619
Decrease/(increase) in contract assets	4	<b>(91)</b>	(6,818)	—	—
(Increase) in inventory	18	<b>(744)</b>	(430)	<b>(1)</b>	(43)
Decrease/(increase) in trade and other payables	21	<b>(7,398)</b>	4,155	<b>(4,738)</b>	(3,220)
Decrease/(increase) in contract liabilities	4	<b>(59)</b>	1,565	—	—
<b>Cash (used in)/generated from operating activities</b>		<b>(7,260)</b>	(2,437)	<b>66,258</b>	1,484
Interest paid	10	<b>(599)</b>	(244)	—	(25)
Taxation paid		<b>242</b>	(550)	—	—
<b>Net cash (used in)/generated from operating activities</b>		<b>(7,617)</b>	(3,231)	<b>66,258</b>	1,459
<b>Cash flow from investing activities</b>					
Purchase of property, plant and equipment – owned	14	<b>(759)</b>	(795)	<b>(301)</b>	(246)
Purchase of property, plant and equipment – right of use	15	<b>(1,088)</b>	—	—	—
Proceeds from disposal of property, plant and equipment – owned	14	<b>1,408</b>	13,555	—	—
Sale of available for sale investments		—	—	<b>3,000</b>	—
Sale of discontinued operations	20	<b>60,168</b>	—	—	—
Interest received	10	<b>447</b>	39	<b>371</b>	9
<b>Net cash generated from/(used) in investing activities</b>		<b>60,176</b>	12,799	<b>3,069</b>	(237)

## Consolidated statements of cash flows continued

for the year ended 30 September 2023

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Cash flow from financing activities</b>					
Dividend payment	12	(90)	(1,091)	(90)	(1,091)
Drawdown on HP facility		—	587	—	—
Share buyback	23	(60,551)	—	(60,551)	—
Repayment of term loan		—	(11,663)	—	(1,850)
Principal elements of lease repayments		(1,472)	(2,753)	(1)	(1)
Net proceeds from the issue of share capital		13	3	13	3
<b>Net cash (used in)/generated from financing activities</b>		<b>(62,100)</b>	<b>(14,917)</b>	<b>(60,629)</b>	<b>(2,939)</b>
<b>Net change in cash and cash equivalents</b>		<b>(9,542)</b>	<b>(5,349)</b>	<b>8,698</b>	<b>(1,717)</b>
Cash and cash equivalents at the beginning of the year		24,168	29,517	3,099	4,816
<b>Cash and cash equivalents at the end of the year</b>		<b>14,626</b>	<b>24,168</b>	<b>11,797</b>	<b>3,099</b>
<b>Reconciliation of cash and cash equivalents at the end of the year</b>					
Held by continuing operations		14,626	4,597	11,797	3,099
Held by discontinued operations		—	19,571	—	—
<b>Cash and cash equivalents at the end of the year</b>		<b>14,626</b>	<b>24,168</b>	<b>11,797</b>	<b>3,099</b>

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

The notes on pages 66 to 90 form part of the financial statements and accounting policies.

# Notes to the financial statements

for the year ended 30 September 2023

## 1. Accounting policies

### General information

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

Those services comprise:

- civil engineering and construction contracts.

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

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

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

The registered number of the Company is 05635505.

### Basis of preparation

The consolidated and Company financial statements are for the year ended 30 September 2023. The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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

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

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

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

No individual judgements have been made that have a significant impact on the financial statements, other than those involving estimates.

The financial statements for the year ended 30 September 2023 for Nexus Park Limited, Tamdown Plant Hire Limited and Tamdown Services Limited have been exempted from audit under Section 479A of the Companies Act 2006 by way of parental guarantee from Nexus Infrastructure plc.

### Company results

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act and has not presented its own statement of comprehensive income. The Group profit for the year includes a profit for the Company of £70,577,000 (2022: £1,623,000).

### Basis of consolidation

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

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

### Going concern

In determining the appropriate basis of preparation of these financial statements, the Directors are required to consider whether the Group can continue in operational existence. Budgets for the two-year period to September 2025 have been prepared and approved by the Board; they reflect a cautious view on the trading outlook based on the current market.

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

- a reduction in work secured of approximately 20%;
- a reduction in revenue of approximately 10%; and
- a reduction in gross profit of approximately 2%.

No financial covenants are applicable to the business as the revolving credit facility was cancelled at the time of the sale of TriConnex and eSmart Networks as the Board considered it was no longer required.

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

# Notes to the financial statements continued

## for the year ended 30 September 2023

### 1. Accounting policies continued

#### New and amended standards adopted by the Group

There have been no new standards, interpretations or amendments to accounts standards which the Group needed to consider applying for their annual report period commencing 1 October 2022. The amendments the Group considered are:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2020; and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

#### 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 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

#### Revenue recognition

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

The services provided by the Group are:

- contract revenue from civil engineering and construction contracts.

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

#### Civil engineering and construction contracts

The performance obligations and transaction price are determined within contracts between the customer and the Company. Each contract has one performance obligation, the provision of specific construction activities. Contract modifications are added to existing contracts where 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.

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

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

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

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

#### Segmental reporting

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

#### Inventory

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

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

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

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

#### Retirement benefits: defined contribution schemes

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

#### Exceptional items

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

# Notes to the financial statements continued

for the year ended 30 September 2023

## 1. Accounting policies continued

### Property, plant and equipment

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

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

- Freehold buildings 40-60 years straight-line
- Plant and machinery 25% reducing balance
- Motor vehicles 25% reducing balance
- Fixtures and fittings 3-10 years straight-line
- Leasehold improvements over the life of the lease

Depreciation charge commences when the assets is available for use.

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

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

### Right of use assets

Right of use assets are 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 costs of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. It is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and tested for goodwill impairment on an annual basis, or more regularly where there are indicators of impairment.

This requires an estimation of the value-in-use of the cash generating units to which the assets have been allocated. The value-in-use calculation requires the Directors to estimate the future cash flows expected to be generated by the cash generating units, and a suitable discount rate and long-term growth rate to apply in order to calculate present value. During the period, these estimates resulted in no impairment charge (2022: £nil) relating to goodwill. Refer to note 16 for the details of impairment review and the sensitivities applied.

### Intangible assets – impairment

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

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

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

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held with financial institutions with maturities of three months or less. The Group does not have a bank overdraft.

### Financial instruments

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

#### Amortised cost

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

#### Fair value through other comprehensive income ("FVOCI")

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

# Notes to the financial statements continued

## for the year ended 30 September 2023

### 1. Accounting policies continued

#### Financial instruments continued

##### Fair value through profit or loss

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

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

##### Financial instruments – impairment

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

Expected credit losses are assessed on an individual basis by considering possible defaults for the next 12 months. Any impairment gain or loss is recognised in the profit and loss statements.

##### Investments

##### Subsidiaries

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

The Group tests for impairment of its investment in subsidiaries on an annual basis, or more regularly where there are indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. This requires an estimation of the value-in-use of the cash generating units to which the investment has been allocated. The value-in-use calculation requires the Directors to estimate the future cash flows expected to be generated by the cash generating units, and a suitable discount rate and long-term growth rate to apply in order to calculate present value. During the period, these estimates resulted in no impairment charge (2022: £nil) relating to investments in the subsidiaries.

##### Share capital and retained earnings

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

Retained earnings are classified as equity.

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

##### Dividends

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

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

##### Tax

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

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

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

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

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

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

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.

# Notes to the financial statements continued

## for the year ended 30 September 2023

### 1. Accounting policies continued

#### 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.

#### Non-current assets held for sale and discontinued operations

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and represents a separate major line of business or geographical area of operations.

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

### 2. Critical accounting estimates and judgements

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

#### Judgements

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

#### a) Recoverability of debt

As part of the process of gaining new business it is necessary to carry out checks on the organisations for which the Group will carry out work. The value of individual contracts is substantial and the risk of default is always present. During the year detailed reviews are undertaken by the Directors; estimating the non-recoverability of debt. These reviews and estimations are seen as critical. Judgement is necessary to assess the likelihood that a liability will arise, or a debt is not recoverable and to quantify the possible amount of any expected credit loss. The inherent uncertainty of such matters means that actual amounts of transactions may differ materially from estimates made. Any difference between the amounts recognized and the actual amount is recognised immediately in the statement of comprehensive income.

#### b) Impairment of goodwill and investments

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

#### Estimates

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

#### a) Profitability of contracts

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

### 3. Capital management

The Group's capital is made up of share capital and retained earnings totalling £33,105,000 (2022: £34,140,000).

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 23 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.

## Notes to the financial statements continued

for the year ended 30 September 2023

### 4. Revenue

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

	2023 Continuing Operations £'000	2023 Discontinued Operations £'000	2023 Total £'000
Segment revenue	88,691	23,484	112,175
Inter-segment revenue	—	—	—
<b>Revenue from external customers</b>	<b>88,691</b>	<b>23,484</b>	<b>112,175</b>
<b>Timing of revenue recognition</b>			
Over time	88,691	23,484	112,175
<b>Customer type</b>			
Residential	87,839	17,992	105,831
Non-residential	852	5,492	6,344
	<b>88,691</b>	<b>23,484</b>	<b>112,175</b>
	2022 Continuing Operations £'000	2022 Discontinued Operations £'000	2022 Total £'000
Segment revenue	98,392	75,011	173,403
Inter-segment revenue	—	—	—
<b>Revenue from external customers</b>	<b>98,392</b>	<b>75,011</b>	<b>173,403</b>
<b>Timing of revenue recognition</b>			
Over time	98,392	75,011	173,403
<b>Customer type</b>			
Residential	98,392	55,670	154,062
Non-residential	—	19,341	19,341
	<b>98,392</b>	<b>75,011</b>	<b>173,403</b>

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

	2023 £'000	2022 £'000
<b>Contract assets</b>		
Accrued income – continuing operations	2,784	8,120
Accrued income – discontinued operations	—	17,805
<b>Total</b>	<b>2,784</b>	<b>25,925</b>

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

	2023 £'000	2022 £'000
<b>Contract liabilities</b>		
Deferred income – continuing operations	552	1,337
Deferred income – discontinued operations	—	31,197
Contract cost accruals – continuing operations	—	2,206
Contract cost accruals – discontinued operations	—	319
<b>Total</b>	<b>552</b>	<b>35,059</b>

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

## Notes to the financial statements continued

### for the year ended 30 September 2023

#### 4. Revenue continued

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

	30 September 2023 £'000	30 September 2022 £'000
	<b>1,664</b>	2,787

Management expects that £31,477,000 representing 67.4% (2022: £62,250,000 representing 65.2%) of the transaction price allocated to unsatisfied performance obligations as at 30 September 2023 will be recognised within one year and the remaining £15,193,000 representing 32.6% (2022: £33,235,000 representing 34.8%) within two to five years.

The Group has not recognised any assets in relation to costs to fulfil a contract (2022: £nil). More than one customer is responsible for over 10% of revenue and details are presented below:

	2023 £'000	2022 £'000
<b>Tamdown</b>		
Customer 1	<b>14,995</b>	22,541
Customer 2	<b>15,000</b>	—
Customer 3	<b>12,962</b>	—
Customer 4	<b>11,000</b>	—
Customer 5	<b>8,759</b>	—

#### 5. Segmental analysis – income statement

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

- Tamdown

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

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

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

	2023 £'000	2022 £'000
<b>Revenue from continuing operations</b>		
Tamdown	<b>87,839</b>	98,392
Nexus Infrastructure plc	<b>841</b>	—
Nexus Park Ltd	<b>11</b>	—
Inter-company trading	—	—
<b>Total revenue from continuing operations</b>	<b>88,691</b>	98,392
<b>Revenue from discontinued operations</b>		
TriConnex	<b>17,992</b>	55,670
eSmart Networks	<b>5,492</b>	19,341
Inter-company trading	—	—
<b>Total revenue from discontinued operations</b>	<b>23,484</b>	75,011
<b>Total revenue</b>	<b>112,175</b>	173,403
<b>Gross profit from continuing operations</b>		
Tamdown	<b>5,120</b>	9,910
Nexus Infrastructure plc	<b>841</b>	—
Nexus Park Ltd	<b>11</b>	—
<b>Total gross profit from continuing operations</b>	<b>5,972</b>	9,910
<b>Gross profit from discontinued operations</b>		
TriConnex	<b>4,649</b>	16,319
eSmart Networks	<b>1,256</b>	4,024
<b>Total gross profit from discontinued operations</b>	<b>5,905</b>	20,343
<b>Total gross profit</b>	<b>11,036</b>	30,253

## Notes to the financial statements continued

for the year ended 30 September 2023

### 5. Segmental analysis – income statement continued

	2023 £'000	2022 £'000
<b>Operating (loss)/profit from continuing operations after exceptional items</b>		
Tamdown	(6,031)	2,272
Group administrative expenses	(2,356)	(2,587)
<b>Total operating (loss) from continuing operations after exceptional items</b>	<b>(8,387)</b>	(315)
<b>Operating profit/(loss) from discontinued operations after exceptional items</b>		
TriConnex	850	5,568
eSmart Networks	(1,102)	(1,212)
<b>Total operating (loss)/profit from discontinued operations after exceptional items</b>	<b>(252)</b>	4,356
<b>Total operating (loss)/profit after exceptional items</b>	<b>(8,639)</b>	4,041
The value of depreciation included in the measure of segment profit is:		
	2023 £'000	2022 £'000
Tamdown	1,284	814
Group	1,060	733
<b>Total depreciation – continuing operations</b>	<b>2,344</b>	1,547
TriConnex	—	351
eSmart Networks	—	150
<b>Total depreciation – discontinued operations</b>	<b>—</b>	501
<b>Total depreciation</b>	<b>2,344</b>	2,048

### 6. Segmental analysis – Statement of Financial Position

Balance sheet analysis of operating segments:

	2023 Assets £'000	2023 Liabilities £'000	2023 Net assets £'000
<b>Continuing operations</b>			
Tamdown	31,978	16,507	15,471
Group	29,038	11,404	17,634
<b>Total for continuing operations</b>	<b>61,016</b>	<b>27,911</b>	<b>33,105</b>
	2022 Assets £'000	2022 Liabilities £'000	2022 Net assets £'000
<b>Continuing operations</b>			
Tamdown	42,419	25,925	16,494
Group	21,196	11,867	9,329
<b>Total for continuing operations</b>	<b>63,615</b>	<b>37,792</b>	<b>25,823</b>
<b>Discontinued operations</b>			
TriConnex	47,912	39,644	8,268
eSmart Networks	9,499	9,450	49
<b>Total for discontinued operations</b>	<b>57,411</b>	<b>49,094</b>	<b>8,317</b>
	121,026	86,886	34,140

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

## Notes to the financial statements continued

for the year ended 30 September 2023

### 7. Exceptional items

	2023 £'000	2022 £'000
<b>Continuing operations</b>		
Redundancy costs	645	—
<b>Total</b>	<b>645</b>	<b>—</b>

### 8. Operating loss

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

	2023 £'000	2022 £'000
<b>Continuing operations</b>		
Depreciation of property, plant and equipment	726	591
Depreciation of right of use assets	1,618	956
Profit on disposal of assets	(573)	(10)
<b>Audit and non-audit services:</b>		
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	110	40
Fees payable to the Company's auditors for the audit of the Company's subsidiaries pursuant to legislation	85	161
<b>Discontinued operations</b>		
Depreciation of property, plant and equipment	—	243
Depreciation of right of use assets	—	259
Loss on disposal of assets	1	10

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

### 9. Staff costs

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Continuing operations</b>				
Wages and salaries	19,585	19,769	2,148	2,348
Share-based payments	700	385	700	385
Social security costs	2,205	2,312	252	318
Other pension costs	382	422	55	114
	<b>22,872</b>	<b>22,888</b>	<b>3,155</b>	<b>3,165</b>
<b>Discontinued operations</b>				
Wages and salaries	3,333	15,823	—	—
Social security costs	372	1,785	—	—
Other pension costs	60	293	—	—
	<b>3,765</b>	<b>17,901</b>	<b>—</b>	<b>—</b>
	<b>26,637</b>	<b>40,789</b>	<b>3,155</b>	<b>3,165</b>

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

	2023 £'000	2022 £'000
<b>Continuing operations</b>		
Tamdown	377	345
Group	29	33
<b>Discontinued operations</b>		
TriConnex	246	248
eSmart Networks	110	87
	<b>762</b>	<b>713</b>

The average number of people employed by the Company (including Directors) during the year was 29 (2022: 33).

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 2023 totalled £950,000 (2022: £1,105,000), including: short-term employee benefits £32,000 (2022: £38,000), employer pension contributions £32,000 (2022: £93,000) and share-based payment charge £450,000 (2022: £37,000). Further details of the Directors' remuneration are provided in the audited section of the Remuneration Committee report on pages 46 to 48.

## Notes to the financial statements continued

for the year ended 30 September 2023

### 10. Finance income and expense

	2023 £'000	2022 £'000
<b>Finance income</b>		
<b>Continuing operations</b>		
Interest on bank deposits	447	13
<b>Discontinued operations</b>		
Interest on bank deposits	26	26
<b>Finance expense</b>		
<b>Continuing operations</b>		
Interest on bank loan	—	(186)
Interest on hire purchase agreements	(56)	—
Interest on lease liabilities	(543)	(421)
	(599)	(607)
<b>Discontinued operations</b>		
Interest on bank loan	—	—
Interest on lease liabilities	(21)	(20)
	(21)	(20)
<b>Finance expense (net)</b>	<b>(152)</b>	<b>(588)</b>

### 11. Taxation

	2023 £'000	2022 £'000
<b>Current tax – continuing operations:</b>		
UK corporation tax on profits for the year	—	79
Adjustment in respect of prior periods	50	—
<b>Total current tax</b>	<b>50</b>	<b>79</b>
<b>Deferred tax – continuing operations:</b>		
Origination and reversal of timing difference	(34)	(94)
Adjustment in respect of prior periods	(55)	124
Effect of tax rate change on opening balance	(8)	—
<b>Total deferred tax – discontinued operations</b>	<b>(96)</b>	<b>30</b>
<b>Total deferred tax</b>	<b>(96)</b>	<b>30</b>
<b>Total tax charge</b>	<b>(46)</b>	<b>109</b>

The tax assessed for the year is lower than (2022: higher than) the standard rate of corporation tax as applied in the UK. The differences are explained below:

	2023 £'000	2022 £'000
Profit/(loss) before tax	58,813	3,454
Profit/(loss) before tax multiplied by the respective standard rate of corporation tax applicable in the UK (22.1%) (2022: 19.0%)	12,998	657
Effects of:		
Fixed asset differences	(11)	(168)
Non-deductible expenses	1,760	229
Income not taxable for tax purposes	(16,713)	—
Other tax adjustments, reliefs and transfers	—	(59)
Chargeable gains/losses	(58)	—
Group income	247	—
Adjustment in respect of prior periods – current tax	38	(19)
Adjustment in respect of prior periods – deferred tax	(55)	124
Remeasurement of deferred tax for changes in tax rates	(251)	—
Movement in deferred tax not recognised	1,999	(22)
<b>Total tax charge</b>	<b>(46)</b>	<b>742</b>
Income tax expense from continuing operations	(46)	109
Income tax expense from discontinued operations	—	633
<b>Total tax (credit)/charge</b>	<b>(46)</b>	<b>742</b>

There was no income tax (charged)/credited directly to equity in the year (2022: £nil).

At the balance sheet date, the Group has unused tax losses of £7.85m (2022: £nil) and other fixed asset and short-term temporary differences of £142k (2022: £nil) available for offset against future profits with an indefinite expiry period. Based on the projections, there are insufficient future taxable profits to justify the recognition of a deferred tax asset. On this basis, no deferred tax asset has been recognised in the current year, the unrecognised deferred tax asset calculated at the substantively enacted rate in the UK of 25% amounts to £1.99m as at 30 September 2023 (2022: £nil).

## Notes to the financial statements continued

for the year ended 30 September 2023

### 12. Dividends

Group and Company	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2023 of 1.0p per share (2022: 1.0p per share)	90	456
Final dividend for the year ended 30 September 2022 of £nil per share (2021: 1.4p per share)	—	635
	<b>90</b>	1,091

The proposed final dividend for the year ended 30 September 2023 of 2.0p per share (2022 £nil per share) makes a total dividend for the year of 3.0p per share (2022 1.0p per share). The proposed final dividend is subject to approval by shareholders at a GM and has not been included as a liability in these financial statements. The total estimated final dividend to be paid is £180,666.

### 13. Earnings per share

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

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

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

	2023 £'000	2022 £'000
Weighted average number of shares in issue for the year	<b>24,605,883</b>	45,482,193
Effect of dilutive potential ordinary shares:		
Share options (number)	—	578,508
Weighted average number of shares for the purpose of diluted earnings per share	<b>24,605,883</b>	46,060,701
Profit for the year attributable to equity shareholders	<b>58,799</b>	2,711
Basic earnings (p per share)	<b>238.96</b>	5.96
Diluted earnings (p per share)	<b>238.96</b>	5.89
<b>Continuing operations</b>		
Loss for the year from continuing operations	<b>(8,494)</b>	(1,018)
Basic losses (p per share)	<b>(34.52)</b>	(2.24)
Diluted losses (p per share)	<b>(34.52)</b>	(2.24)
There are no share options in place so no dilutive effect on the earnings per share		
<b>Discontinued operations</b>		
Profit for the year from discontinued operations	<b>67,292</b>	3,729
Basic earnings (p per share)	<b>273.48</b>	8.20
Diluted earnings (p per share)	<b>273.48</b>	8.10

## Notes to the financial statements continued

for the year ended 30 September 2023

### 14. 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 2021	16,921	657	1,943	1,040	2,008	22,569
Additions	41	—	185	196	373	795
Disposals	(13,569)	—	(130)	(93)	(6)	(13,798)
Transfer to leasehold improvements	(3,393)	3,393	—	—	—	—
Transfer from right of use assets	—	—	232	—	—	232
Transfer to assets held for sale	—	—	(99)	(1,008)	(491)	(1,598)
At 30 September 2022	—	4,050	2,131	135	1,884	8,200
Additions	—	—	183	299	347	829
Disposals	—	—	(2,826)	(54)	(68)	(2,948)
Transfer from right of use assets	—	—	2,384	—	—	2,384
<b>At 30 September 2023</b>	<b>—</b>	<b>4,050</b>	<b>1,872</b>	<b>380</b>	<b>2,163</b>	<b>8,465</b>
<b>Accumulated depreciation</b>						
At 1 October 2021	38	657	1,417	585	288	2,985
Charge for the year	137	85	99	119	394	834
Disposals	(175)	—	(91)	(76)	—	(342)
Transfer from right of use assets	—	—	154	—	—	154
Transfer to assets held for sale	—	—	(56)	(542)	(292)	(890)
At 30 September 2022	—	742	1,523	86	390	2,741
Charge for the year	—	170	156	33	357	726
Disposals	—	—	(1,983)	(49)	(28)	(2,060)
Transfer from right of use assets	—	—	1,681	—	—	1,681
<b>At 30 September 2023</b>	<b>—</b>	<b>912</b>	<b>1,377</b>	<b>70</b>	<b>729</b>	<b>3,088</b>
<b>Net book value</b>						
At 30 September 2021	16,883	—	526	455	1,720	19,584
At 30 September 2022	—	3,308	608	49	1,494	5,459
<b>At 30 September 2023</b>	<b>—</b>	<b>3,138</b>	<b>495</b>	<b>310</b>	<b>1,434</b>	<b>5,377</b>

## Notes to the financial statements continued

for the year ended 30 September 2023

### 14. Property, plant and equipment continued

Company	Fixtures and fittings £'000	Total £'000
<b>Cost</b>		
At 1 October 2021	102	102
Additions	247	247
Disposals	(4)	(4)
At 30 September 2022	345	345
Additions	<b>301</b>	<b>301</b>
Disposals	—	—
<b>At 30 September 2023</b>	<b>646</b>	<b>646</b>
<b>Accumulated depreciation</b>		
At 1 October 2021	11	11
Charge for the year	59	59
Disposals	—	—
At 30 September 2022	70	70
Charge for the year	<b>171</b>	<b>171</b>
Disposals	—	—
<b>At 30 September 2023</b>	<b>241</b>	<b>241</b>
<b>Net book value</b>		
At 30 September 2021	91	91
At 30 September 2022	275	275
<b>At 30 September 2023</b>	<b>405</b>	<b>405</b>

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

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

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

	2023 £'000	2022 £'000
<b>Right of use assets</b>		
Freehold property	<b>10,217</b>	10,881
Plant and machinery	<b>610</b>	873
Motor vehicles	<b>604</b>	861
Fixtures and fittings	<b>4</b>	5
	<b>11,435</b>	12,620
<b>Lease liabilities</b>		
Current	<b>1,826</b>	1,663
Non-current	<b>9,818</b>	10,793
	<b>11,644</b>	12,456

Additions to the right of use assets during the year were £1,088,000 (2022: £11,674,000). Disposals of £1,408,000 (2022: £47,000) were also recorded. The right of use assets transferred to property, plant and equipment during the year was £2,384,000 (2022: £232,000).

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

	2023 £'000	2022 £'000
<b>Depreciation</b>		
Freehold property	<b>697</b>	475
Plant and machinery	<b>606</b>	387
Motor vehicles	<b>315</b>	351
Fixtures and fittings	—	2
	<b>1,618</b>	1,215
Interest expense	<b>(599)</b>	421
Expenses relating to short-term leases	<b>127</b>	286
Expenses relating to low-value leases that are not shown above as short-term leases	<b>7</b>	7

## Notes to the financial statements continued

### for the year ended 30 September 2023

#### 15. Right of use assets and lease liabilities continued

The total cash outflow for leases during the year was £1,472,000 (2022: £1,796,000).

The present value of lease liabilities is as follows:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Within one year	1,830	1,820	10	1
Two to five years	4,308	4,276	32	5
Over five years	16,174	16,174	—	—
Future finance charge on lease liabilities	(9,336)	(9,336)	—	(1)
<b>Present value of lease liabilities</b>	<b>12,976</b>	<b>12,934</b>	<b>42</b>	<b>5</b>

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

#### 16. Goodwill

	2023 £'000	2022 £'000
Carrying value	2,361	2,361

##### Impairment testing

The Group tests goodwill annually for impairment. During the year, impairment tests were undertaken over the goodwill of Tamdown Group Limited £2,361,000 (2022: £2,361,000).

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

A post-tax discount rate of 12.0% (2022: 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 including decreasing revenue through work winning (reduced by 20%) and activity from the order book (reduced by 10%) and gross margins (reduced by 2%), which indicates that a reasonable change in assumption will not give rise to an impairment.

The recoverable amount was determined using a value-in-use calculation based upon Directors' forecasts for the trading results for the two years ending 30 September 2024 extended to 30 September 2025 using an estimated growth rates of -29.5% (2024) and 16.7% (2025) (2022: 2.0%). Post 2025 a growth rate of 5% has been used.

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

	2024 £'000	2025 £'000	2026 £'000	2027+ £'000
Revenue (% annual growth rate)	-29.5%	16.7%	5.0%	5.0%
Gross margin	14.0%	14.4%	15.0%	15.0%
Operating margin	0.9%	2.7%	3.6%	4.2%

#### 17. Investments in subsidiaries

	2023 £'000	Disposed in year £'000	2022 £'000
Investments in subsidiary companies	20,545	3,000	23,545

The investment in TriConnex and eSmart Networks was sold on 3rd February 2023 for a total of £77,700,000. The investment value held prior to the sale was TriConnex £2.00 and eSmart Networks £3,000,000.

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 Services Limited <sup>1</sup>	Supply of labour to the construction industry
Tamdown Plant Hire Limited <sup>1</sup>	Engineering plant hire
Nexus Park Limited	Development of building projects

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

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

Investments in Group undertakings are recorded at cost.

The financial statements for the year ended 30 September 2023 for Nexus Park Limited, Tamdown Plant Hire Limited and Tamdown Services Limited have been exempted from audit under Section 479A of the Companies Act 2006 by way of parental guarantee from Nexus Infrastructure plc.

## Notes to the financial statements continued

for the year ended 30 September 2023

### 18. Inventories

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Consumables	44	43	44	43
	<b>44</b>	43	<b>44</b>	43

The value of raw materials purchased as inventory and later recognised as an expense in the year ended 30 September 2023 amounted to £nil (2022: £nil).

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

### 19. Trade and other receivables

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade receivables from contracts with customers	23,272	28,906	339	—
Other receivables	524	908	2	47
Prepayments	338	574	111	310
Amounts owed by Group undertakings	—	—	6,278	5,955
	<b>24,135</b>	30,388	<b>6,731</b>	6,312
	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Overdue trade receivables				
By less than three months	3,444	3,030	339	—
Over three but less than six months	1,465	1,503	—	—
Over six months but less than one year	1,574	693	—	—
Over one year	3,248	4,268	—	—
	<b>9,731</b>	9,494	<b>339</b>	—

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 1 October	1,056	1,041	—	—
Charged to the statement of comprehensive income	99	—	—	—
Charged/(written back) to the statement of comprehensive income	(85)	15	—	—
At 30 September	<b>1,070</b>	1,056	—	—

# Notes to the financial statements continued

for the year ended 30 September 2023

## 19. Trade and other receivables continued

The statement of comprehensive income includes a credit loss of £2,962,000 which relates to the impact of ilke Homes going into administration. Amounts owed by Group undertakings are unsecured, repayable on demand and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. No allowance for expected credit losses related to amounts owed by Group undertakings is deemed necessary. The above trade and other receivables are shown net of their expected credit loss allowances, which total £1.07m (2022: £1.06m). The Group's standard invoice payment terms are 35 days.

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

## 20. Assets held for sale and associated liabilities, and discontinued operations

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

	Total 2023 £'000	TriConnex 2023 £'000	eSmart 2023 £'000	Total 2022 £'000	TriConnex 2022 £'000	eSmart 2022 £'000
<b>Revenue</b>	<b>23,484</b>	<b>17,992</b>	<b>5,492</b>	75,011	55,670	19,341
Expenses	(23,795)	(16,942)	(6,853)	70,655	50,102	20,553
<b>(Loss)/profit before income tax</b>	<b>(312)</b>	<b>1,049</b>	<b>(1,361)</b>	4,356	5,568	(1,212)
Income tax expense	60	(199)	259	(633)	(624)	(9)
(Loss)/profit after income tax of discontinued operations	(252)	850	(1,102)	3,723	4,944	(1,221)
Gain on sale of subsidiaries (see below)	67,545					
<b>Total gain on sale of subsidiary</b>	<b>67,292</b>					

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

## Notes to the financial statements continued

for the year ended 30 September 2023

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

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

	Total 2023 £'000	TriConnex 2023 £'000	eSmart 2023 £'000	Total 2022 £'000
<b>Non-current assets</b>				
Property, plant and equipment	798	643	155	708
Right of use assets	1,585	1,153	432	1,228
<b>Total non-current assets</b>	<b>2,383</b>	<b>1,796</b>	<b>587</b>	<b>1,936</b>
<b>Current assets</b>				
Inventories	3,625	2,781	844	2,882
Trade and other receivables	14,450	9,210	5,240	15,146
Contract assets	23,232	19,335	3,897	17,805
Corporation tax asset	330	71	259	71
Cash	15,123	14,217	906	19,571
<b>Total current assets</b>	<b>56,760</b>	<b>45,615</b>	<b>11,146</b>	<b>55,475</b>
<b>Total assets</b>	<b>59,143</b>	<b>47,411</b>	<b>11,733</b>	<b>57,411</b>
<b>Current liabilities</b>				
Trade and other creditors	15,123	9,633	5,490	16,357
Contract liabilities	34,449	27,322	7,127	31,517
Lease liabilities	513	331	182	382
Corporation tax liability	314	314	—	—
<b>Total current liabilities</b>	<b>50,399</b>	<b>37,600</b>	<b>12,799</b>	<b>48,256</b>
<b>Non-current liabilities</b>				
Lease liabilities	883	648	235	723
Deferred tax liabilities	115	83	32	115
<b>Total non-current liabilities</b>	<b>998</b>	<b>731</b>	<b>267</b>	<b>838</b>
<b>Total liabilities</b>	<b>51,397</b>	<b>38,331</b>	<b>13,066</b>	<b>49,094</b>
<b>Net assets</b>	<b>7,746</b>	<b>9,080</b>	<b>(1,333)</b>	<b>8,317</b>

## Notes to the financial statements continued

for the year ended 30 September 2023

### 21. Trade and other payables

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade payables	13,683	19,583	475	243
Other payables	492	218	33	2
Accruals	804	1,063	—	684
Social security and other tax payable	561	834	51	130
Amounts owed to Group undertakings	—	—	905	4,808
<b>Current</b>	<b>15,540</b>	<b>21,698</b>	<b>1,464</b>	<b>5,867</b>

Other payables comprises payroll-related liabilities.

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

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

### 22. Deferred tax

#### Accelerated capital allowances

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 1 October	96	163	(4)	22
Charge/(credit) for the year	(96)	48	—	(26)
Transfer to assets held for sale	—	(115)	—	—
<b>At 30 September</b>	<b>—</b>	<b>96</b>	<b>(4)</b>	<b>(4)</b>

There was no unrecognised deferred tax in the year (2022: £nil).

### 23. Share capital

On 2 March 2023, the Group issued 625,281 new ordinary shares of £0.02 each as a result of share-based payments as set out in note 27.

On 24 March 2023, the Group purchased 37,147,878 ordinary shares of £0.02 for cancellation at £1.63 per ordinary share, as part of a capital distribution. This returned £60.5m to shareholders by way of a Tender Offer following the sale of TriConnex and eSmart Networks.

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

Group and Company	2023 £'000	2022 £'000
9,034,307 (2022: 45,556,904) ordinary shares of £0.02 each (authorised and in issue)	181	911
	<b>181</b>	<b>911</b>

## Notes to the financial statements continued

for the year ended 30 September 2023

### 24. Net cash/(debt)

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash and cash equivalents	14,626	24,168	11,797	3,099
Lease liabilities	(11,644)	(12,456)	(43)	(5)
<b>Net (debt)/cash</b>	<b>2,983</b>	11,712	<b>11,755</b>	3,094
	Assets		Liabilities from financing activities	
	Cash and cash equivalents £'000	Borrowings £'000	Lease liabilities £'000	Total £'000
<b>Net (debt)/cash at 1 October 2021</b>	29,517	(11,441)	(2,589)	15,487
Cash flows	(5,349)	11,627	2,856	9,134
New leases	—	—	(12,709)	(12,709)
Finance expense	—	(186)	(441)	(627)
Other changes	—	—	58	58
Discontinued operations	—	—	369	369
<b>Net (debt)/cash at 30 September 2022</b>	24,168	—	(12,456)	11,712
Cash flows	(9,542)	—	1,472	(8,070)
New leases	—	—	(1,088)	(1,088)
Finance expense	—	—	(564)	(564)
Other changes	—	—	3	3
Discontinued operations	—	—	989	989
<b>Net (debt)/cash at 30 September 2023</b>	<b>14,626</b>	—	<b>(11,644)</b>	<b>2,982</b>

## Notes to the financial statements continued

for the year ended 30 September 2023

### 25. Financial instruments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Current assets</b>				
Trade receivables	23,272	28,906	339	—
Other receivables	524	—	2	—
Amounts owed by Group undertakings	—	—	6,278	5,955
	<b>23,796</b>	28,906	<b>6,620</b>	5,955
Cash and cash equivalents	14,626	4,597	11,797	3,099
Total financial assets	<b>38,423</b>	33,503	<b>18,417</b>	9,054
<b>Non-current liabilities</b>				
Lease liabilities	9,818	10,793	10	5
	<b>9,818</b>	10,793	<b>10</b>	5
<b>Current liabilities</b>				
Trade payables	13,683	19,583	107	243
Accruals	804	1,063	—	684
Other payables	492	218	33	2
Lease liabilities	1,826	1,663	10	1
Amounts owed to Group undertakings	—	—	905	4,808
	<b>16,805</b>	22,527	<b>1,055</b>	5,738
Total financial liabilities at amortised cost	<b>26,623</b>	33,320	<b>1,065</b>	5,743

## Notes to the financial statements continued

for the year ended 30 September 2023

### 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:

	2023 £'000	2022 £'000
<b>Continuing operations</b>		
<b>Group</b>		
Trade and other receivables	23,272	30,388
Contract assets	2,784	8,120
Cash and cash equivalents	14,626	4,597
<b>Company</b>		
Trade and other receivables	6,731	6,312
Cash and cash equivalents	11,797	3,099

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. During the year, ilke Homes went into administration creating a credit loss within Tamdown Group Ltd of £2,962,000. Management consider this to be an unusual event. Provision of services by members of the Group results in trade receivables. Following a full review of receivables management consider this to continue to be of low risk.

#### b) Liquidity risk

##### Continuing operations

###### Group

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

	Within one year £'000	Two to five years £'000	Over five years £'000
<b>2023</b>			
Lease liabilities	1,826	3,668	6,150
Trade payables	13,683	—	—
Accruals and payments on account	804	—	—
	Within one year £'000	Two to five years £'000	Over five years £'000
<b>2022</b>			
Lease liabilities	2,234	3,846	6,376
Trade payables	32,922	—	—
Accruals and payments on account	39,032	—	—

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

###### Company

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

	Within one year £'000	Two to five years £'000	Over five years £'000
<b>2023</b>			
Trade payables	107	—	—
Amounts owed to Group undertakings	905	—	—
Accruals and payments on account	367	—	—
Other payables	74	—	—
	Within one year £'000	Two to five years £'000	Over five years £'000
<b>2022</b>			
Trade payables	243	—	—
Amounts owed to Group undertakings	4,808	—	—
Accruals and payments on account	719	—	—
Other payables	126	—	—

## Notes to the financial statements continued

for the year ended 30 September 2023

### 26. Financial risk management continued

#### c) Capital risk management

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

#### d) Foreign exchange and interest rate risk

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

### 27. Share-based payments

During the year to 30 September 2023, the Group had the following share-based payment arrangements in place, all of which were settled by 30 September 2023. All schemes have now been closed.

A summary of the arrangements which were in place 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	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 (October 2019 and March 2022)	Three years	For an Executive Director the award will vest on the third anniversary of the grant date.
Share options (September 2021)	Four years	For the Executive Directors the award will become capable of vesting in three equal tranches on an annual basis starting on the second anniversary of the date of the grant. The performance conditions include an operating profit and a TSR target.

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

#### Share incentive plan

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

## Notes to the financial statements continued

for the year ended 30 September 2023

### 27. Share-based payments continued

#### 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	04/10/2018	14/01/2019	01/04/2019	01/10/2019	14/01/2020	09/02/2021	30/09/2021	01/03/2022
Stock price at grant date	£2.48	£1.94	£2.07	£1.22	£2.03	£1.57	£2.43	£2.06
Weighted average exercise price	£0.02	£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	Four years	Three years
Expiry date	20/02/2028	14/01/2029	01/04/2029	01/10/2029	14/01/2030	09/02/2031	30/09/2031	01/03/2032
Expected volatility	35%	35%	35%	35%	30%	38%	30%	30%
Risk-free interest rate	0.85%	0.83%	0.66%	0.25%	0.47%	0.01%	0.7% - 0.8%	0.82%
Dividend yield	3.40%	3.40%	3.20%	5.40%	3.30%	3.00%	3.00%	3.00%
Fair value of one option (EPS)	£2.22	£1.74	£0.00	£0.00	£1.82	£1.41	£0.00	£0.00
Fair value of one option (TSR)	£1.81	£1.27	£0.00	£0.00	£1.63	£0.92	£0.99 - £1.07	£0.00
Fair value of one option	£0.00	£0.00	£1.86	£1.02	£0.00	£0.00	£2.14 - £2.27	£1.87
Performance condition period	01/10/2017- 30/09/2020	01/10/2018- 30/09/2021	—	—	01/10/2019- 30/09/2022	01/10/2020- 30/09/2023	01/10/2021- 30/09/2022	—

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

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

## Notes to the financial statements continued

for the year ended 30 September 2023

### 27. Share-based payments continued

#### Share options continued

Further details of the option plans are as follows:

Date of grant	04/10/2018 No. of shares	14/01/2019 No. of shares	01/04/2019 No. of shares	01/10/2019 No. of shares	14/01/2020 No. of shares	09/02/2021 No. of shares	30/09/2021 No. of shares	01/03/2022 No. of shares
Outstanding at 1 October 2021	95,000	906,742	75,000	75,000	1,004,325	1,311,789	418,542	—
Granted in the year	—	—	—	—	—	—	—	175,000
Lapsed	—	—	—	—	—	—	—	—
Forfeited	95,000	825,603	—	—	53,768	85,588	—	—
Exercised	—	81,139	75,000	—	—	—	—	—
Outstanding at 30 September 2022	—	—	—	75,000	950,557	1,226,201	418,542	175,000
Remaining contractual life	—	—	—	1 month	4 months	17 months	36 months	29 months
Outstanding at 1 October 2022	—	—	—	75,000	950,557	1,226,201	418,542	175,000
Granted in the year	—	—	—	—	—	—	—	—
Lapsed	—	—	—	—	—	—	—	—
Forfeited	—	—	—	—	805,122	1,099,688	315,209	—
Exercised	—	—	—	75,000	145,435	126,513	103,333	175,000
Outstanding at 30 September 2023	—	—	—	—	—	—	—	—
Remaining contractual life	—	—	—	—	—	—	—	—

The total share-based payments charged to the statement of comprehensive income was a charge of £700,003 (2022: £385,000).

## Notes to the financial statements continued

for the year ended 30 September 2023

### 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 43 to 48.

During the year the Group transacted with the following companies of which Mike Morris is also a director:

	2023 £'000
Advanced Water Infrastructure Networks Limited	2
Advanced Electricity Networks Limited	1
Advanced Utility Networks Limited	52
eSmart Networks Limited	390
TriConnex Limited	783

Transactions with TriConnex Limited and eSmart Networks Limited include the period within which they were subsidiaries of the Group.

In the previous year the Group transacted with the Nexus Community Trust, of which Dawn Hillman and Mike Morris are trustees. 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 2023 was £nil (2022: £nil).

### 29. Contingent assets and liabilities

#### Group and Company

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

Under a Group registration, the Company is jointly liable for value added tax by other Group companies. As at 30 September 2023, there was a value added tax asset of £486,000 (2022: £1,202,000).

A subsidiary had lodged a claim against a supplier for damages caused by the supply of faulty services. The parties referred the matter to an 'alternative resolution' process. A contingent asset of £1.825m is noted as being received post year end.

### 30. Capital commitments

#### Group and Company

At 30 September 2023, the Group had no capital commitments (2022: £nil). The Company had no capital commitments (2022: £nil).

### 31. Events after the reporting year

#### Group and Company

There are no events after the reporting year to disclose.

## Further information

### Registered office

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

### Registered number

05635505  
Registered in England and Wales

### Company Secretary

Dawn Hillman

### Bankers

#### AIB Group (UK) plc

Podium Floor  
St Helen's  
1 Undershaft  
London EC3A 8AB

#### Barclays Bank

Level 12  
1 Churchill Place  
London E14 5HP

### Nomad and Broker

#### Deutsche Numis (London)

45 Gresham Street  
London EC2V 7BF

### Auditor

#### MHA

6th Floor  
2 London Wall Place  
London EC2Y 5AU

### Solicitors

#### Mills & Reeve

Botanic House  
100 Hills Road  
Cambridge CB2 1PH

### Registrar

#### Link Asset Services

The Registry  
10th Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

### Financial PR

#### Alma Strategic Communications

71-73 Carter Lane  
London EC4V 5EQ

## Shareholder information

### Shareholder enquiries

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

### Share price information

London Stock Exchange  
Symbol: NEXS.

### Investor relations

#### **Nexus Infrastructure plc**

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Essex CM77 7AL

Email: [investors@nexus-infrastructure.com](mailto:investors@nexus-infrastructure.com)

Tel: 01376 559 550

## Financial calendar

### Annual General Meeting (“AGM”)

The Company’s AGM will be held on 27 March 2024.

### General Meeting (“GM”)

The Company will convene a separate General Meeting on 16 April 2024 at which the receipt of the report and accounts, the reappointment of the auditors and approval of the final dividend will be put to shareholders.



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# NEXUS

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