Northern Bear

Annual Report and Financial Statements 2026

Main Board

John Davies
CEO

Simon Carr CBE
Non-Executive Chairman

Harry Samuel
Non-Executive Director

Howard Gold
Life President

Managing Directors of Subsidiary Companies

Martin Briggs
Managing Director
Jennings Roofing Ltd

Steven Luke
Managing Director
Wensley Roofing Ltd

Matty Rowley
Managing Director
Springs Roofing Ltd

Josh Watson
Managing Director
Isoler Ltd

Michael Nesbit
Commercial Director
Arcas Building Solutions Ltd

Phill Burridge
Managing Director
MGM Ltd

Michael Nesbit
acting as
Managing Director
H Peel & Sons Ltd

Stuart Dawson
Managing Director
Alcor Handling Solutions Ltd

Nigel Shorney
Managing Director
J Lister Electrical Ltd

Jason Harrison
Managing Director
Northern Bear Safety Ltd

Steve Roberts
Group Director

Northern Bear's PLC Management Team

Front cover – J Lister Electrical Ltd - Carbon Reduction Project, York University
Back cover – Arcas Building Solutions Ltd - Manchester Building Society

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Isoler Ltd - GMI Construction, Dakota Hotel Newcastle

Alcor Handling Solutions Ltd - Team Valley

Advisors

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LS1 4AP

Bankers
Virgin Money plc
94-96 Briggate
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LS1 6NP

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Nominated advisor
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Nominated broker
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London
EC2Y 9DT

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Arcas Building Services Ltd - Newcastle Building Society

Chief Executive Officer's Report

Introduction

I am pleased to report the results for the year to 31 March 2026 ("FY26") for Northern Bear and its subsidiaries (together, the "Group'). Despite the challenges posed during the latter part of the financial year due to poor weather and macroeconomic pressures, the exceptional performance in the first six months of FY26 ("H1") has resulted in another excellent set of results.

Our continued strategy of maintaining a balanced mix of private and public sector work continues to provide resilience, while the investments we have made across our businesses are strengthening their capabilities and supporting a robust pipeline of future opportunities.

Trading

Revenue in the year was £86.1m (FY25 : £78.1m) and gross profit increased to £22.0m (FY25: £19.2m) at a gross margin of 25.5% (FY25: 24.6%). The improved gross margin resulted from growth achieved in higher-margin areas of the business, along with continued careful contract selection and execution.

The year's outturn has been significantly impacted by non-recurring contracts, which have impacted positively on operating profit but have also resulted in a temporary increase in administrative costs in the year.

Growth in revenue has been achieved through further inward investment, which has resulted in an increase in administrative expenses to £16.8m (FY25: £15.9m). In addition to the one-off increase referred to above, we have continued to invest in people and training to support future growth.

Following the closure of H Peel & Son Limited ("Peel") in FY26, Jennings Roofing Limited ("Jennings") has relocated to the premises previously occupied by Peel. We have made a non-recurring provision in respect of the outstanding obligations relating the lease of the former Jennings premises .

The Group reported operating profit of £5.1m (FY25 : £3.4m) and adjusted operating profit of £3.8m (FY25 : £3.8m), after adjustment for the one-off contract and lease provisions of £1.4m. Basic earnings per share was 30.2p (FY25: 16.8p)

Springs Roofing Ltd - Segedunum Roman Fort & Museum for North Tyneside Council

Jennings Roofing Ltd - Church of Jesus Christ of Latter-day Saints, Redditch Chapel

and basic earnings per share on adjusted net profits was 22.7p (FY25 : 19.3p)

Northern Bear Roofing

Our roofing businesses have performed broadly in line with management expectations. Following a strong H1 performance, a very wet winter period significantly impacted revenues and profits in the second six months of FY26 ("H2"). As a result, revenue reduced to £32.9m (FY25 :£33.1m) and operating profit decreased to £2.1m (FY25: £2.5m). Profitability was also affected as a result of the disruption caused by the relocation of both Jennings and Wensley Roofing Limited ("Wensley") to new premises during H2.

In FY26, Wensley received formal accreditation and successfully entered the photovoltaic roofing solutions market. This expands the Group's offering and should provide growth opportunities in future years.

Although hindered by weather and supplier price increases in H2, Springs Roofing Limited ("Springs") has benefited from an exceptionally strong pipeline of social housing re-roofing works throughout the year, which has resulted in a very strong performance in FY26.

The business is presently working towards Microgeneration Certification Scheme (MCS) accreditation to facilitate solar installations which will expand Springs' offering and provide more opportunities in the private sector. MCS is the UK's quality mark for small-scale renewable energy installations such as solar panels, heat pumps, and battery storage that meet rigorous technical standards and mandatory to access government grants. We will continue to invest in decarbonisation solutions and the relocation of Jennings should also permit further geographical expansion.

All of our strategies in the Roofing Division are aimed at continuing to strengthen our market position, particularly in both the public and private new-build housing sectors.

Chief Executive Officer's Report *(continued)*

Trading *(continued)*

Northern Bear Specialist Building Services

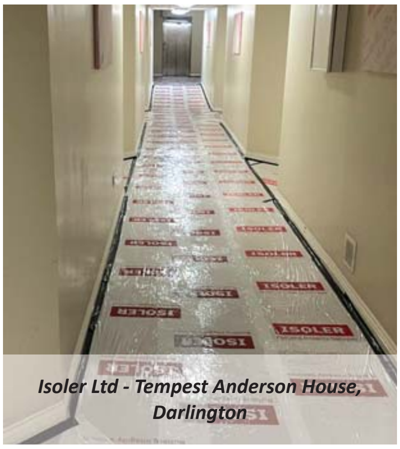
Our Specialist Building Services division has had a very strong year with revenues increasing to £48.8m (FY25 : £41.2m) and gross margin to 27.0% (FY25 : 25.1%).

In FY25, we opened a new division of MGM Limited, trading as Callisto Glass Facades ("Callisto"), and recruited a team to provide bespoke design, manufacture and installation of architectural glass facades. This business generated a small operating profit in FY26 and is expected to grow substantially in FY27. It is our intention to operate Callisto as a stand-alone trading company in the very near future.

Growth in our passive fire solutions business, Isoler Limited ("Isoler"), has continued in FY26, although further growth has been hindered as a result of the implementation of the Building Safety Act 2022 and its rigorous approval process with which some clients have had difficulty coming to terms. Isoler has seen an increase in opportunities outside the North East region and post-year end has opened a small London office to assist with growth on a national basis. We continue to ensure the business offers a one stop shop solution and maintain a good mix of private and public sector clients.

Isoler is actively pursuing longer term framework opportunities, both in the North East and nationally and has announced a four-year framework with believe housing, Karbon Homes and two lots on the London Construction Programme's £3 billion framework inter alia. These agreements mark another important step in Isoler's continued growth within the social housing sector, strengthening its reputation as a trusted provider of passive fire protection solutions. In the period under review, Isoler has worked with Gentoo Group, who manage over 60,000 homes in and around Sunderland.

We previously announced our decision to close Peel. Losses in FY24 of £0.2m led to a full review



Isoler Ltd - Tempest Anderson House, Darlington

Arcas Building Solutions Ltd - Ellison E Nano Laboratories, Northumbria University

of the business and a decision to close was made in early 2025. Peel ceased trading but continued to fulfil all its contractual obligations in FY26.
Our other building services businesses all saw improvement in H1 but we have seen commercial markets tighten over the last three to four months. Whilst we are currently in a strong position in terms of future workload, we will continue to closely monitor markets and remain selective in taking on contracts given the current macroeconomic position.

Northern Bear Materials Handling

Our materials handling business, Alcor Handling Solutions Limited, had another strong trading year in FY26. We continued to invest in the hire fleet, which should support growth in profitability and the business continues to generate new and varied opportunities. It continues to benefit from its previous relocation.

Cash Flow and Bank Facilities

Cash generated from operations in FY26 was £6.9m (FY25: £7.7m).

The outstanding loan balance at 31 March 2025 of £1.5 million was repaid in full during FY26 from free cash flow.

We saw strong advanced payments from our customers prior to 31 March 2026, particularly from our public sector clients. As a result, our net bank cash position at 31 March 2026 was £6.2m (31 March 2025: £2.5m).

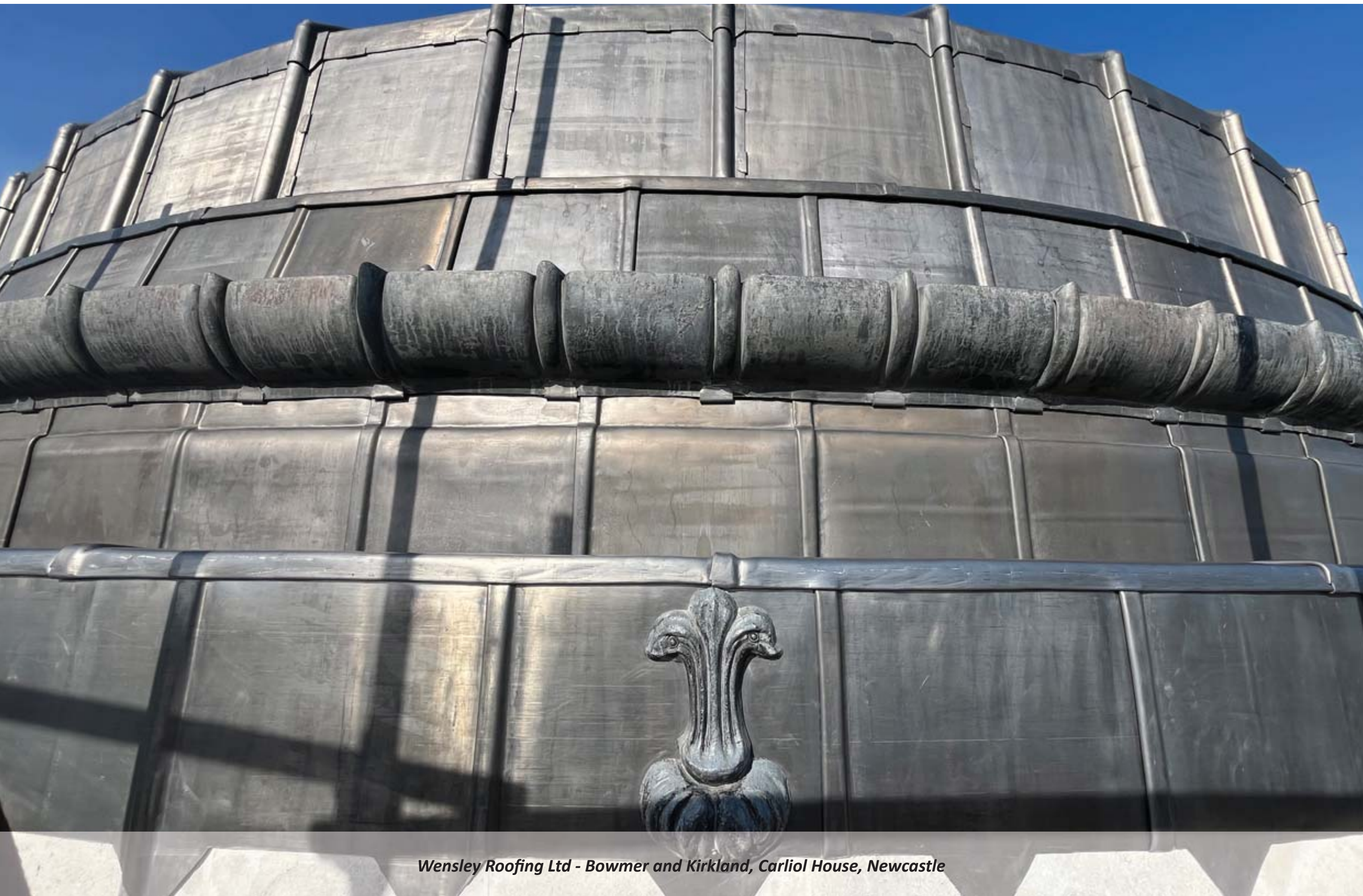
As we have emphasised in previous years' results, our net cash (or net bank debt) position represents a snapshot at a particular point in time and can move by up to £1.5 million in a matter of days given the nature, size and variety of contracts we undertake and the related working capital balances.

The lowest cash position during FY26 was £0.6 million net cash, the highest was £6.2m net cash and the average was £3.3m net cash.

While the Group's working capital requirements will continue to vary depending on the ongoing customer and contract mix, we believe that our financial position and bank facilities provide us with ample cash resources for the Group's ongoing operational requirements.

Strategy and Dividend

In September 2025, the Group paid an increased final dividend of 2.5 p per share, plus a special dividend of 1p per share in recognition of the outstanding performance in FY25. We propose that the ordinary dividend of 2.5p per share will be maintained and a special dividend of 5p per share will also be proposed, to reflect the non-recurring profit previously announced.



Wensley Roofing Ltd - Bowmer and Kirkland, Carliol House, Newcastle

Chief Executive Officer's Report *(continued)*

Strategy and Dividend *(continued)*

Our intention is to continue with a progressive dividend policy. This will remain subject to the Group's ongoing performance and the Group's available cash, working capital requirements, corporate opportunities, debt obligations and the macro-economic environment at the relevant time.

Our priority is to continue to invest in our businesses to generate further growth and create shareholder value. Numerous acquisition opportunities arise each year, but we will continue to be selective to ensure earnings accretion, before pursuing any given opportunity.

Outlook

Our forward order book remains robust and we continue to see a pipeline of opportunities across the Group, supported by the investments we have made in our businesses. While the operating environment remains challenging, we believe these investments have strengthened our market position and provide a solid platform for future growth. Specific market challenges having included:

- Significantly increased costs from our supply chain. We are working hard to mitigate the effect and will attempt to pass on price rises to customers where possible; and
- A reduction in private sector opportunities and projects are more frequently being delayed or cancelled. However, our order book remains strong and we continue to have a good balance of work between public and private sectors. To date the housing market in the NE remains strong and does not reflect the downturn being experienced elsewhere in the UK

Given the political changes on a local and national basis, we are experiencing some delay in the decision-making process within both the public and private sectors.

We have made a stable start in FY27 and are trading in line with management expectations.

People

A number of Board changes occurred during FY26.

Martin Boden

Martin resigned from his role as Non-Executive Director on 18 March 2026 in order to pursue other non-executive opportunities.

The Board would like to thank Martin for his contribution to the Company.

Steve Roberts

Steve resigned from his role as Director on 4 September 2025. Steve had previously agreed to rejoin the Board on 18 January 2024, following the retirement of Keith Soulsby, to provide an element of continuity for shareholders, having worked within the Company and its subsidiaries since inception. Steve's contribution and support at Board level have been significant and he has contributed positively with the smooth transition of the Board to its present position.

Steve will continue in his day-to-day capacity as a non-plc Board Director of certain subsidiaries and part of the Senior Leadership Team, and the Company continues to welcome his support.

Julian Davis

Julian resigned as Finance Director of the Group on 1 December 2025. The Board would like to take this opportunity to thank Julian for his contribution to the Group and wish him every success in his new role.

Following Julian's departure, the Group employed a Fractional Finance Director with vast and varied experience in both public and private companies. The Board is in the process of finalising the appointment of a full time Finance Director.

Our workforce

As always, our loyal, dedicated, and skilled workforce is a key part of our success and we make every effort both to retain and protect them through continued training and health and safety compliance, supported by our health and safety advisory business, Northern Bear Safety Limited.

Conclusion

I am delighted with the Group's results for the year and look forward to continuing working with Simon Carr and the rest of the Board in my role as Chief Executive Officer.

Once again, I would like to wholeheartedly thank all our employees for their hard work and commitment and our shareholders and funders for their continued support.

John Davies
Chief Executive Officer
17 July 2026

Isoler Ltd - GMI Construction, Dakota Hotel Newcastle

Springs Roofing Ltd - Newcastle City Council, Graham Park Road, Jesmond

Strategic Report

The Directors present their Strategic Report for Northern Bear plc (the Company and its subsidiaries, together "the Group") for the year ended 31 March 2026.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Principal Activities

There have not been any significant changes in the Group's principal activities set out in the Directors' Report in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Group's principal activities in the year. The subsidiary undertakings of the Group are listed in note 14 of the Notes to the Financial Statements.

Objective and strategy

Having established the Group via an acquisition strategy and subsequently restructured operations during the economic downturn from 2009 to 2011 through the disposal of non-core businesses, the Group now has an established portfolio of mature businesses wholly focused on the support services sector.

Our strategy is to invest in the Group, with a view to future growth and creation of shareholder value, through a combination of organic growth, strengthening our teams (including via new business ventures) and, to the extent accretive, bolt-on acquisitions. Organic growth is expected to be via both investment in and expansion of the Group's existing businesses, and through providing new services to the existing, long established customer base.

Further details of how the Directors intend to promote long-term value for shareholders are provided in the Corporate Governance Report.

Key performance indicators

The Group uses several financial key performance indicators to measure performance and these are communicated to the Board of Directors through monthly reports.

The primary financial measurements, as identified and discussed in the Chief Executive Officer's Report, are:

- Revenue £86.1 million (2025: £78.1 million)
- Gross margin 25.5% (2025: 24.6%)
- Operating profit £5.1 million (2025: £3.4 million)
- Cash generated from operations £6.9 million (2025: £7.7 million)

The primary non-financial key performance indicators relate to three Health & Safety areas in our businesses which are site activities, documentation, and environmental. Site inspections are held on a regular basis by our Health & Safety business (Northern Bear Safety Limited) which assess the effectiveness of each company in these areas. Following these inspections, a report is prepared, and should any issues be identified they would immediately be brought to the Board's attention for appropriate action as and when required.

The Board considers that the key performance indicators used are an effective system tailored specifically to the demands of the sector.

Financial performance and position

Commentary on financial performance during the year and financial position at the reporting date is included in the Chief Executive Officer's Report.

Statement on risks relating to the Group's business

The nature of the building services industry means that the Group is subject to a number of risk factors. Some of these factors apply to the building services industry generally, while others are specific to the Group's activities within that market.

Sector demand

The Group currently consists of ten businesses which operate in three main segments of the support services sector of the economy. The Group is therefore exposed to varying activity levels within these diverse industries. The exposure of the Group to the new house build sector is a relatively small part of Group turnover; our exposure to public sector markets is greater. Consequently, any sustained material reduction in Government expenditure programmes will have an adverse effect on the financial position of the Group. This risk is largely outside the control of the Group; however, the Directors monitor public sector markets closely and this informs decision making within the Group.

Competition

Some of the businesses within the Group have competitors who may be able to accept lower financial returns than that required by the Group. Competition with these companies could adversely affect the Group's profitability and financial position. In order to mitigate this risk, significant senior management effort is invested in the review of contract tendering and ongoing contract profitability.

Key clients

There can be no guarantee that the Group's key clients will not change suppliers. While each of the Group's businesses has many longstanding relationships with a number of key customers, the failure to satisfy the needs of these customers could harm the Group's business. Furthermore, these customers may be facing challenges within their own businesses. Providing a quality service to the Group's customers is at the heart of what we do, and we seek regular customer feedback to ensure that our standards meet their needs.

Dependence on personnel

The Group continues to be dependent on the continued services of its senior management, and we aim to retain our key people via fair remuneration with incentives to be entrepreneurial and grow their companies over time. Retaining qualified personnel, consultants and advisors is important to the continued successful operation of the Group's business. There can be no assurance that the Group will be able to recruit or retain its personnel in the future, which

Strategic Report *(continued)*

Dependence on personnel (continued)

could have an adverse effect upon the Group's business and financial position. The loss of any of the Group's senior personnel could impede the achievement of its objectives.

Health & Safety performance

Our employees are key to our business and their welfare and safety is critical to the Group and its stakeholders and at the forefront of every decision we make. Health & Safety is managed by our in-house safety business, Northern Bear Safety Limited, which ensures compliance with relevant standards and monitor performance on an ongoing basis. Any failures in this area would have an adverse impact on the Group's business.

Contract risk

The majority of the Group's businesses operate via an appropriate contract/order for our various building services. In order to generate trading profits the businesses are required to submit tenders at appropriate prices, manage operational contract delivery, and agree any variations to the contract with the customer. All are monitored closely at both Group and subsidiary level, including monthly contract margin reports. Should any of these fail to be managed effectively then it could possibly impact on the Group's profitability.

Insurance cover

The Group maintains a prudent level of insurance cover and regularly reviews all policies in conjunction with our brokers. Any failure to maintain adequate insurance cover could expose the Group to uninsured losses. The Group has an acceptable claims history for major insurances but in the event that this changes it could impact on annual insurance premiums.

Statement on risks relating to the Group's business (continued)

Underperformance of acquired businesses

The Board has a detailed process for the evaluation of potential acquisitions, which includes financial, tax, and legal due diligence processes as required. Acquisitions are also typically structured to make an element of consideration dependent on post-acquisition performance. Notwithstanding this, should any acquired businesses significantly underperform against expectations then it could have an adverse impact on shareholder returns.

Financial instruments

The Group has exposure to risks from its use of financial instruments which include credit risk, liquidity risk and market risk. A full discussion of these risks and how they are managed is included in note 24 to the financial statements.

Macro-economic environment

There has been significant uncertainty in the UK macro-economic environment for some time following the tragic events in Ukraine and geopolitical instability in the Middle East.

The Directors consider that the principal risk arising from this uncertainty relates to the Group's supply chain. Although principal suppliers are UK based, a number of products are ultimately sourced from overseas and hence any difficulties with the import process, or a weakening of the pound against relevant foreign currencies, could cause pressures on the Group's supply chain.

Carbon reporting

The Directors have taken the option to exclude energy and carbon information from the annual report which relates to a subsidiary that would not be obliged to report in its own right under the Streamlined Energy and Carbon Reporting framework. Neither the parent company nor any of its subsidiaries are obliged to report and hence no disclosure has been included.

The environmental impact of the Group's activities, including carbon emissions and energy usage, is carefully considered, and the maintenance of high environmental standards is a priority. Further, the Directors note that the Group's roofing and construction activities often help to make buildings more energy efficient and hence have a positive impact on energy usage and carbon emissions.

Section 172 (1) Statement

The Directors of the Company consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to Section 172 (a)-(f) of the Companies Act 2006. Further information on how the Company interacts with its stakeholders and the wider community is included in the Corporate Governance Report.
The following disclosures form the Directors' statement required under section 414CZA(1) of the Companies Act 2006.

Stakeholder engagement

Our success relies upon good relations with a range of different stakeholder groups, both internal (employees) and external (including customers, suppliers, and shareholders), all of whom have an interest in our business and may be impacted by the decisions we take. The manner of our engagement with them is described below, and we comment further on stakeholder responsibilities in the Corporate Governance report.

Employees

The Board has always highlighted that the Group's loyal, dedicated and skilled workforce is a key part of our success. Continuing to invest in our workforce, ensuring their safety, and regular engagement with them is a key part of our management approach.

The Group has a relatively flat management structure with the MD of each business reporting directly to the Executive Directors of the Company. John Davies, our Chief Executive Officer, also splits his time between our Group companies and has regular contact with the wider employee base. We have an open-door style of management across the Group and our employees have an opportunity to share their views as needed. In addition, regular information sharing and safety updates are provided to the workforce.

Customers

Providing a quality service to the Group's customers is at the heart of what we do, and we seek regular customer feedback to ensure that our standards meet their needs. Our companies engage continually with their customers to build strong working relationships for the long term.

Suppliers

Our relationships with our supply chain, in particular our building materials suppliers, are an important part of our ability to deliver outstanding service to the Group's customer base. We engage with our suppliers as part of day-to-day operations to ensure they maintain the quality and availability of supplies.

Shareholders

The Board engages with our shareholders through a number of channels including the Annual Report, Interim Report, the Annual General Meeting, and regular informal communication including one-on-one meetings, telephone conversations, and emails. The Company has also appointed Hybridan LLP as Broker and Hybridan has initiated research coverage to support engagement with existing and potential shareholders. The Company lists contact details on both its website and all RNS announcements should shareholders wish to contact the Board and we will always endeavour to respond promptly.

Communities and environment

The Directors are aware of the Group's responsibilities to the communities in which it operates and take this very seriously. As a significant employer in our communities, we support local employment and apprenticeship schemes and seek to operate safely and ethically while monitoring our environmental impact.

The principal charity that the Group supports is St Oswald's Hospice, and regular events, including an annual golf day, have been held to raise funds. Our subsidiaries also have discretion to support charities and community organisations in their local areas and regularly do so.

Principal decisions taken during the year

Dividend

For every dividend decision the Board will take into account the Group's relative performance, available cash resources and distributable reserves, along with working capital requirements, corporate opportunities, debt obligations, and the macro-economic environment at the relevant time. Discussions concerning dividend levels are a regular part of our engagement with shareholders, and the Board also takes their views into consideration.

The Company paid a final ordinary dividend of 2.5 pence per share and a special dividend of 1 pence per share in respect of the financial year ended 31 March 2025. The Board intends to declare a final ordinary dividend of 2.5 pence per share together with a special dividend of 5 pence per share, for the financial year ended 31 March 2026, subject to shareholder approval at the forthcoming Annual General Meeting.

Outlook

The future outlook for the business is included in the Chief Executive Officer's Report.

John Davies
Chief Executive Officer
17 July 2026

Wensley Roofing Ltd

Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 31 March 2026.

Principal activities

The principal activity of the Group is to operate businesses in the North of England active in the support services sector. Furthermore, these businesses can be augmented with bolt on acquisitions or by the creation of new ventures.

The Group comprises the Company and a number of subsidiaries which operate in three main operating segments, being Roofing activities, Materials Handling activities, and Specialist Building Services activities. In addition, the Company and certain intermediate holding companies provide corporate and other non-trading services, and this is classified as a separate operating segment for management information purposes.

Future outlook

The future outlook for the business is included in the Chief Executive Officer's Report.

Going concern

For the purposes of their assessment of the appropriateness of the preparation of the Group and Parent Company's accounts on a going concern basis, the Directors have considered the current cash position and forecasts of future trading including working capital and investment requirements.
During the financial year the Group met its day to day working capital requirements through own cash and bank facilities with Virgin Money plc. These facilities were refinanced in October 2023 and at that point comprised a £3.5m term loan, a £1.0m revolving credit facility, and a £1.0m bank overdraft. At 31 March 2026 the Group had cash and cash equivalents of £6.2m, with nothing drawn on the overdraft or revolving credit facility, and £0m outstanding on the term loan.

The overdraft facility is renewable annually and the current facility expires on 30 June 2027. The revolving credit facility was most recently renewed on 20 October 2023 and is committed to 20 October 2026. The term loan was drawn down on 23 October 2023 and was repayable in full in equal quarterly instalments by 30 September 2028. However the term loan was fully repaid during the year ended 31 March 2026.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is expected to have sufficient cash resources to meet its requirements for at least the next 12 months from the date of signing the financial statements. Accordingly, the adoption of the going concern basis in preparing the financial statements remains appropriate.

The Directors have a reasonable expectation of successful renewal for all bank facilities when they fall due based on a long standing and strong working relationship with the bank.

Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to financial risk management objectives and policies and exposure to price risk, credit risk, liquidity risk and cash flow risk.

Dividend

The Directors propose the payment of a final dividend of 2.5p per share plus a special dividend of an additional 5p per share in respect of the financial year ended 31 March 2026. This dividend payment is subject to shareholder approval at the forthcoming Annual General Meeting. It has not been included in creditors as it was not approved before the financial year end.

A final ordinary dividend of 2.5 p per share plus a special dividend of 1p per share was paid in respect of the financial year ending 31 March 2025.

Directors' Report *(continued)*

Directors

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

SA Carr
HJ Samuel
JP Davies
JN Davis (resigned 1 December 2025)
SM Roberts (resigned 4 September 2025)
MB Boden (resigned 18 March 2026)

The Directors who held office at the end of the financial year had the following interests, including family interests, in the ordinary shares of the Company and share options according to the register of Directors' interests:

	31 March 2026 Shares	**31 March 2026 Options**
HJ Samuel	-	-
JP Davies	41,228	100,000
SA Carr	-	-

In total the Directors' interests in the ordinary shares of the Company totalled 41,228 shares (2025: 899,528), representing 0.3% (2025: 6.5%) of allotted shares at the year end.

All the Directors benefited from qualifying third party indemnity provisions up to and including the date of this report.

Significant shareholdings

At 31 March 2026, the Company had been notified or was aware of the following shareholders with 3% or more of the issued share capital of the Company:

Shareholder	**Number of ordinary shares in which interested**	**% of issued share capital**
NA Beaumont-Dark	3,163,500	23.0%
SM Roberts	813,300	5.9
D O'Hare	448,000	3.3

Employees

The Group provides equal opportunities to all staff and employees and recruits the most suitably qualified person for each position. Full and fair consideration is given to applications for employment from disabled persons. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Where an existing employee becomes disabled, the Group's policy is to provide continuing employment under normal terms and conditions wherever possible.

The Directors recognise the importance of good communications and inform and consult with employees' representatives on all matters likely to affect them.

The Group operates a range of schemes to involve employees in the financial performance of the business including profit related and other cash bonus arrangements and share option schemes.

Further information on engagement with the Group's employees is provided in the Corporate Governance Report.

Supplier payment policy

The Group recognises the importance of maintaining good relationships with its suppliers and is committed to fair and timely payment practices.

It is the Group's policy to:

- Agree clear payment terms with suppliers at the outset of any commercial relationship;
- Ensure suppliers are made aware of these terms and that they are followed;
- Pay undisputed invoices in accordance with agreed terms and applicable contractual or statutory obligations.

For most suppliers, the Group's standard payment terms are 30 days from the month end following the date of invoice, although specific terms may vary depending on the nature of the goods or services provided and the contractual arrangement in place.

The Group does not follow any formal code or standard on supplier payments but seeks to ensure that payment practices remain fair, transparent, and in line with sector norms.

The Group's average creditor payment period for the year ended 31 March 2026 was 40 days (2025: 51 days), calculated in accordance with government guidance on the disclosure of payment practices.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report, Corporate Governance Report, and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with the requirements of the Companies Act 2006 and UK-adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

- In preparing each of the Group and Parent Company financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the consolidated financial statements comply with UK-adopted IFRS and the parent company financial statements are prepared in accordance with UK GAAP/FRS 101 in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

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

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

Annual general meeting

The business of the AGM is set out in the accompanying circular to shareholders. The AGM is to be held on 10 September 2026 at the Company's registered office, A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ.

Directors' Report
(continued)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of Saffery LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

John Davies
Chief Executive Officer

A1 Grainger
Prestwick Park
Prestwick
Newcastle upon Tyne
NE20 9SJ

17 July 2026

Arcas Building Services Ltd - The Spark, Newcastle

MGM Ltd - Extension and refurbishment of Beamish Football Centre

Alcor Handling Solutions Ltd - Team Valley Loading Bay, Gateshead

Corporate Governance Report

The Directors of Northern Bear plc (the "Company" or "Northern Bear") recognise the importance of good corporate governance and have adopted the revised 2024 Corporate Governance Code produced by the Quoted Companies Alliance (the "QCA Code"). Insofar as it is practicable given Northern Bear's size and the constitution of its Board, the Directors (the "Directors" and together the "Board") seek to comply with all provisions of the QCA Code.

The QCA Code contains ten broad principles of corporate governance and requires companies to provide disclosures in their Annual Report and Financial Statements, and on their website, explaining how they are meeting these principles, including any areas of deviation. Full details of the Company's application of the ten principles can be viewed on the Company's website at http://northernbearplc.com/investor-relations/corporate-governance/. An extract of relevant disclosures for the Annual Report and Financial Statements, as identified in the Code, is provided below.

Chair's corporate governance statement

This statement explains how the Group complies with the ten principles of the 2024 QCA Code.

As Chair, my key responsibility is to lead the Board effectively and to ensure the Company's governance framework supports the long-term sustainable success of the business. I also ensure that there is a healthy culture of challenge, openness, and accountability.

The Board supports a corporate culture based on ethical behaviour, integrity, and respect. This culture is embedded through direct and regular engagement with management and staff, open communication, and a clear set of values.

Northern Bear benefits from a decentralised management structure where each business Managing Director reports directly to the Executive Directors. This ensures alignment across the Group and provides ongoing oversight of culture, risk, and performance. The Board remains closely involved with all business units and stakeholders to monitor culture, engagement, and compliance.

There are no major areas where our governance structure and practices differ from the expectations set by the Code, other than that given the size and nature of the Group we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by Principle Seven, or to include formal Audit Committee and Remuneration Committee reports in the Annual Report and Financial Statements as suggested by Principle Ten.

There are no key governance related matters that have occurred during the year and there were no significant changes in governance arrangements.

Company Purpose, Business Model and Strategy

The Group's purpose is to build better, more sustainable environments for communities by delivering high-quality construction and building services across the residential, commercial, and public sectors.

Our business model is built around delivering a broad range of building related services, delivered through semi-autonomous individual trading businesses. We operate across three core divisions:

Residential construction: working with national and regional housebuilders to deliver both private and affordable housing schemes.

Public sector frameworks: delivering schools, healthcare facilities, and infrastructure through long-term framework agreements.

Specialist contracting: providing electrical, mechanical, and health & safety consultancy services.

Our strategy focuses on sustainable growth, operational excellence, and client satisfaction, and is underpinned by:

- A disciplined approach to contract selection and risk management;
- Development of in-house capability and supply chain resilience; and
- A commitment to safety, compliance, and environmental standards.

Key challenges to strategy execution include:

- Labour and material cost inflation, which places pressure on fixed-price contracts;
- Supply chain constraints, especially for specialist subcontractors and imported materials;
- Planning and regulatory delays, which can impact project timelines and cash flows;
- Recruitment and retention of skilled personnel, amid industry-wide talent shortages; and
- Navigating the evolving requirements around sustainability and ESG reporting.

The Board regularly reviews the Group's strategic objectives and monitors progress against key milestones to ensure delivery remains aligned with shareholder interests and long-term value creation.

Environmental and Social Responsibilities

The Group recognises that strong environmental and social performance is fundamental to long-term value creation and is increasingly central to investor expectations. We are committed to operating responsibly and reducing our environmental footprint while creating positive social impact in the communities where we operate.

The business continues to develop ways of measuring environmental performance plus social value and workforce engagement. At the current time, these measures are qualitative with the aim to develop robust quantitative measures in the future.

Environmental Performance

We have adopted an approach to environmental management, and aim to focus on the following for the year ended 31 March 2027:

Scope 1 and 2 carbon emissions: Minimise tCO_2e, as measured in accordance with SECR requirements.

Energy consumption: Minimise energy consumption, across all businesses using renewable supplies wherever possible.

Waste management: Minimise construction waste was diverted from landfill through recycling and reuse.

Fleet transition: Aim to transition to 50% of company vehicles being electric or hybrid by 2030.

Social Value and Workforce Engagement

The Group is dedicated to making a positive social impact through:

Local employment and apprenticeships: Wherever practical our teams include apprentices or trainees. We support talent development through structured learning and mentoring programmes.

Community investment: We invest in local community projects and sponsorships during the year, including support for local charities.

Health and safety: We had two RIDDOR events in the year, and continue to embed a zero-harm culture across all operations.

The Board and senior leadership team receive reports on key environmental and social KPIs, and these are increasingly factored into strategic planning, tendering processes, and project delivery.

Establish a strategy and business model which promote long-term value for shareholders

Having established the Group via an acquisition strategy and subsequently restructured operations during the economic downturn from 2009 to 2011 through the disposal of non-core businesses, the Group now has an established portfolio of mature businesses wholly focused on the support services sector.

We operate in three main segments: Roofing, Materials Handling, and Specialist Building Services. Each business has strong market positions, experienced leadership, and well-established customer relationships.

Our strategy is designed to deliver long-term shareholder value by focusing on:

- The continued success of its existing operations, all of which are well established businesses with strong reputations in their markets.

Jennings Roofing Ltd - Illingworth and Gregory, Rob Burrows MND Centre, Leeds

Corporate Governance Report

(continued)

Establish a strategy and business model which promote long-term value for shareholders *(continued)*

- Support for existing operations to expand where there is an opportunity for growth. This would typically be investment in the overhead base, including premises and management, to support revenue and profit growth where a business is performing well;
- Providing new services where possible to the existing, long established customer base. Examples of businesses developed within the Group include Arcas Building Solutions, Northern Bear Safety, and Callisto Glass Facades. Any new ventures are unlikely to be capital intensive and hence would have limited downside in the event that they do not meet expectations.
- Further bolt-on acquisitions where appropriate, taking into account the Company's acquisition criteria of being a well-established, consistently profitable and cash generative building services business with a strong management team committed to remaining in place. Acquisitions would also need to predictably enhance earnings and provide an attractive return on investment.

The Board meets regularly to review strategic direction, risks, and opportunities. It assesses market developments, customer needs, and internal performance to ensure the business model remains robust and aligned with stakeholder interests.

Promote a corporate culture based on ethical values and behaviours

The Board aims to promote a corporate culture across all aspects of our business that is based on sound ethical values and behaviours, and believes that this is critical to our continued success.

Our businesses are all well established in their respective markets and sustaining this is dependent on how they interact with all stakeholders, including customers, suppliers, employees and regulators. Any unethical behaviour would have an adverse impact on the future success of our companies.

As previously mentioned, the Group has a relatively flat management structure and the Company's Executive Directors are closely involved with our subsidiary companies and stakeholders. This allows them to monitor corporate culture across the Group to ensure that it meets our shared values.

Seek to understand and meet shareholder needs and expectations

The Board understands the importance of providing shareholders with clear information on the Group's activities, financial performance and position.

The Group's website contains copies of all RNS announcements made to shareholders. We also have an email news feed via our website to provide more regular operational updates on our subsidiary businesses in order to provide a broader picture of our activities.

The Director with primary responsibility for shareholder engagement is John Davies, CEO.

The Board has made an investor presentation available on the Company's website and communicates regularly on an informal basis with shareholders. The Company lists contact details on both its website and all RNS announcements should any shareholders wish to communicate with the Board and we will always endeavour to respond promptly to such queries. The annual general meeting provides a further opportunity for shareholder engagement via an informal open Q&A session following the formal business of the meeting.

Having sought feedback from the shareholder base, the large majority of shareholders are happy with this approach and the level of communication provided. We do keep our process for shareholder engagement under regular review based on feedback received and will continue to do so in the future.

We note that significant numbers of votes have been cast at recent annual general meetings and that the votes have been overwhelmingly in favour of the resolutions proposed in recent years. Should any significant votes be cast against a resolution the Board would always seek to engage with shareholders to understand the reasons for this.

Wensley Roofing Ltd - Palace Green, Durham

Corporate Governance Report

(continued)

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

The Directors recognise that the Group requires strong relationships with all key stakeholders, including its employees, customers, suppliers, and all other external stakeholders.

The Board has always highlighted that the Group's loyal, dedicated and skilled workforce is a key part of our success. To maintain this, we seek to continually invest in our workforce, regardless of short term economic conditions, through training new operatives and apprenticeship schemes.

Ensuring our employees' safety is critical to the Group and our in house safety business, Northern Bear Safety, ensures compliance with relevant standards and monitors performance on an ongoing basis, providing formal monthly reports to the Executive Directors.

The Group has a relatively flat management structure with the MD of each business reporting directly to the Company's Executive Directors and senior management team, John Davies, Steve Roberts and Wendy Edgell. The Executive Directors have regular contact with MDs via monthly operational updates, as well as regular contact with the wider employee base. The Board considers that this provides an appropriate mechanism for employee feedback.

The Group's responsibilities to the wider stakeholder base including customers, suppliers, shareholders and regulators, are also recognised and regular communication is maintained in order to understand their needs, interests and expectations. Responsibility for stakeholder engagement is with both the Company's Executive Directors and subsidiary Managing Directors.

The Directors are aware of the Company and its subsidiaries' responsibilities to the communities within which they operate and take this very seriously. The Group's principal charity is St Oswald's Hospice and regular events, including an annual golf day, have been held to raise funds. Our subsidiaries also have discretion to support local charities and community organisations.

The environmental impact of the Group's activities is carefully considered, and the maintenance of high environmental standards is a priority.

Embed effective risk management, considering both opportunities and threats

Risk management is embedded at all levels of the Group. The Board is responsible for identifying principal risks and ensuring that appropriate controls and mitigations are in place. The Audit Committee supports the Board in its oversight.

The Strategic Report provides a detailed statement of risks relating to the Group's business and, where possible, any actions taken to mitigate them. The key risks discussed are:

- Sector demand;
- Competition;
- Key clients;
- Dependence on personnel;
- Health and safety performance;
- Contract risk;
- Insurance cover;
- Underperformance of acquired businesses;
- Financial instruments, including credit risk, liquidity risk, and market risk; and
- Macro-economic environment.

With the exception of the last two items, the Board considers the remainder of the list to be inherent to the Group's businesses.

The Group's strategy is regularly reviewed along with the key risks impacting it as part of the Board's annual business planning and budgeting process, where detailed operational budgets are prepared for each subsidiary and approved by the Board. The Group's performance against its strategy and the associated risks is also monitored through preparation and review of monthly management accounts and associated Key Performance Indicator reports.

The Group's risk processes are assisted by Simon Anderson, who acts as the Group's Risk and Legal Consultant. Simon has extensive experience in the construction sector and was previously a partner in a construction law firm at one of the North's leading firms. Simon's role is to work closely with the individual businesses on general and specific risk issues and oversee the contractual legal requirements of the Group.

Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Group are appropriate to the business.

The Board is aware of the requirement for the company's auditor to be sufficiently independent of management and is comfortable that this requirement is met.

Maintain the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises:

- Non-Executive Chair (Simon Carr CBE);
- Chief Executive Officer (John Davies);
- One Independent Non-Executive Directors (Harry Samuel).

The Board currently has a balance of skills, experience, and independence; however it is the intention of the Board to appoint a Finance Director in due course. All Non-Executive Directors are considered independent and constructively challenge management.

The relevant experience, skills, and capabilities for each Director are as follows:

Simon Carr CBE – over 45 years of experience in the construction industry with extensive leadership experience in both private and public companies, as well as influential positions in industry bodies.

John Davies – previously held leadership roles in two large construction businesses in the North East and has substantial industry knowledge, experience, and contacts.

Harry Samuel – extensive leadership experience in the financial services and housing sector, including CEO of RBC Investor & Treasury Services, and CEO of Affordable Housing Communities Limited.

All Directors commit sufficient time to their roles.

Group Chief Executive – full time role.

Non-Executive Directors – attendance at Board meetings, Annual General Meeting, Audit and Remuneration Committee meetings, and ad-hoc support as required.

Board meetings are held approximately every three months, with additional meetings as required. During the year, three scheduled meetings took place.

The attendance record of each Director over the past 12 months, showing both the number of meetings held during their tenure and the number attended, was:

	Total meetings	Attended
Simon Carr CBE	3	3
Harry Samuel	3	3
John Davies	3	3
Julian Davis	1	1
Steve Roberts	2	2
Martin Boden	3	3

The Group is managed operationally via regular informal Executive Directors' meetings, as well as quarterly Managing Directors meetings for all subsidiary Managing Directors chaired by John Davies.

The Board considers that this structure of meetings provides an appropriate balance between operational and strategic management and that it allows Board meetings to focus on the latter.

Climate-Related Risks and Opportunities

The Board recognises that climate change presents both strategic risks and commercial opportunities for the Group. We are exposed to a range of climate-related risks including:

- Transitional risks arising from evolving legislation and regulation, including building regulations, energy performance standards, and disclosure obligations;
- Physical risks such as increased weather-related disruption to site operations (e.g. flooding, high winds, extreme temperatures);
- Market risks as clients and investors increasingly favours low-carbon and sustainable solutions.

Ensure Directors have the necessary skills and capabilities

The Directors bring a broad mix of sectoral, financial, legal, public markets, and operational expertise. Biographies are published on the Company's website.

Skills are kept up to date through participation in industry events, technical briefings, and regular Board development sessions. The Company Secretary advises the Board on governance and regulatory requirements.

The Company Secretary, Wendy Edgell, assists the Chair and the Board in preparing for and running effective Board meetings, including the timely dissemination of appropriate information. Wendy also keeps up to date with relevant legal, statutory and regulatory requirements and advises the Board accordingly.

Evaluate Board performance based on clear and relevant objectives

Following the QCA Code, the Board undertakes regular internal monitoring of collective and individual performance using agreed key performance indicators and detailed financial reports.

The key performance indicators used include financial measures such as revenues, gross margins, operating profit, and cash flow from operations. The primary non-financial key performance indicators relate to three Health & Safety areas which are site activities, documentation, and environmental.

Given the size and nature of the Group, we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by principle seven of the Code.

Succession planning is an important part of our business and we regularly engage with all Group and subsidiary Directors as to their plans for the medium to long term in order to plan effectively for any departures. The Board regularly considers the need for the periodic refreshing of its membership.

Corporate Governance Report

(continued)

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

The Board seeks to remunerate management using simple pay structures that incentivise them to create long-term shareholder value through a combination of salaries, performance-linked discretionary bonuses, and share option schemes.

The remuneration committee is responsible for setting and approving incentive targets for the Executive Directors.

Given the simple nature of the remuneration structure, the Remuneration Committee does not produce an annual remuneration report for shareholder approval.

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Company communicates clearly with shareholders and stakeholders via:

- An updated investor website;
- AGM and regular shareholder meetings;
- Regulatory news announcements; and
- Periodic investor presentations.

Feedback is encouraged and considered by the Board. The Chair and CEO are available for engagement with shareholders, and major shareholders are consulted on governance and strategy matters where appropriate.

Committees

The Board is supported by an Audit Committee and Remuneration Committee. The Audit Committee and Remuneration Committee operate as set out in commentary elsewhere in this report.

Annual general meeting ("AGM")

Our AGMs are usually conducted via a show of hands from those present, with proxy votes available if required. At the previous seven AGMs, all resolutions were unanimously passed with the exception of the meeting held in 2021. At the 2021 meeting proxy votes were cast against Resolutions 7 and 8 in respect of share issuance authorities and pre-emption rights and these resolutions were not passed.

Audit committee

The Group's Audit Committee typically meets two times per year, being at the audit planning stage, and prior to finalisation of the Group's Annual Report and Financial Statements. In the last 12 months there was one

Audit Committee meeting attended by
Martin Boden (1 meeting),
Julian Davis (1 meeting),
Harry Samuel (1 meeting),
Steve Roberts (1 meeting).

Remuneration committee

The Remuneration Committee meets at least annually and usually following the financial year end and prior to the agreement of annual bonus payments. Other meetings are held as required, for example to approve any issue of share options. In the last 12 months there was one Remuneration Committee meeting which was attended by Harry Samuel and Simon Carr.

Historical Reports

Archived Annual Report and Financial Statements, governance disclosures, and AGM materials covering the last five years are available on the website. These demonstrate the Group's commitment to transparency and continuous improvement in governance.

Omitted disclosures

Given the size and nature of the Group, we do not consider it necessary to have a formal Board performance evaluation process in place as suggested by principle seven of the Code. Accordingly, we have not published any disclosure information in respect of this.

We have not included formal Audit Committee and Remuneration Committee reports in the Annual Report and Financial Statements, as suggested by principle ten of the Code, as the Board considers that information available in these and previous financial statements together with the corporate website provide sufficient information with regard to the reporting of the Audit Committee and Remuneration Committee activity. The Board will continue to review the disclosure of the Audit and Remuneration Committee.

Oversight of Auditor Independence

The Audit Committee plays a key role in ensuring the integrity of the financial reporting process, including maintaining the independence and objectivity of the external auditor.

During the financial year, the Committee:

- Reviewed and approved the scope, planning, and fees of the annual audit;
- Confirmed that no non-audit services were provided by the auditor which could impair independence;

- Received written confirmation from the auditor of their compliance with ethical standards on independence;
- Evaluated the performance of the external auditor, including feedback from finance staff and management;
- Considered the appropriateness of auditor rotation in accordance with the FRC's Ethical Standard and AIM Rules.

Based on these activities, the Committee is satisfied that the external auditor has remained independent and effective throughout the corporate reporting cycle.

Conclusion

The Board believes that the Group's governance practices are consistent with the principles of the QCA Code and reflect best practice for an AIM listed company of its size and complexity. The Board remains committed to continuous improvement and welcomes feedback from stakeholders on its governance approach.

Simon Carr CBE
Non-Executive Director
17 July 2026

MGM Ltd - Hydrotherapy Pool, Care Facility, Newton Aycliffe

Calisto Glass Facades Ltd - Castle, 5 Didcot Way, Boldon Business Park

MGM Ltd - Husk Garage Block Regeneration, Amble

Saffery

Independent Auditor's Report to the Members of Northern Bear plc

Opinion

We have audited the financial statements of Northern Bear Plc (the 'parent company') and its subsidiaries ('the group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, Reduced Disclosure Framework (United Kingdon Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the affairs of the group and of the parent company as at 31 March 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Our group audit scope included an audit of the group and parent company financial statements of Northern Bear plc. The Group consists of the parent company and its fourteen subsidiaries, all of which are based in the UK. All trading entities within the group have been subject to full scope audit by either the group audit team or a component audit team within the same firm, apart from H. Peel & Sons Limited, which ceased trading in the prior year and has extended its year end. The components within the scope of our audit work therefore covered 100% of group revenue, group profit before tax and group net assets. As part of our group audit procedures we also tested the consolidation process and adjustments.

Key audit matters

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

Independent Auditor's Report to the Members of Northern Bear plc *(continued)*

Key Audit Matter	How our scope addressed this matter
Revenue recognition on long-term contracts A significant portion of group revenue is derived from long-term contracts with customers across a number of operating segments. Due to the nature of these contracts, there is inherent subjectivity in the assessment of the stage of completion at the year-end and the value of work subject to ongoing negotiations. In addition, there is a risk of understatement of provisions: • if there are loss making contracts, there is a risk that the provision for future contract losses is not complete. • There is a risk that liabilities for defects arising in the post contract completion period are not complete. Due to the significance of revenue to the financial statements and the high level of subjectivity and judgement in its recognition as well as the recognition of provisions, we consider this to be a key audit matter.	We performed procedures including: • Tested the recognition of contract revenue on contracts substantively by critically analysing the stage of completion calculations and agreeing revenue to underlying contracts and third-party surveyor reports where available. • Reviewed the consistency of application and appropriateness of disclosure of revenue recognition policies and application of IFRS 15 in the year including sample testing contracts to ensure that revenue recognition policies reflected contractual terms and contract liabilities were appropriately identified. • Performed walkthrough testing across the group on all material revenue streams to identify and test design and implementation. • Reviewed the performance of contracts that were outstanding at the start of the period in order to assess the appropriateness of judgements made by management in the prior year in relation to revenue recognition. • Reviewed low margin and loss-making contracts during the year, establishing the issues encountered as well as considering the potential for future losses that may impact revenue and cost of sales recognised. • Reviewed after-date performance of contracts in order to support the value of revenue recognised at the reporting date. • Reviewed orders/contracts around the year end to ensure they were recorded in the correct accounting period and that revenue was complete and accurate at the year end. • Assessed the completeness of contract defect provisions based on correspondence in respect of contract disputes. Based on our audit procedures performed we did not identify any material misstatement in relation to revenue recognition. We assessed that the accounting policies applied for revenue recognition were in accordance with IFRS 15.

Key Audit Matter	How our scope addressed this matter
Carrying value of goodwill At 31 March 2026, goodwill of £15,384,000 was recognised on the group statement of financial position. No impairment was recognised in the year. Goodwill is assessed annually for impairment in accordance with IAS 36 Impairment of Assets. This is a judgemental process which requires significant estimates and assumptions to be made by management. Management's impairment assessment is underpinned by a number of estimates and assumptions including future cash flows, growth assumptions and the discount rate applied. Due to the significance of goodwill to the group statement of financial position and the inherent subjectivity involved in performing the impairment assessment, we consider it to be a key audit matter.	We performed the following procedures including: • Reviewed the impairment assessment models for each Cash Generating Unit (CGU) to ensure they were consistent with the requirements of IAS 36 and had been appropriately sensitised. • Tested the mathematical accuracy of the model. • Obtained corroborative evidence for data used in the preparation of the model and significant judgements applied by management and assessed for evidence of contradictory information. • Critically assessed the appropriateness of the discount rate where material to the result of the impairment assessment. • Performed our own sensitivity analysis on the key assumptions. • Reviewed disclosures made regarding the impairment recognised in the year and underlying estimates and sensitivity of the model to those estimates. Based on our audit procedures we did not identify any material misstatement arising from the carrying value of goodwill recognised in the financial statements.

Independent Auditor's Report to the Members of Northern Bear plc

(continued)

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take into account the qualitative nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements.

Based on our professional judgement and taking into account the possible metrics used by investors and other readers of the accounts, we have determined an overall group materiality of £880,000 (2025: £590,000) based on 1% (2025: 0.75%) of revenue for the year ended 31 March 2026. Materiality of £420,000 (2025: £396,000) was used for the parent company based on 1% (2025: 1%) of total assets.

Group performance materiality was set at £620,000 (2025: £410,000) representing 70% (2025: 70%) of overall materiality. Parent company performance materiality was set at £380,000 (2025: £356,000) and has been calculated based on 1% of gross assets in both 2026 and 2025.

We agreed with the Audit Committee to report all individual audit differences in excess of £44,000 in relation to the group and £20,000 for the parent company, being the level below which misstatements are considered to be clearly trivial. We also agreed to report any other identified misstatements that warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Agreeing the terms for the renewal of facilities with the bank to signed agreements.
- Obtaining the formal going concern assessment of management, confirming that it covers an appropriate period, checking its arithmetical accuracy and agreeing information within to supporting documentation.
- Reviewing the appropriateness of the underlying assumptions in management's model, such as the forecast increase in profit, based upon available evidence and the sensitivity of the outcome of the forecast to those assumptions.
- Performing sensitivity analysis on the model to confirm that the group has sufficient resilience to withstand reasonably possible events such as material contract issues or a downturn in trading.
- Reviewing compliance with loan covenants in the year and expected future compliance.
- Reconciling the opening forecast position to actual cash at bank.
- Considering how the ongoing impact of the current economic environment has been factored into the forecasts.
- Assessing the disclosures in the financial statements including the accounting policy which describes the going concern basis of accounting to ensure that it is an accurate reflection of the basis for which the group is a going concern.

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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 13, 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 and 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's responsibilities for the audit of the financial statements

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

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent

company by discussions with directors and updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.

In addition, the group is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include Health and Safety legislation such as The Work at Height Regulations 2005 and The Personal Protective Equipment Regulations 2016/425.

Independent Auditor's Report to the Members of Northern Bear plc

(continued)

Auditor's responsibilities for the audit of the financial statements *(continued)*

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the group and parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the group's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

Jonathan Davis
(Senior Statutory Auditor)
for and on behalf of Saffery LLP
Statutory Auditors

10 Wellington Street
Leeds
LS1 4AP

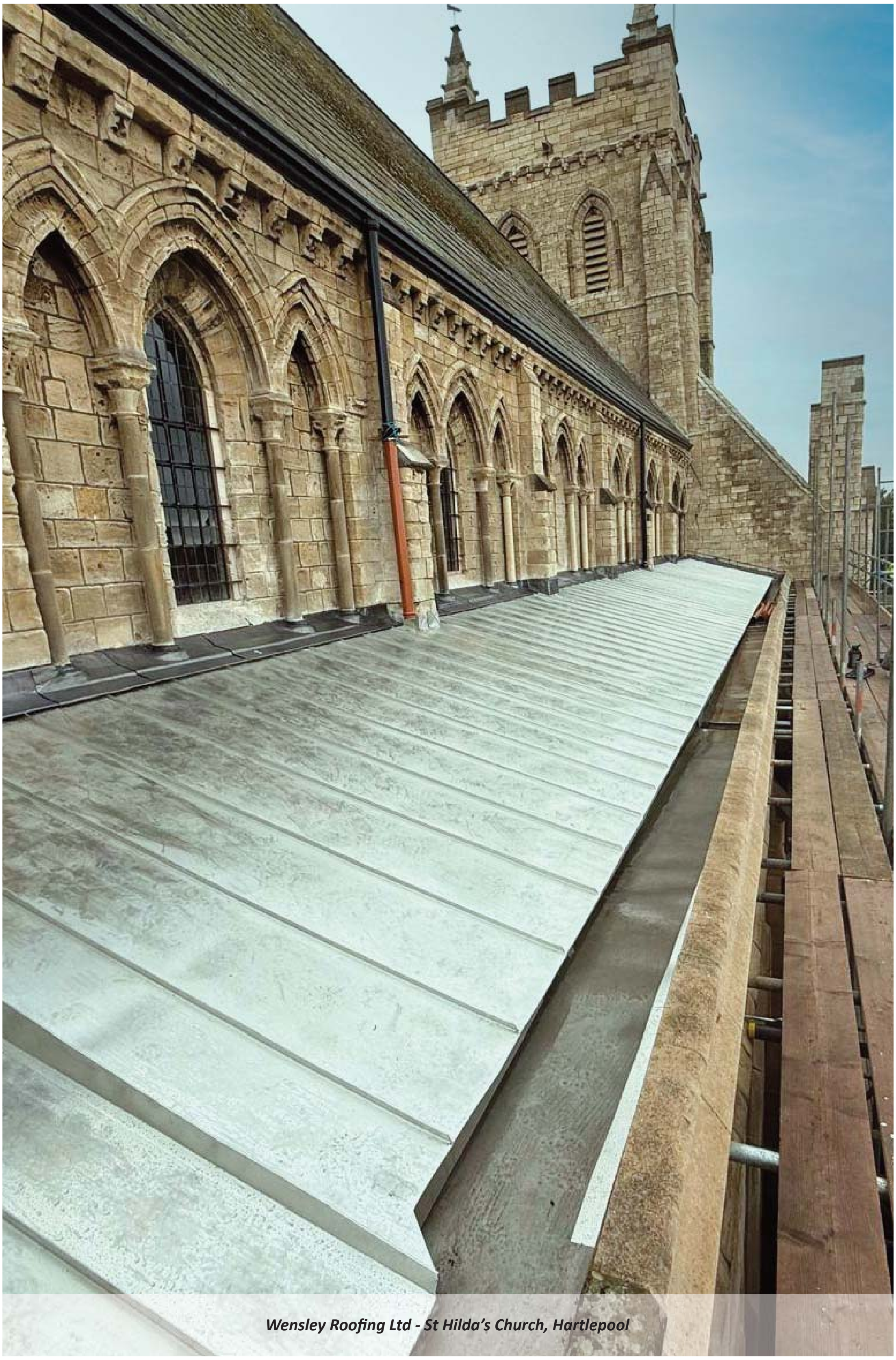
17 July 2026

Springs Roofing Ltd - Kirkleatham, Redcar, Cleveland

J Lister Electrical Ltd - Carbon Reduction Project, York University

Northern Bear Safety Ltd - Belmont, Durham

Springs Roofing Ltd - Segedunum Roman Fort & Museum for North Tyneside Council



Wensley Roofing Ltd - St Hilda's Church, Hartlepool

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2026

	Note	**2026 £000**	**2025 £000**
Revenue	**4**	**86,100**	78,110
Cost of sales		**(64,149)**	(58,892)
Gross profit		**21,951**	19,218
Other operating income	**5**	**19**	32
Administrative expenses		**(16,836)**	(15,865)
Operating profit	**4**	**5,134**	3,385
Finance income	**9**	**119**	5
Finance costs	**9**	**(214)**	(386)
Profit before income tax		**5,039**	3,052
Income tax expense	**10**	**(887)**	(747)
Profit for the year		**4,152**	2,305
Total comprehensive income attributable to equity holders of the parent		**4,152**	2,305
Earnings per share from operations			
Basic earnings per share	**11**	**30.2p**	16.8p
Diluted earnings per share	**11**	**29.3p**	16.7p

Consolidated Balance Sheet

at 31 March 2026

	Note	**2026 £000**	2025 £000
Assets			
Intangible assets	**13**	**15,384**	15,384
Right of use asset	**26**	**2,253**	1,343
Property, plant and equipment	**12**	**6,077**	6,008
Trade and other receivables	**17**	**1,239**	1,046
Total non-current assets		**24,953**	23,781
Inventories	**16**	**1,477**	1,521
Trade and other receivables	**17**	**12,063**	13,282
Cash and cash equivalents	**18**	**6,159**	3,974
Total current assets		**19,699**	18,777
Total assets		**44,652**	42,558
Equity			
Share capital	**23**	**190**	190
Capital redemption reserve	**23**	**6**	6
Share premium	**23**	**5,174**	5,174
Merger reserve	**23**	**9,703**	9,703
Retained earnings	**23**	**10,949**	7,240
Total equity attributable to equity holders of the Company		**26,022**	22,313
Liabilities			
Loans and borrowings	**19**	**-**	750
Lease liabilities	**26**	**1,586**	1,056
Deferred tax liabilities	**15**	**1,210**	1,269
Total non-current liabilities		**2,796**	3,075
Loans and borrowings	**19**	**-**	700
Trade and other payables	**20**	**13,702**	14,344
Provisions	**21**	**137**	644
Lease liabilities	**26**	**898**	727
Current tax payable		**1,097**	755
Total current liabilities		**15,834**	17,170
Total liabilities		**18,630**	20,245
Total equity and liabilities		**44,652**	42,558

These financial statements were approved by the Board of Directors on 17 July 2026 and were signed on its behalf by:

J Davies
Chief Executive Officer

Company registered number: 05780581

Company Balance Sheet
at 31 March 2026

	Note	**2026** **£000**	2025 £000
Assets			
Property, plant and equipment	**12**	**10**	11
Right of use asset	**26**	**467**	72
Investments in subsidiaries	**14**	**29,897**	29,897
Deferred tax assets	**15**	**128**	11
Trade and other receivables	**17**	**11,449**	9,229
Total non-current assets		**41,951**	39,220
Trade and other receivables	**17**	**106**	161
Total current assets		**106**	161
Total assets		**42,057**	39,381
Equity			
Share capital	**23**	**190**	190
Capital redemption reserve	**23**	**6**	6
Share premium	**23**	**5,174**	5,174
Merger reserve	**23**	**9,703**	9,703
Retained earnings	**23**	**12,257**	2,864
Total equity attributable to equity holders of the Company		**27,330**	17,937
Liabilities			
Loans and borrowings	**19**	**-**	750
Lease liabilities	**26**	**364**	37
Total non-current liabilities		**364**	787
Bank overdraft	**18**	**2,441**	2,475
Trade and other payables	**20**	**11,821**	17,451
Loans and borrowings	**19**	**-**	700
Lease liabilities	**26**	**101**	31
Total current liabilities		**14,363**	20,657
Total liabilities		**14,727**	21,444
Total equity and liabilities		**42,057**	39,381

Under s408 the Company has chosen not to disclose the statement of profit and loss. The Company made a profit for the year of £9,836,000 (2025: £1,799,000 loss).

These financial statements were approved by the Board of Directors on 17 July 2026 and were signed on its behalf by:

J Davies
Chief Executive Officer

Company registered number: 05780581

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

	Share capital	Capital redemption reserve	Share premium	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2024	190	6	5,169	9,703	5,194	20,262
Total comprehensive income for the year						
Profit for the year	-	-	-	-	2,305	2,305
Transactions with owners, recorded directly in equity						
Exercise of share options	-	-	5	-	-	5
Share-based payment expense						
Equity dividends paid	-	-	-	-	16	16
	-	-	-	-	(275)	(275)
At 31 March 2025	190	6	5,174	9,703	7,240	22,313
At 1 April 2025	190	6	5,174	9,703	7,240	22,313
Total comprehensive income for the year						
Profit for the year	-	-	-	-	4,152	4,152
Transactions with owners, recorded directly in equity						
Share-based payment expense	-	-	-	-	39	39
Equity dividends paid	-	-	-	-	(482)	(482)
At 31 March 2026	190	6	5,174	9,703	10,949	26,022

Company Statement of Changes in Equity

for the year ended 31 March 2026

	Share capital £000	Capital redemption reserve £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
At 1 April 2024	190	6	5,169	9,703	4,922	19,990
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,799)	(1,799)
Transactions with owners, recorded directly in equity						
Exercise of share options	-	-	5	-	-	5
Share-based payment expense	-	-	-	-	16	16
Equity dividends paid	-	-	-	-	(275)	(275)
At 31 March 2025	190	6	5,174	9,703	2,864	17,937
At 1 April 2025	190	6	5,174	9,703	2,864	17,937
Total comprehensive income for the year						
Profit for the year	-	-	-	-	9,836	9,836
Transactions with owners, recorded directly in equity						
Share-based payment expense	-	-	-	-	39	39
Equity dividends paid	-	-	-	-	(482)	(482)
At 31 March 2026	190	6	5,174	9,703	12,257	27,330

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 £000	2025 £000
Cash flows from operating activities			
Operating profit for the year		**5,134**	3,385
Adjustments for:			
Depreciation of property, plant and equipment	12	**1,025**	1,003
Depreciation of leased assets	26	**732**	527
Amortisation	13	**-**	10
Loss / (profit) on sale of property, plant and equipment		**31**	(10)
Loss on disposal of leased assets		**6**	-
Share-based payment expense		**39**	16
(Decrease) / increase in provisions	21	**(507)**	644
		6,460	5,575
Change in inventories	16	**44**	(25)
Change in trade and other receivables	17	**1,026**	238
Change in trade and other payables	20	**(642)**	1,944
Cash generated from operations		**6,888**	7,732
Tax paid		**(606)**	(298)
Net cash flow from operating activities		**6,282**	7,434
Cash flows from investing activities			
Interest received		**119**	53
Proceeds from sale of property, plant and equipment		**881**	478
Acquisition of property, plant and equipment	12	**(2,005)**	(1,937)
Net cash from investing activities		**(1,005)**	(1,406)
Cash flows from financing activities			
Repayment of bank loans		**(1,450)**	(1,700)
Repayment of other loans		**-**	(64)
Repayment of lease liabilities		**(946)**	(612)
Proceeds from the exercise of share options		**-**	5
Interest paid		**(214)**	(386)
Equity dividends paid		**(482)**	(275)
Net cash from financing activities	25	**(3,092)**	(3,032)
Net increase in cash and cash equivalents		**2,185**	2,996
Cash and cash equivalents at start of year	18	**3,974**	978
Cash and cash equivalents at end of year	18	**6,159**	3,974

1 Reporting entity

Northern Bear plc (the “Company” or the “Parent Company”) is a public company, limited by shares, incorporated in England and Wales, with its registered office at A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ. The principal activities of the parent entity and its subsidiaries (the group) and the nature of the group's operations are set out in the strategic report on pages 6 to 10.

The Parent Company’s shares are publicly traded on the London Stock Exchange AIM market. Details of significant shareholders are provided in the Directors’ Report. There is no other ultimate controlling party.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

2 Basis of preparation

Statement of compliance

The Group financial statements have been prepared and approved by the Directors in accordance with the requirements of the Companies Act 2006 and UK-adopted international accounting standards.

The parent company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';

(b) the requirements within IAS 1 relating to the presentation of certain comparative information;

(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

On publishing the Parent Company financial statements here, together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements.

Standards and interpretations applied for the first time

In these financial statements the following standards, amendments and interpretations, which became effective for the first time, were adopted by the Group:

- Lack of Exchangeability (Amendments to IAS 21) - effective date on or after 1 January 2025

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

2 Basis of preparation *(continued)*

Standards, amendments and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and the Company and which have not been applied in these financial statements, were in issue but were not yet effective. The Directors are evaluating the impact that these standards will have on the financial statements of the Group and the Company and do not currently expect any material impact on the disclosures or amounts reported:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - effective date on or after 1 January 2026
- Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - effective date on or after 1 January 2026
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 - effective date on or after 1 January 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements - effective date on or after 1 January 2027
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures- effective date on or after 1 January 2027

Basis of measurement

The financial statements are prepared on the historical cost basis.

Functional and presentation currency

These financial statements are presented in sterling, which is the Group's functional currency.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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 and in any future years affected.

Judgements and estimates made by management in the application of Adopted IFRSs that have a significant impact on the consolidated financial statements with a significant risk of material adjustment in the next year are described in note 29.

2 Basis of preparation *(continued)*

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Chief Executive Officer's Report. In addition, note 24 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

During the financial year the Group met its day to day working capital requirements through own cash and bank facilities with Virgin Money plc. These facilities were refinanced in October 2023 and at that point comprised a £3.5m term loan, a £1.0m revolving credit facility, and a £1.0m bank overdraft. At 31 March 2026 the Group had cash and cash equivalents of £6.2m, with nothing drawn on the overdraft or revolving credit facility, and £0m outstanding on the term loan.

The overdraft facility is renewable annually and the current facility expires on 30 June 2027. The revolving credit facility was most recently renewed on 20 October 2023 and is committed to 20 October 2026. The term loan was drawn down on 23 October 2023 and was repayable in full in equal quarterly instalments by 30 September 2028. However, the term loan was fully repaid during the year ended 31 March 2026.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is expected to have sufficient cash resources to meet its requirements for at least the next 12 months from the date of signing the financial statements. Accordingly, the adoption of the going concern basis in preparing the financial statements remains appropriate. Taking into account all of the above, the Directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these consolidated financial statements.

Basis of consolidation

Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial information from the date that control commences until the date that control ceases.

Intercompany balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated when preparing the consolidated financial information.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

3 Significant accounting policies *(continued)*

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The expected credit loss in respect of a financial asset measured at amortised cost is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract (i.e. the carrying amount) and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The amount of the expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. For financial assets measured at amortised cost, this movement is recognised in the Consolidated Statement of Comprehensive Income.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment.

The Group assumes that credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Individually significant financial assets are assessed on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the Consolidated Statement of Comprehensive Income.

Derecognition of financial instruments

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire, or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

3 Significant accounting policies *(continued)*

Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill represents the difference between the cost of the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Other intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives. The carrying amount is reduced by any provision for impairment where necessary.

On a business combination, as well as recording separate intangible assets already recognised in the balance sheet of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition balance sheet at fair value.

Amortisation is charged within administrative expenses in the consolidated statement of comprehensive income so as to write off the cost or valuation of assets over their useful economic lives, on the following basis:

Customer relationships	20% of fair value at acquisition
Acquired brands	20% of fair value at acquisition

External costs incurred in relation to acquisitions are recognised as an expense in the year in which the costs are incurred.

Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the Consolidated Statement of Comprehensive Income on either a straight line or diminishing balance basis as appropriate over the estimated useful economic lives of each part of an item of property, plant and equipment. The depreciation rates are as follows:

Leasehold, buildings and improvements	Straight line over the life of lease
Plant and equipment	10-15% diminishing balance
Materials handling equipment (within plant and equipment)	8% straight line
Motor vehicles	25% diminishing balance
Fixtures and fittings (including computer equipment)	15-33% diminishing balance

The residual value, and useful economic life, is reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment in the Parent Company financial statements.

3 Significant accounting policies *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Contract assets and liabilities

When the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, the amount of revenue associated with the transfer of goods or services is accrued and presented as a contract asset in the balance sheet (excluding any amounts presented as a receivable). A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

Contract assets are reduced by appropriate allowances for expected credit losses calculated using the simplified approach (as with trade receivables).

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the amount is presented as a contract liability on the balance sheet. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill which has an indefinite life the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of other assets within the unit on a pro-rata basis.

3 Significant accounting policies *(continued)*

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. The fair value of consideration is determined based on the transaction price agreed in the contract and is adjusted for the following where applicable:

- Variable consideration: including performance bonuses, penalties, liquidated damages, and claims. These are estimated using either the expected value or most likely amount approach, depending on which method better predicts the amount of consideration. Variable amounts are only included in revenue to the extent that it is highly probable there will be no significant reversal.

In relation to key revenue streams this policy is applied as follows:

Roofing activities

Revenue is recognised over time as the performance obligation is satisfied. Progress towards completion is measured using surveyor valuations of work performed, and revenue is recognised based on the stage of completion at the reporting date. The directors consider that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Specialist building services activities

Revenue is recognised over time as the performance obligation is satisfied. Progress towards completion is measured using surveyor valuations of work performed, and revenue is recognised based on the stage of completion at the reporting date.

The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Materials handling activities

- Product sales – revenue is recognised at the point in time of delivery to the customer, as this is when the performance obligations are satisfied;
- Assets leased to customers – revenue is recognised on a straight line basis over the lease term.

Other significant payment terms

Significant payment terms are established within individual customer contracts and typically include milestone-based payments aligned to key stages of contract delivery. These stages may include mobilisation, completion of defined works packages, handover, or certification by the client or their representative.

Typical payment structures across contracts include:

- Interim payments based on applications for payment or valuation of works performed to date;
- Retention amounts, typically 3–5% of contract value, withheld by customers and released upon completion and/or after a defects liability period (generally 6–12 months post-completion);
- Advance payments, which may be received on certain contracts and are treated as contract liabilities until revenue is recognised;
- Final account settlements, agreed post-completion, which may be subject to negotiation or final measurement.

Payment terms typically range from 30 to 60 days following certification of works. Where contracts contain extended payment periods or variable consideration (e.g. performance-related bonuses or penalties), the Group assesses the impact of financing components and adjusts the transaction price if the timing of payment provides a significant benefit of financing either to the customer or to the Group.

Where appropriate, financing components are identified and accounted for separately if the timing of payments differs significantly from the timing of performance, and the effect is material.

The Group does not expect a significant financing component in its construction contracts, as the difference between the timing of the transfer of goods or services and customer payment is typically less than one year.

3 Significant accounting policies *(continued)*

The Group applies the practical expedient in IFRS 15 paragraph 121 and does not disclose information about remaining performance obligations where the contract duration is one year or less or where revenue is recognised based on the right to invoice the customer.

Where appropriate, the Group capitalises incremental costs incurred to obtain or fulfil a contract with a customer when such costs are expected to be recovered. These are recognised as contract assets and amortised over the period in which the related performance obligations are satisfied.

Costs to obtain a contract, such as sales commissions or bid/tender costs, are capitalised only where they are incremental to securing the contract and would not have been incurred if the contract had not been obtained. These are amortised consistently with the pattern of revenue recognition for the related contract.

Costs to fulfil a contract are capitalised when they:

- Relate directly to a specific contract or anticipated contract,
- Generate or enhance resources that will be used to satisfy future performance obligations, and
- Are expected to be recovered.
- Examples of fulfilment costs capitalised include mobilisation costs, site setup costs, and preliminary design work incurred before contract performance begins. These costs are amortised systematically as the related performance obligations are satisfied, typically on a percentage-of-completion basis aligned with revenue recognition.
- The Group reviews the carrying amount of capitalised contract costs at each reporting date for indicators of impairment. An impairment is recognised if the expected benefits to be obtained from the contract are lower than the carrying amount of the contract asset.

Contract balances

The Group recognises contract assets, contract liabilities and trade receivables in connection with its construction activities, based on the timing of billing and performance under customer contracts.

Contract assets represent the Group's right to consideration in exchange for goods or services transferred to the customer before the customer has paid or before payment is due. These arise where revenue is recognised over time based on progress towards satisfaction of a performance obligation, but the corresponding invoice has not yet been issued.

Trade receivables represent amounts billed and due from customers in accordance with agreed payment terms. These are recognised when the right to consideration becomes unconditional (i.e. only the passage of time is required before payment is due).

Contract liabilities arise when customers pay amounts in advance of the Group satisfying its performance obligations. These typically include advance payments, deposits, and retention amounts billed but not yet earned under the criteria of IFRS 15.

The Group performs periodic reviews of contract balances to assess for recoverability, impairment or reclassification where relevant.

Other operating income

Other operating income includes the rental of premises and advertising space. As these income streams are not part of the Group's principal trading activities they have been classified separately. Other operating income is recognised in the Consolidated Statement of Comprehensive Income as it is accrued.

Expenses

(i) Leases
Lease expenses comprise depreciation of right-of-use assets and interest on lease liabilities. The interest expense is recognised using the effective interest method.

(ii) Finance income
Finance income comprises interest receivable on funds invested. Interest income is recognised in the Consolidated Statement of Comprehensive Income as it accrues using the effective interest method.

3 Significant accounting policies *(continued)*

Expenses *(continued)*

(iii) Finance expenses
Finance expenses comprise interest payable on borrowings. All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

(iv) Exceptional expenses
Exceptional items are defined as items of expenditure which are required to be presented when such presentation is relevant to an understanding of financial performance.

Income tax

Income tax on the profit or loss for the year comprises both current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits nor differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that a related tax benefit will be realised.

Segment reporting

Segmental information is provided based on internal reports regularly reviewed by the Chief Operating Decision Maker, which is deemed to be the Board of Directors.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are not expected to be used for more than one segment.

Dividends

Dividends are recognised as a liability in the year in which they are declared.

Leases

The Group as a lessee

The Group recognises a right of use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period time, with the exception of short term leases and leases for which the underlying asset is of low value. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any re-measurement of the lease liability.

3 Significant accounting policies *(continued)*

Leases *(continued)*

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right of use asset reflects that the Group will exercise a purchase option, the Group depreciates the right of use asset from the commencement date to the end of the useful life of the underlying asset on a straight line basis. Otherwise, the Group depreciates the right of use asset from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term on a straight line basis.

The lease liability is initially measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group as a lessor

As set out in the revenue accounting policy for materials handling activities, rentals receivable under leases are recognised in the Consolidated Statement of Comprehensive Income over the term of the lease on a straight line basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

For the purpose of the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately

Provisions

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

The group has a leased property that was vacated during the year. Although efforts are ongoing to secure a new tenant, as at the year-end the lease has been assessed and classified as onerous. A provision has been recognised for future non-rental costs associated with the lease.

4 Segmental analysis

The analysis by segments below is presented on the basis of those segments whose operating results are regularly reviewed by the Board of Directors (the Chief Operating Decision Maker) to assess performance and allocate resources.

- Roofing activities – companies providing a comprehensive range of roofing services including slating, tiling, leadwork, felting, refurbishment and maintenance for domestic, commercial and public sector properties;
- Materials handling activities – supply, service and maintenance of forklift trucks and warehouse equipment both on hire and for sale;
- Specialist building services activities – aggregation of other specialist building services and construction companies providing services including building maintenance, refurbishment, electrical contracting, fire protection and sound insulation; and
- Corporate and other activities - the provision of head office activity and consolidation items.

2026	Roofing activities £000	Materials handling activities £000	Specialist building services activities £000	Corporate and other activities £000	Total £000
Revenue					
Total segment revenue	33,531	4,391	49,682	-	87,604
Inter-segment revenue	(651)	(10)	(843)	-	(1,504)
External revenue	32,880	4,381	48,839	-	86,100
Operating profit/(loss)	2,098	507	4,449	(1,920)	5,134
Net finance expense	(26)	(4)	(13)	(52)	(95)
Income tax expense	(518)	(126)	(1,109)	532	(1,221)
Profit/(loss) for the financial year	1,725	376	3,906	(1,855)	4,152
Segment assets	22,363	5,602	15,773	914	44,652
Segment liabilities	5,347	2,011	8,582	2,690	18,630
Depreciation charge on PPE	321	573	128	3	1,025
Depreciation charge on right of use assets	158	74	116	384	732
Amortisation charge-	-	-	-	-	
Capital expenditure	535	1,285	182	3	2,005

4 Segmental analysis *(continued)*

2025	Roofing activities £000	Materials handling activities £000	Specialists building services activities £000	Corporate and other activities £000	Total £000
Revenue					
Total segment revenue	33,805	3,753	41,843	-	79,401
Inter-segment revenue	(665)	(14)	(610)	(2)	(1,291)
External revenue	33,140	3,739	41,233	(2)	78,110
Operating profit/(loss)	2,526	364	1,970	(1,475)	3,385
Net finance expense	(34)	(6)	(15)	(278)	(333)
Income tax expense	(223)	(70)	(460)	6	(747)
Profit/(loss) for the financial year	2,269	288	1,495	(1,747)	2,305
Segment assets	22,291	5,002	15,265	-	42,558
Segment liabilities	5,627	1,687	9,515	3,416	20,245
Depreciation charge on PPE	299	551	148	5	1,003
Depreciation charge on right of use assets	89	76	311	51	527
Amortisation charge	-	-	-	10	10
Capital expenditure	440	1,200	294	3	1,937

All revenue is derived from the UK, with no single customer contributing 10% or more of the Group's revenue. Aside from materials handling product sales of £2,168,000 (2025: £1,526,000), substantially the whole of revenue comprises rendering of services.

5 Other operating income

	2026 £000	2025 £000
Rental income	**19**	32
	19	32

Other operating income relates to the rental of premises and advertising space. As these income streams are not part of the Group's principal trading activities they have been classified separately.

6 Expenses

Auditor's remuneration:

	2026 £000	2025 £000
Audit of these financial statements	**43**	40
Amounts receivable by auditor and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**127**	125

No non-audit services were provided by the Company's auditor to the Company or its subsidiaries in the current or prior year.

Fixed assets:

The depreciation charge for property, plant and equipment recognised as an expense in the year was £1,025,000 (2025: £1,003,000), with a further £732,000 (2025: £527,000) for right of use assets capitalised on the balance sheet under IFRS 16. The amortisation charge recognised as an expense in the year was £nil (2025: £10,000). The loss on sale of property, plant and equipment recognised in the year was £31,000 (2025: £10,000 profit).

7 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2026	2025
Directors	**4**	6
Administration	**124**	112
Production	**293**	306
	421	424

The aggregate payroll costs of these persons were as follows:

	2026 £000	2025 £000
Wages and salaries	**19,850**	18,407
Social security costs	**2,417**	1,886
Contributions to defined contribution plans	**507**	472
	22,774	20,765

8 Directors' remuneration

The table below sets out details of the emoluments in respect of qualifying services and compensation of each person who served as a Director during the year or for the period served as Director if less than the full year (excluding pension contributions, details of which are set out separately below):

Directors' emoluments	Salary/fees £000	Annual bonus £000	Estimated value of benefits £000	Share options £000	Total 2026 £000	Total 2025 £000
HJ Samuel	30	-	-	-	30	34
JP Davies	210	200	10	-	420	314
TE Hayes (Resigned 01 January 2025)	-	-	-	-	-	89
JN Davis (Resigned 01 December 2025)	96	-	1	-	97	-
SM Roberts (Resigned 04 September 2025)	46	-	14	-	60	234
A Khera (Resigned 31 July 2024)	-	-	-	-	-	18
MB Boden (Resigned 18 March 2026)	43	-	-	-	43	30
SA Carr	55	-	-	-	55	40
	480	200	25	-	705	759

Details of options for directors who served during the year are as follows, for further details see note 22:

Name of director	1 April 2025	Granted	Lapsed	31 March 2026†
JP Davies	100,000	-	-	100,000
SM Roberts (Resigned 04 September 2025)	100,000	-	-	100,000
	200,000	-	-	200,000

†or date of resignation, if earlier.

	Number of Directors 2026	2025
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	4	5

	2026 £000	2025 £000
JP Davies	10	10
TE Hayes	-	3
HJ Samuel	1	1
MB Boden	1	1
JN Davis	3	-
	15	15

9 Finance income and costs

	2026 **£000**	2025 £000
Finance income:		
Bank interest	**119**	53
Finance costs:		
On bank loans and overdrafts	**97**	256
Finance charges on lease liabilities	**117**	130
Total finance costs	**214**	386

10 Income tax expense

Recognised in the Consolidated Statement of Comprehensive Income

	2026 **£000**	2025 £000
Current tax expense:		
Current year	**1,273**	755
Adjustment in respect of prior years	**(327)**	(48)
Current tax expense	**946**	707
Deferred tax expense:		
Origination and reversal of temporary differences	**(99)**	58
Adjustments in respect of prior periods	**40**	(18)
Deferred tax expense	**(59)**	40
Total tax expense	**887**	747

Reconciliation of effective tax rate

	2026 **£000**	2025 £000
Profit before tax	**5,039**	3,052
Tax using the UK corporation tax rate of 25%	**1,260**	763
Expenses not deductible for tax purposes	**49**	56
Adjustment in respect of prior years	**(287)**	(66)
Fixed asset differences	**4**	7
Share-based payment	**(107)**	-
Other differences	**(32)**	(13)
Total tax expense	**887**	747

Factors that may affect future tax expenses

The tax charge on the face of the income statement is the corporation tax applicable to the profits of the Group. This consists of both a current tax expense and a deferred tax expense, with the latter not payable until sometime in the future, and arising due to the difference between the accounting and tax treatment of expenditure on property, plant and equipment. The majority of this expenditure is offset by 100% against taxable profits in the year of expenditure, reducing the amount of tax payable in the year. In future years, however, this tax benefit reverses as future profits are taxed without further offset from this expenditure.

11 Earnings per share

Basic earnings per share is the profit or loss for the year divided by the weighted average number of ordinary shares outstanding, excluding those in treasury, calculated as follows:

	2026	2025
Profit for the year (£000)	**4,152**	2,305
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 23) ('000)	**13,760**	13,751
Basic earnings per share	**30.2p**	16.8p

The calculation of diluted earnings per share is the profit or loss for the year divided by the weighted average number of ordinary shares outstanding, after adjustment for the effects of all potential dilutive ordinary shares, excluding those in treasury, calculated as follows:

	2026	2025
Profit for the year (£000)	**4,152**	2,305
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 23) ('000)	**13,760**	13,751
Effect of potential dilutive ordinary shares ('000)	**432**	41
Diluted weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury ('000)	**14,192**	13,792
Diluted earnings per share	**29.3p**	16.7p

The following additional earnings per share figures are presented as the Directors believe they provide a better understanding of the trading performance of the Group.

Adjusted basic and diluted earnings per share is the profit or loss for the year, adjusted for the impact of costs associated with the onerous lease provision (2025: costs associated with the closure of the H Peel & Sons Limited business) divided by the weighted average number of ordinary shares outstanding as presented above. More detail on these adjustments is included in the Chief Executive Officer's Report.

Adjusted earnings per share is calculated as follows:

	2026	2025
Profit for the year (£000)	**4,152**	2,305
Amortisation of intangible assets arising on acquisitions	**-**	10
Costs associated with the closure of the H Peel & Sons Limited business	**-**	444
Costs associated with the onerous lease provision	**137**	-
Exceptional profit on Building Services Contract	**(1,502)**	-
Tax effect of adjustments	**342**	114
Adjusted profit for the year (£000)	**3,125**	2,646
Weighted average number of ordinary shares excluding shares held in treasury for the proportion of the year held in treasury (note 23) ('000)	**13,760**	13,751
Adjusted basic earnings per share	**22.7p**	19.2p
Adjusted diluted earnings per share	**22.0p**	19.2p

12 Property, plant and equipment

Group	Leasehold buildings and improvements £000	Materials handling equipment £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
Balance at 1 April 2024	387	5,876	382	524	2,513	9,682
Additions	30	1,103	3	172	629	1,937
Disposals	(23)	(479)	(66)	(95)	(338)	(1,001)
Balance at 31 March 2025	394	6,500	319	601	2,804	10,618
Balance at 1 April 2025	394	6,500	319	601	2,804	10,618
Additions	-	1276	97	142	490	2,005
Disposals	-	(1,125)	(94)	(68)	(493)	(1,780)
Balance at 31 March 2026	394	6,651	322	675	2,801	10,843
Depreciation and impairment						
Balance at 1 April 2024	154	2,211	247	380	1,148	4,140
Depreciation charge for the year	37	460	20	59	427	1,003
Disposals	(17)	(144)	(50)	(110)	(212)	(533)
Balance at 31 March 2025	174	2,527	217	329	1,363	4,610
Balance at 1 April 2025	174	2,527	217	329	1,363	4,610
Depreciation charge for the year	33	494	21	76	401	1,025
Disposals	-	(431)	(69)	(56)	(313)	(869)
Balance at 31 March 2026	207	2,590	169	349	1,451	4,766
Net book value						
At 1 April 2024	233	3,665	135	144	1,365	5,542
At 31 March 2025	220	3,973	102	272	1,441	6,008
At 31 March 2026	187	4,061	153	326	1,350	6,077

Materials handling equipment

Materials handling equipment is leased out under contracts that are broadly evenly split between short-term hires of less than one year and longer-term hires. Sale of materials handling equipment is included within revenue, with the net book value at the date of sale included within cost of sales.

12 Property, plant and equipment *(continued)*

Company	**Fixtures and fittings**	**Total**
Cost	**£000**	**£000**
Balance at 1 April 2024	123	123
Additions	2	2
Disposals	(1)	(1)
Balance at 31 March 2025	124	124
Balance at 1 April 2025	124	124
Additions	3	3
Disposals	(5)	(5)
Balance at 31 March 2026	122	122
Depreciation and impairment		
Balance at 1 April 2024	108	108
Depreciation charge for the year	5	5
Disposals	-	-
Balance at 31 March 2025	113	113
Balance at 1 April 2025	113	113
Depreciation charge for the year	3	3
Eliminated in respect of disposals	(4)	(4)
Balance at 31 March 2026	112	112
Net book value		
At 1 April 2024	15	15
At 31 March 2025	11	11
At 31 March 2026	**10**	**10**

13 Intangible assets

Group Cost	Goodwill £000	Brands £000	Customer relationships £000	Total £000
Balance at 1 April 2024 and 31 March 2025	20,507	11	825	21,343
Disposals	-	(11)	(825)	(836)
Balance at 31 March 2026	20,507	-	-	20,507
Amortisation and impairment				
Balance at 1 April 2024	5,123	11	815	5,949
Amortisation	-	-	10	10
Balance at 31 March 2025	5,123	11	825	5,959
Balance at 1 April 2025	5,123	11	825	5,959
Eliminated in respect of disposals	-	(11)	(825)	(836)
Balance at 31 March 2026	5,123	-	-	5,123
Net book value				
At 1 April 2024	15,384	-	10	15,394
At 31 March 2025	15,384	-	-	15,384
At 31 March 2026	**15,384**	**-**	**-**	**15,384**

Intangible assets arising on acquisitions relate to customer relationships and are being amortised over an estimated useful economic life of five years from the acquisition date.

Brands comprise the Matthew Charlton Slaters brand acquired in the year to 31 March 2013, which was amortised on a straight-line basis over a period of five years.

13 Intangible assets *(continued)*

Goodwill is allocated to the Group's cash generating units ("CGUs"), which have been identified on a company basis. A summary of the carrying value presented at CGU basis is shown below:

	2026 £000	2025 £000
Isoler Limited	**1,526**	1,526
Wensley Roofing Limited	**3,126**	3,126
Springs Roofing Limited	**4,507**	4,507
MGM Limited	**1,599**	1,599
Jennings Roofing Limited	**4,087**	4,087
J Lister Electrical Limited	**539**	539
	15,384	15,384

Impairment testing

Goodwill is tested annually for impairment, or more frequently if there are indications the goodwill may be impaired. All recoverable amounts are based on value in use and the key assumptions applied in the value in use calculations are as follows:

- Cash flow projections – cash flow projections cover a five-year period based on detailed approved budget forecasts for the next year, Directors' projections of profits for years two to five and a terminal value thereafter. The rationale for this is that all of the Group's companies experience ups and downs and hence it is important to take a long-term view of profitability levels when considering potential impairments to goodwill.
- Growth rate – taking into account the current economic climate, management have assumed that the long-term growth rate in each of the CGUs from year five onwards will be 2% per annum when extrapolating future cash flows as part of the terminal value calculation.
- Discount rate – management have applied a pre-tax discount rate of 13.6% (2025: 13.4%) to the cash flow forecasts, which represents their best estimate of the Group's weighted average cost of capital. The calculation is based on the split of equity and debt funding at the balance sheet date and estimated current long-term costs for debt and equity. Management believe the market risk associated with each CGU is similar and has applied the average rate across the business. The discount rate reflects the continued difficult trading conditions and economic environment and is comparable to rates used by other groups operating in similar segments.

Sensitivity analysis

The key sensitivities in assessing the value in use of goodwill are forecast cash flows and the discount rate applied:

- 2% reduction in growth rate in forecast cash flows would have no impact on carrying values; and
- 2% increase in the discount rate applied would have no impact on carrying values.

14 Investments in subsidiaries

Company	Shares in group undertakings £000
Cost	
Balance at 1 April 2024, 31 March 2025 and 31 March 2026	35,272
Impairment	
Balance at 1 April 2024, 31 March 2025 and 31 March 2026	5,375
Net book value	
At 1 April 2024, 31 March 2025 and 31 March 2026	**29,897**

The Company has the following investments in subsidiaries:

Company	Country of Incorporation	Class of shares held	Ownership and voting rights 2026	2025
Isoler Limited	England and Wales	Ordinary	100%*	100%*
		A Ordinary	100%*	100%*
Springs Roofing Limited	England and Wales	Ordinary	100%*	100%*
		A Ordinary	100%*	100%*
		B Ordinary	100%*	100%*
		C Ordinary	100%*	100%*
		D Ordinary	100%*	100%*
Wensley Roofing Limited	England and Wales	Ordinary	100%*	100%*
		A Ordinary	100%*	100%*
MGM Limited	England and Wales	Ordinary	100%*	100%*
		A Ordinary	100%*	100%*
Jennings Roofing Limited	England and Wales	Ordinary	100%*	100%*
Alcor Handling Solutions Limited	England and Wales	Ordinary	100%	100%
A1 Industrial Trucks Limited	England and Wales	Ordinary	100%	100%
Northern Bear Safety Limited	England and Wales	Ordinary	100%*	100%*
Arcas Building Solutions Limited	England and Wales	Ordinary	100%*	100%*
H Peel & Sons Limited	England and Wales	Ordinary	100%*	100%*
J Lister Electrical Limited	England and Wales	Ordinary	100%*	100%*
Northern Bear Roofing Limited	England and Wales	Ordinary	100%	100%
Northern Bear Construction Limited	England and Wales	Ordinary	100%	100%
Callisto Glass Facades Limited (formerly System Roofing Services Limited)	England and Wales	Ordinary	100%*	100%*

*held indirectly.

14 Investments in subsidiaries *(continued)*

The Company's subsidiaries during the year had the following registered offices:

Company	Registered office
Isoler Limited	Unit 1 Belmont Industrial Estate, Durham, England, DH1 1TN
Springs Roofing Limited	Kimblesworth Industrial Estate, Kimblesworth, Chester Le Street, County Durham, DH2 3QT
Wensley Roofing Limited	Unit 4&5 Efb Court Earlsway, Team Valley Trading Estate, Gateshead, United Kingdom, NE11 0LA
MGM Limited	Unit 333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0BH
Jennings Roofing Limited	Dewlon House, Cannon Way, Dewsbury, England, WF13 1XL
Alcor Handling Solutions Limited	Unit 1 First Avenue, Team Valley Trading Estate, Gateshead, England, NE11 0NU
A1 Industrial Trucks Limited	A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ
Northern Bear Safety Limited	Unit 1 Belmont Industrial Estate, Durham, England, DH1 1TN
Arcas Building Solutions Limited	Derwent House, Fifth Avenue, Team Valley Trading Estate, Gateshead, NE11 0NL
H Peel & Sons Limited	Dewlon House, Cannon Way, Mill Street West, Dewsbury, West Yorkshire, WF13 1XL
J Lister Electrical Limited	Unit 2 Osbaldwick Link Road, York, YO19 5JA
Northern Bear Roofing Limited	A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ
Northern Bear Construction Limited	A1 Grainger, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ
Callisto Glass Facades Limited (formerly System Roofing Services Limited)	333 Dukesway Court, Team Valley Trading Estate, Gateshead, Tyne And Wear, United Kingdom, NE11 0BH

15 Deferred tax assets and liabilities

Group

Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:

	2026 £000	2025 £000
Property, plant and equipment	**(1,327)**	(1,269)
Share-based payments	**117**	-
Net tax liability	**(1,210)**	(1,269)

Movement in deferred tax during the year

	1 April 2025 £000	**Recognised in profit or loss £000**	**31 March 2026 £000**
Property, plant and equipment	(1,269)	(58)	**(1,327)**
Share-based payments	-	117	**117**
	(1,269)	59	**(1,210)**

Movement in deferred tax during the prior year

	1 April 2024 £000	**Recognised in profit or loss £000**	**31 March 2025 £000**
Property, plant and equipment	(1,226)	(43)	(1,269)
Intangible assets	(3)	3	-
	(1,229)	(40)	(1,269)

Company

Deferred tax assets in the Company of £128,000 (2025: £11,000) represent temporary differences on property, plant and equipment and share-based payments. The movement in the year of £117,000 (2025: £5,000) represents amounts recognised in income.

16 Inventories

	Group		**Company**	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Raw materials and consumables	1,477	1,521	-	-

All inventory is expected to be recovered in less than 12 months. There were no write downs in the year.

The amount of inventories recognised as an expense in the year was £593,000 (2025: £799,000).

17 Trade and other receivables

	Group		Company	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Non-current assets				
Contract retentions	1,239	1,046	-	-
Amounts owed by group undertakings	-	-	11,449	9,229
	1,239	1,046	11,449	9,229
Current assets				
Trade receivables	9,342	10,249	1	1
Contract asset work in progress	65	880	-	-
Contract retentions	1,935	1,555	-	-
Other trade receivables	10	6	-	33
Prepayments	711	592	105	127
	12,063	13,282	106	161

Contract retentions balances relate to amounts contractually withheld by customers on construction projects as security for the satisfactory completion of works and any associated defect rectification periods. The retentions are interest-free, unsecured, and typically repayable within a period of up to two years from the completion of the related works, in line with the terms of the underlying delivery contracts.

Amounts owed by group undertakings are interest-free and unsecured. These balances arise in the normal course of business and are not subject to formal repayment terms or covenants.

18 Cash and cash equivalents

	Group		Company	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Cash and cash equivalents per balance sheet	6,159	3,974	-	-
Bank overdraft	-	-	(2,441)	(2,475)
Cash and cash equivalents per cash flow statements	6,159	3,974	(2,441)	(2,475)

Under the Group's overdraft facility agreement with Virgin Money plc it has the right of set off for positive and overdrawn bank balances in order to comply with the net overdraft limit of £1.0m. At the balance sheet date total positive balances were £8.6m and total overdrawn balances were £2.4m, giving a net cash balance of £6.2m (2025 net cash balance of £4.0m comprising of positive cash balances of £6.5m and overdrawn balances of £2.5m).

19 Loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate risk, see note 24.

	Group		Company	
	2026 £000	2025 £000	**2026 £000**	2025 £000
Non-current liabilities				
Secured bank loans	-	750	-	750
	-	750	-	750
Current liabilities				
Secured bank loans	-	700	-	700
Other loans	-	-	-	-
	-	700	-	700

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Fair value 2026 £000	Carrying amount 2026 £000	Fair value 2025 £000	Carrying amount 2025 £000
Virgin Money term loan	GBP	Base rate + 3.25%	2028	nil	nil	1,450	1,450
Virgin Money revolving credit facility	GBP	Base rate + 2.75%	2026	nil	nil	nil	nil
Other loans	GBP	n/a	n/a	nil	nil	nil	nil

The Group retains a £1.0m (2025: £1.0m) revolving credit facility and a £1.0m (2025: £1.0m) overdraft facility, both with Virgin Money plc, for working capital purposes.

As at 31 March 2026, a total of £nil (2025: £nil) was drawn down on the revolving credit and overdraft facilities, and £nil (2025: £1.5m) was outstanding on the term loan facility.

This provides a net cash figure at 31 March 2026 of £6.2m (2025: £2.5m net cash) after offsetting cash and cash equivalents of £6.2m (2025: £4.0m).

The overdraft facility expires on 30 June 2027, and the revolving credit facility was most recently renewed on 20 October 2023 and is committed to 20 October 2026. The term loan was drawn down on 23 October 2023 and was repaid in full during the year.

Facilities with Virgin Money are secured via fixed and floating charges covering all property and assets present and future, via a debenture created on 1 November 2007.

20 Trade and other payables

	Group		Company	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Trade payables	**7,091**	8,222	**166**	246
Non-trade payables and accrued expenses	**6,611**	6,122	**714**	463
Amounts owed to group undertakings	**-**	-	**10,941**	16,742
	13,702	14,344	**11,821**	17,451

Amounts owed to group undertakings have been included in current trade and other payables as these balances are repayable on demand, interest-free and unsecured. These balances arise in the normal course of business and are not subject to formal repayment terms or covenants.

Included in non-trade payables and accrued expenses are contract liabilities in relation to deferred income of £23,000 (2025: £48,000). The amount recognised within revenue in relation to contract liabilities at the start of the year was £48,000 (2025: £39,000).

The Group expects to recognise the deferred income balance in revenue within two months (2025: two months) of the year end. The reason for the decrease in contract liabilities in relation to deferred income is the timing of invoicing on certain contracts.

21 Provisions

	Group	Company
	2026	2025
	£000	£000
Balance at the start of the year	**644**	-
Provisions (utilised) / made during the year in relation to restructuring	**(444)**	444
Provisions (utilised) / made during the year in relation to contract defects	**(200)**	200
Provisions made during the year in relation to onerous contracts	**137**	-
Balance at the end of the year	**137**	644

During the year, the Company instructed a subsidiary, Jennings Roofing Limited, to relocate premises. Whilst Jennings Roofing Limited remained contractually liable for occupancy costs, the Company agreed to assume responsibility for the costs. At the year-end a replacement tenant had not been secured for the vacant office and accordingly a provision for an onerous contract within Jennings Roofing Limited, including future rental costs, totalling £358k has been recognised. At a Group level, a provision of £137k has been recognised, reflecting the exclusion of rental costs from the provision which are recognised as part of a lease liability under IFRS 16 at a Group level.

During the prior year, the decision to close the H Peel & Sons Limited business was made. Previous losses made lead to a full review of the business and a decision to close the business was made in early 2025. In the current year a provision for closure and associated costs of £0.4m was utilised.

22 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £507,000 (2025: £473,000).

Share-based payments

The Group operates a Company Share Option Plan.

The terms and conditions of the grants are as follows:

Grant date	**Method of settlement accounting**	**Number of Instruments**	**Service conditions**	**Contractual life of options**	**Exercise price**
10 March 2015	Equity	65,000	3 years of service	Mar 2018 – Mar 2025	45.8p
23 October 2024	Equity	900,000	3 years of service	Oct 2024 – Oct 2034	52.0p

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2026	**Number of options 2026**	Weighted average exercise price 2025	Number of options 2025
Outstanding at the beginning of the year	52.0p	900,000	45.8p	12,500
Granted during the year	-	-	52.0p	900,000
Exercised during the year	-	-	45.8p	(10,000)
Lapsed during the year	-	-	45.8p	(2,500)
Outstanding at the end of the year	52.0p	900,000	52.0p	900,000
Exercisable at the end of the year	-	-	-	-

The options outstanding at the year end have an exercise price of 52p and a weighted average contractual life of 8.6 years.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options is measured using a Black-Scholes model.

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received.

During the prior year, options were granted on 23 October 2024. The total fair value of the options on the measurement date was £118,479.

Inputs were as follows:	**2025**
Weighted average share price	£0.51
Weighted average exercise price	£0.52
Expected volatility	33.16%
Expected life	3.00
Risk free rate	3.88%
Expected dividends yield	-

22 Employee benefits *(continued)*

Expenses recognised in the year	**2026 £000**	2025 £000
Arising from equity settled share-based payment transactions	39	16

For the grants in the prior year, volatility of 33.16% has been used to reflect the time value for the share options. Expected volatility was determined by calculating the historical volatility of the group's share price over the previous three years. It is assumed that historic market volatility is reflective of future expectations. The options have a service condition, being continuous employment over a 3 year vesting period, which could impact the number of options that will vest and therefore the number component of the fair value. The grant date fair value of the options does not reflect the service condition. Instead, the number of options expected to vest has been adjusted to reflect estimated employee departures during the vesting period.

At each year end the Directors perform an assessment of the likelihood of a number of qualifying exercise opportunities and recognise an expense accordingly.

23 Share capital and reserves

Share capital

Expenses recognised in the year	**2026 £000**	2025 £000
Authorised		
50,000,000 ordinary shares of 1p each (2025: 50,000,000)	**500**	500
50,000 0.1% cumulative redeemable preference shares of £1 each (2025: 50,000)	**50**	50
	550	550
Allotted, called up and fully paid		
19,017,316 ordinary shares of 1p each (2025: 19,017,316)	**190**	190
Shares classified in shareholders' funds	**190**	190

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

On 8 December 2023 the Company completed a tender offer to shareholders to repurchase 5,000,000 ordinary shares of one penny each. The shares were transferred and held in treasury. The cost of the share purchase was recorded in retained earnings and in financing cash flows on the cash flow statement.

In the prior year, the Company has used treasury shares to satisfy the exercise of options over ordinary shares in the Company by employees of the Company. The balance of treasury shares held at 31 March 2026 was 5,257,040 ordinary shares (2025: 5,257,040) with an aggregate nominal value of £52,570 (2025: £52,570). During the prior year, options over 10,000 ordinary shares of the Company were exercised by employees of the Company. To satisfy these option exercises the Company transferred 10,000 ordinary shares out of treasury.

The nominal value of treasury shares held by the Company, all being ordinary shares of 1p each, is as follows:

	2026 £'000	2025 £'000
Held at the start of the year	**53**	53
Purchased via tender offer to shareholders	**-**	-
Transfers to satisfy share option exercises	**-**	-
Held at the end of the year	**53**	53

23 Share capital and reserves *(continued)*

Reserves

The capital redemption reserve relates to the buyback of shares in the Company as part of the disposal of D J McGough Limited on 15 September 2010.

The share premium account arose through premiums on share issues, less applicable expenses, in prior years.

The merger reserve arose where more than 90% of the shares in subsidiary undertakings were acquired and the consideration included the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 1985, and, from 1 October 2009, the Companies Act 2006.

Retained earnings is the cumulative total of earnings reported by the Group, offset by the cost of share repurchases in the financial year ended in prior years.

Dividend

The Company paid a final dividend of 2.5 pence per ordinary share during the year, in respect of the financial year ended 31 March 2025, (2025: 2.0 pence). During the year the Company paid a special dividend of 1.0 pence per ordinary share, in respect of the financial year ended 31 March 2025. The total cost was £482,000 (2025: £275,000).

The Directors propose the payment of a final dividend of 2.5 pence per share plus a special dividend of an additional 5.0 pence per share in respect of the year ended 31 March 2026, subject to shareholder approval at the forthcoming annual general meeting.

24 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This applies to:

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The carrying amount of cash and cash equivalents is considered a reasonable approximation of fair value due to their short-term nature.

Interest-bearing borrowings

Fair value, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

24 Financial instruments *(continued)*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical default experience adjusted by forward-looking information The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings where available. Purchase limits are established for each customer; these limits are reviewed regularly.

A provision for impairment (bad debt) is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Indicators that the receivable is doubtful include significant financial difficulties of the debtor, default or delinquency in payments, or the probability that the debtor will enter bankruptcy or financial reorganisation.

Bad debts are written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Capital management

The Group's policy is to maintain a strong capital base with a view to ensuring that entities within the Group will be able to continue as going concerns. To achieve this objective, the Group aims to maintain a prudent mix of debt and equity financing and considers the current capital structure to be appropriate.

Equity funding comprises issued share capital, reserves and retained earnings as disclosed in note 23 to the financial statements. Debt funding comprises bank facilities as described below.

The Group's treasury policy has as its principal objective the achievement of the maximum interest rate on any cash balances whilst maintaining an acceptable level of risk.

24 Financial instruments *(continued)*

Financial assets and liabilities

The Group's main financial assets comprise trade receivables arising from the Group's activities classified as financial assets measured at amortised cost and cash at bank.

All of the Group's financial liabilities have been classified as other financial liabilities measured at amortised cost.

Fair values

The fair value of the Group's financial assets and liabilities is not materially different from their carrying values.

Consolidated Statement of Comprehensive Income

Details of finance costs are included in note 9.

Carrying amounts of financial assets

	Group	
	2026	2025
	£000	£000
Trade and other receivables (non-current)	1,239	1,046
Trade and other receivables (current assets)	11,352	12,690
Cash at bank	6,159	3,974
	18,750	17,710

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date for the Group was £18,750,000 (2025: £17,710,000) being the total of the carrying amount of financial assets.

Credit quality of financial assets and impairment losses
Trade and other receivables consist of the following:

	Group	
	2026	2025
	£000	£000
Gross trade and other receivables	12,631	13,776
Expected credit loss allowance	(40)	(40)
Net trade and other receivables	12,591	13,736

The credit risk on financial assets is not judged to have increased significantly since initial recognition. The loss allowance for financial assets other than trade receivables and contract assets has therefore been measured at an amount equal to 12 month expected credit losses. However, as these financial assets are due within 12 months, the 12-month expected loss allowance is equal to the lifetime expected loss allowance. The movement in the allowance during the year is as follows:

	2026	2025
	£000	£000
At beginning of year	40	40
Provided in year	16	13
Write offs and recoveries	(16)	(13)
At end of year	40	40

24 Financial instruments *(continued)*

	2026 £000	2025 £000
Trade receivables outstanding as at 31 March from invoice date:		
Between 0 – 30 days from invoice date	6,549	7,332
Between 31 – 60 days from invoice date	2,513	2,555
Between 61 – 90 days from invoice date	271	306
Between 91 – 120 days from invoice date	43	75
Over 120 days from invoice date	6	21
Expected credit loss allowance	(40)	(40)
Total	9,342	10,249

The provision against trade receivables is determined by reference to past default experience. The historical default rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding, although given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period. Default is defined as when a customer fails to make a payment as per the contract terms, violates any significant terms of the contract or shows signs of financial distress. This definition helps in assessing and managing credit risk effectively. The provision is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Management has no indication that any unimpaired amounts will be irrecoverable; unimpaired amounts relate entirely to sales in the United Kingdom.

The Group's credit risk policy is to manage its trade receivables by taking credit references and requesting payment in advance should this be considered necessary.
Customers generally pay on 30-day credit terms in respect of when the invoice is raised which is generally consistent with when the performance obligations are satisfied. There will be instances where customers do not pay within these terms which management give special consideration to when assessing the recoverability of financial assets.

Interest rate risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date.

	2026 Interest rate %	2025 Interest rate %
Cash and cash equivalents	Base-1.00	Base-1.00
Bank overdraft	Base+2.75	Base+2.75
Revolving credit facility	Base+2.75	Base+2.75
Bank term loan	Base+3.25	Base+3.25
Other loans	n/a	n/a

A change of 100 basis points in interest would increase or decrease profit by £44,655 (2025: £20,131).

Both cash and cash equivalents and bank overdraft pay interest on a floating rate basis. The fair value of the financial assets and liabilities is substantially the same as their carrying value.

Foreign exchange risk

The Group is not exposed to significant foreign exchange risk.

24 Financial instruments *(continued)*

Liquidity risks

The Group's policy on liquidity risk has been to maintain sufficient cash balances and available facilities to meet liabilities as they fall due. The Group has procedures in place to minimise liquidity risk such as maintaining sufficient cash and by having an adequate amount of committed credit facilities, which were recently renewed as discussed in note 2 above. Procedures are in place to monitor and forecast cash usage and this, combined with committed credit facilities, supports the Group in managing liquidity risk.

The following are contractual maturities of financial liabilities, and exclude the impact of netting agreements:

31 March 2026

Non-derivative financial instruments

Group	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	15,073	(15,073)	(15,073)	-	-	-	-
Provisions	137	(137)	(137)	-	-	-	-
Lease liabilities	2,484	(3,049)	(493)	(432)	(670)	(912)	(542)
Bank loan	-	-	-	-	-	-	-
	17,694	(18,259)	(15,703)	(432)	(670)	(912)	(542)

31 March 2025

Non-derivative financial instruments

Group	Carrying amount £000	Contractual cash flow £000	6 months or less £000	6-12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Trade and other payables	12,791	(12,791)	(12,691)	-	(100)	-	-
Provisions	644	(644)	(644)	-	-	-	-
Lease liabilities	1,783	(2,070)	(426)	(384)	(579)	(580)	(101)
Bank loan	1,450	(1,669)	(403)	(399)	(787)	(80)	-
	16,668	(17,174)	(14,164)	(783)	(1,466)	(660)	(101

25 Notes to the cash flow statement

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Year to 31 March 2026

	1 April 2025 £000	**Financing cash flows £000**	**New leases £000**	**Lease disposal £000**	**31 March 2026**
Secured bank loans	1,450	(1,450)	-	-	**-**
Lease liabilities recognised under IFRS 16	1,301	(712)	1,671	(24)	**2,236**
Hire purchase loans classed as lease liabilities	482	(234)	-	-	**248**
Other loans	-				
Total liabilities from financing activities	3,233	(2,396)	1,671	(24)	**2,484**

Year to 31 March 2025

	1 April 2024 £000	**Financing cash flows £000**	**New leases £000**	**Lease disposal £000**	**31 March 2025**
Secured bank loans	3,150	(1,700)	-	**-**	**1,450**
Lease liabilities recognised under IFRS 16	1,393	(524)	432	**-**	**1,301**
Hire purchase loans classed as lease liabilities	570	(88)	-	**-**	**482**
Other loans	64	(64)	-	**-**	**-**
Total liabilities from financing activities	5,177	(2,376)	432	**-**	**3,233**

The Group reported proceeds from the issue of share options of £nil (2025: £5,000) and equity dividends paid of £482,000 (2025: £275,000) in cash flows from financing activities. No financial liabilities in relation to these cash flows were recorded on the Group's balance sheet at 31 March 2026 or at 31 March 2025.

26 Leasing

Leased assets where the Group is a lessee:

The balance sheet includes the following amounts relating to leased assets where the Group is a lessee:

	Group		Company	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Right of use assets				
Land and buildings	**1,612**	789	**437**	24
Fixtures and fittings	**5**	5	**-**	-
Motor vehicles	**621**	549	**30**	48
Plant and equipment	**15**	-	**-**	-
	2,253	1,343	**467**	72
Net book value of PPE held under leases				
Fixtures and fittings	**2**	9	-	-
Plant and equipment	**5**	6	-	-
Motor vehicles	**417**	651	-	-
	424	666	**-**	-
Lease liabilities				
Current	**898**	727	**101**	31
Non-current	**1,586**	1,056	**364**	37
	2,484	1,783	**465**	68

Additions to right of use assets during the year amounted to £1,527,000 (2025: £432,000). Remeasurements to right of use assets during the year amounted to £144,000 (2025: £nil). Disposals to right of use assets during the year had net book value of £28,000 (2025: £nil).

The Consolidated Statement of Comprehensive Income includes the following amounts relating to leases assets where the Group is a lessee:

	Group		Company	
	2026	2025	**2026**	2025
	£000	£000	**£000**	£000
Depreciation charge on right-of-use assets				
Land and buildings	**379**	216	**98**	27
Fixtures and fittings	**4**	5	**-**	-
Motor vehicles	**348**	306	**18**	23
Plant and equipment	**1**	**-**	-	-
	732	527	**116**	50
Depreciation charge on PPE held under leases				
Fixtures and fittings	**1**	2	**-**	-
Plant and equipment	**1**	1	**-**	-
Motor vehicles	**143**	210	**-**	-
	145	213	**-**	-

Amounts charged for interest implicit on leases for the Group are set out in note 9.

26 Leasing *(continued)*

Leases are repayable as follows:

Group	Minimum lease payments 2026 £000	Minimum lease payments 2025 £000	Present value of minimum lease payments 2026 £000	Present value of minimum lease payments 2025 £00
Amounts payable under lease contracts:				
- within one year	**926**	811	**840**	727
- after one and within five years	**1,581**	1,158	**1,254**	960
- after five years	**542**	101	**390**	96
	3,049	2,070	**2,484**	1,783
Less: future finance charges	**(565)**	(287)		
Present value of lease obligations	**2,484**	1,783		

Company	Minimum lease payments 2026 £000	Minimum lease payments 2025 £000	Present value of minimum lease payments 2026 £000	Present value of minimum lease payments 2025 £00
Amounts payable under lease contracts:				
- within one year	**101**	34	**94**	31
- after one and within five years	**291**	44	**230**	37
- after five years	**239**	-	**141**	-
	631	78	**465**	68
Less: future finance charges	**(166)**	(10)		
Present value of lease obligations	**465**	68		

Leased assets where the Group is a lessor:

Materials handling equipment is leased out under contracts that are broadly evenly split between short-term hires of less than one year and longer-term hires. The net book value of materials handling equipment at 31 March 2026 and 31 March 2025 included within plant and equipment is set out in note 12.

The Group considers that these leases do not transfer substantially all of the risks and rewards of ownership of the assets to the lessees and consequently these assets are included within plant and equipment in the Consolidated Balance Sheet.

26 Leasing *(continued)*

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	Minimum lease payments	
	2026	2025
Group	**£000**	£000
Less than one year	1,062	974
After one and within two years	892	830
After two and within five years	1,267	1,389
After five years	26	38
	3,247	3,231

Revenue from the Group acting as a lessor of materials handling equipment included within the Consolidated Statement of Comprehensive Income in the year was £1,685,000 (2025: £1,526,000).

27 Capital commitments

The Group has made commitments for capital expenditure of £404,000 (2025: £322,000) for which no provision has been made in these financial statements.

28 Related parties

Group

Identity of related parties with which the Group has transacted

The Group is controlled by its shareholders.

The Company had a related party relationship with its subsidiaries and with its Directors and Executive Officers.

Transactions with key management personnel

Directors of the Company and their immediate relatives controlled 0.3% (2025: 6.5%) of the voting shares of the Company at the balance sheet date.

The compensation of key management personnel (including the Directors) is as follows:

	Group	
	2026	2025
	£000	£000
Key management emoluments excluding social security costs	**873**	786

During the year the Company paid a final dividend of 2.5 pence per ordinary share (2025: 2 pence) and a special dividend of 1 pence per ordinary share (2025: nil pence). The amount paid to key management personnel based on their holdings of the Company's ordinary shares was £31,000 (2025: £18,000).

28 Related parties *(continued)*

Group

The following transactions were undertaken with entities in which some of the Directors have a vested interest.

2025	Wensley Roofing Limited DPS £000
Balance as at beginning of year	-
Purchases	275
Settled	(275)
Balance as at end of year	-

K Soulsby is a member of Wensley Roofing Limited DPS, a pension scheme for certain current and former Directors of Wensley Roofing Limited. Wensley Roofing Limited DPS owns land and buildings at Station House, Station Road, Chester-Le-Street, DH3 3DU leased to Wensley Roofing Limited.

2026	SRC Consultancy Limited £000
Balance as at beginning of year	10
Purchases	207
Settled	(207)
Balance as at end of year	10

SM Roberts, a director of the parent company, is a director and shareholder of SRC Consultancy Limited.

2026	Carr Consultancy Ltd £000
Balance as at beginning of year	4
Purchases	49
Settled	(53)
Balance as at end of year	-

SA Carr, a director of the parent company, is a director and shareholder of Carr Consultancy Ltd.

Other related party transactions in the year totalled £nil (2025: £nil).

Trading transactions with subsidiaries – Parent Company

The Group manages its finances and bank facilities on a Group-wide basis and periodically receives dividend income from subsidiaries (£11,888,000 in the year ended 31 March 2026, £nil in the year ended 31 March 2025). Amounts owed by and to subsidiary undertakings of the Parent Company are disclosed in notes 17 and 20 respectively.

Share options in the Parent Company are granted to employees of subsidiary companies. Details of the share options are included in note 22 to the financial statements.

29 Accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Measurements of the recoverable amounts of cash generating units containing goodwill

This requires the identification of appropriate cash generating units and the allocation of goodwill to these units as well as subsequent annual assessments of impairments thereof. Details of the estimation techniques used are set out in note 13 to the financial statements; these estimation techniques require assumptions in the preparation of budgets and forecasts, estimates of future growth rates and discount rates.

Revenue and profit recognition on contracting activities

The Group recognises revenue and profit in accordance with IFRS 15, based on the allocation of the customer contract price to distinct performance obligations and recognising when the performance obligations are satisfied, along with estimation of future losses on the rare occasions when contracts are forecast to be loss-making. Variations during the course of contracts are taken into account but invariably are only finalised at completion. This can lead to previous estimates being amended which may have an impact on the final profit or loss to be recognised on the contract. Details of trade and other receivables are set out in note 17 to the financial statements.

Incremental borrowing rates applied to calculate lease liabilities

The Group has used the incremental borrowing rate to calculate the value of the lease liabilities relating to its lease liabilities recognised under IFRS 16. The discount rate used reflects the estimated risks associated with borrowing against similar assets by the Group, incorporating assumptions for similar terms, security and funds at that time.

The carrying amounts of such liabilities is disclosed within note 26.

Share-based payments

The determination of the fair values of share options has been made by reference to the Black-Scholes model. The input with the greatest amount of estimation being the volatility of the company's share price which has been derived using historic data. Other key inputs are set out in note 22.

Onerous lease provision

The group has a leased property that was vacated during the year. Although efforts are ongoing to secure a new tenant, as at the year-end the lease has been assessed and classified as onerous. A provision has been recognised for future non-rental costs associated with the lease.

30 Off balance sheet arrangements

There are no parties with whom the Group or Company has contractual or other arrangements that are considered material to the Group or Company's financial position other than those arrangements disclosed in the financial statements.

Alternative performance measures

The Group uses Adjusted Operating Profit, Adjusted EBITDA, and Adjusted EPS as supplemental measures of the Group's profitability, in addition to measures defined under IFRS, and these items are discussed in the Chief Executive Officer's Report. The directors consider these useful due to the exclusion of specific items that could impact a comparison of the Group's underlying profitability, and is aware that shareholders use these measures to assist in evaluating performance.

The adjusting items for the alternative measures of profit are either recurring but non-cash charges (amortisation of acquired intangible assets), one-off non-cash items, or significant one-off items (tender offer costs, loss-making contracts in Arcas, both of which are discussed further in the Chief Executive Officer's Report).

Adjusted operating profit is calculated as below:

	2026 £000	2025 £000
Operating profit (as reported)	**5,134**	3,385
Amortisation of intangible assets arising on acquisitions	**-**	10
Costs associated with the closure of H Peel & Sons Limited	**-**	444
Costs associated with onerous lease provision	**137**	-
Exceptional profit on contract in Building Services division	**(1,506)**	-
Adjusted operating profit	**3,765**	3,839

Adjusted EBITDA is calculated as below:

	2026 £000	2025 £000
Adjusted operating profit (as above)	**3,765**	3,839
Depreciation of property, plant and equipment	**1,025**	1,003
Depreciation of lease assets	**732**	527
Adjusted EBITDA	**5,522**	5,369

Adjusted basic and diluted earnings per share is presented in note 11 above.

J Lister Electrical Ltd - Nurse Call System, Leeds Teaching College, Leeds Health Trust

Wensley Roofing - Cosins, Vest Construction, Almshouses & Pemberton, Durham

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ARCAS BUILDING SOLUTIONS

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J LISTER ELECTRICAL Est 1973

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