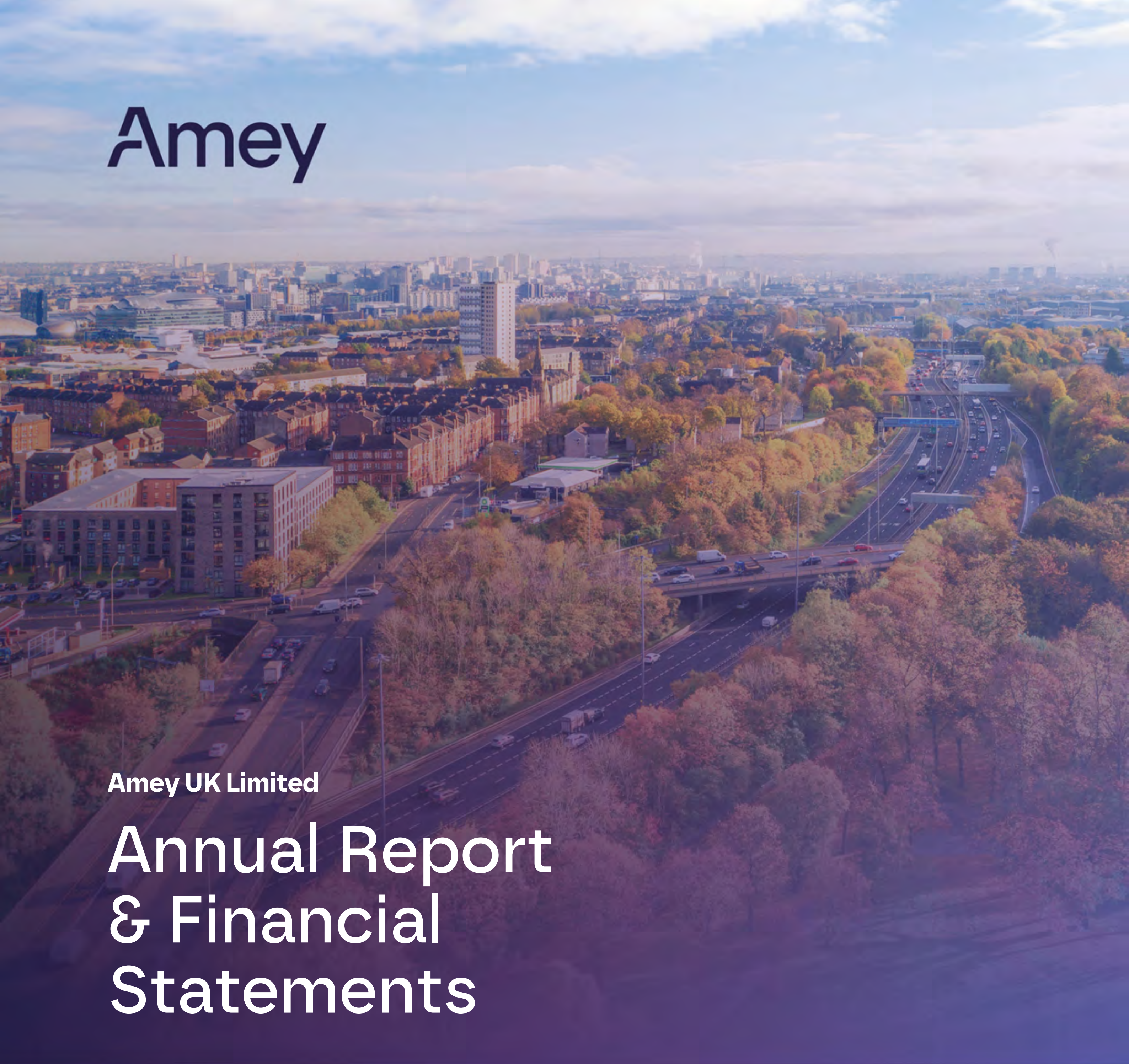

Amey UK Limited

Annual Report & Financial Statements

Year ended 31 December 2024

Company number: 04736639

Contents

Group Information

About Amey

Amey provides full lifecycle engineering, operations and decarbonisation solutions for transport infrastructure and complex facilities.

We use data, technology and analytics to enhance and optimise our service delivery, as well as to support our clients' Net Zero ambitions. Amey also behaves responsibly, ethically and sustainably in all its activities, prioritising the communities it serves and the wellbeing of its people.

As an engineering and digital group delivering critical services across built environment and transport infrastructure, we recognise the important part we play in supporting the UK's drive towards sustainability and decarbonisation.

Our purpose is to deliver sustainable infrastructure that enhances life and protects our shared future, underpinned by five timeless values:

- We put safety first, always – Putting safety first, every day, for everyone, with zero exceptions
- We bring the best – Every day, we strive to bring the best version of ourselves to our work
- We win as one – Our culture of cross-company teamwork and shared expertise creates more value for our clients, our people and end users of our services
- We are inspired by insight – We innovate, inspire and deliver better solutions through robust data and new insights combined with our deep personal expertise
- We look after each other – We treat each other with care, respect and honesty in every interaction

Directors

C B Moynihan, Chairman
N W Gee
C Ahrens
A Kusurin
M R Chaichian
J Lawrie
P C Charrington
A L Milner
J A Connolly
A L Nelson

Company Secretary and registered UK office

J Bowie, Chancery Exchange, 10 Furnival Street, London EC4A 1AB, United Kingdom

Company registration number

04736639

Company address

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Bankers

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Auditor

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Website

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'Amey' or the 'Group' is defined as being the Amey UK Limited group of companies

Chief Executive Officer's Foreword

Amey delivered strongly against its strategic objectives in 2024, demonstrating a strong financial performance despite external global challenges.

Andy Milner
Chief Executive Officer

Amey delivered strongly against its strategic objectives in 2024, resulting in a highly positive financial performance unimpeded by external global developments. We further consolidated our position within the UK and began to re-establish ourselves overseas. Operating profit grew strongly at £116.2 million before exceptionals for 2024 (2023: £87.0 million) demonstrating resilience through economic and political upheaval, proving the strength of our operating model and strategy. Amey remains optimistic about the future as its order book continues to build with £7.8 billion in the pipeline, providing a high level of confidence and stability going forward. Business units performed broadly in line with expectations and proved that the infrastructure market remains robust, and is seen as a critical area of investment to achieve economic growth.

Amey is an established leader in its core markets and retains a prime position as a Tier 1 strategic partner to the Government. Our substantial tranche of new framework awards gained this year included being one of the partners in the biggest transport infrastructure contract to come to the market in 2024, the £800 million Transpennine Route Upgrade (TRU).

Working as One Amey

Our successes have been enhanced by our strong multi-disciplinary offer, cross-selling services from the wider Group portfolio as we work increasingly as One Amey. This gives us the ability to provide whole lifecycle infrastructure services to our clients, from concept to end-of-life assets. This has been supported by the development of new knowledge and information management tools and a CRM database that enables better key account management and collaborative working.

Amey's reputation for full lifecycle expertise was consolidated with the completion of the Core Valley Lines in South Wales, delivering new transport solutions linking the communities of the Welsh Valleys to the major conurbations in and around Cardiff, driving economic growth, social opportunity and community prosperity. Amey also completed its work on one of London's biggest projects, the Thames Tideway, with this capability coming on stream early in 2025. As the core systems integrator, this milestone underscores Amey's engineering expertise in managing complex infrastructure projects and reinforces its commitment to sustainable urban development.

Environment, social and governance (ESG)

Our strong commitment to ESG continues to underpin all we do. Amey is a signatory to the UN Global Compact and uses this model to consider the value of our ESG actions. Our ESG strategy focuses on accelerating the change to a resilient and low carbon future, engaging communities and investing in people. The Company

Chief Executive Officer's Foreword continued

aims to track social and economic value, strengthen community engagement, improve safety and add social value within all the services we provide. Amey is committed to championing a safe and progressive workplace, enhancing behavioural safety and building on its Wellbeing and Inclusion Strategy.

Transport Infrastructure

Our Transport Infrastructure (TI) business remains committed to supporting Network Rail as it moves into CP7, and our other rail and highways partners. We recognise and are responding to our clients' desire to improve the end user travel experience across all modes of transport. The collaborative partnerships between TI and our Consulting business enable Amey to design and deliver fully integrated systems, smoothing the customer journey. As well as our success with the additional substantial award on the TRU, Amey was also awarded places on two Eastern Routes Partnership frameworks with Network Rail, with an expected value of up to £202 million. Our joint venture with KeolisAmey secured a new eight-year £261 million contract with Transport for London (TfL) to continue running the Docklands Light Railway.

On highways, we continue to develop innovative ways to deliver core services more effectively and with fewer carbon emissions. Around 50% of Scotland's motorway and trunk road network and approximately 25% of England's motorway and trunk road network are now managed by Amey.

Consulting

Our Consulting business faced some economic headwinds but continued to build its position as a strategic partner for Network Rail. The £800 million additional contract for the TRU has implications for Consulting, as well as TI, using our consolidated model. Consulting has also been reappointed as a delivery partner for National Highways' Digital Lab after delivering savings of £30 million over three years, marking the fourth year we have supported National Highways' digital transformation. Consulting also continued to develop work in the aviation sector, for example with a partnership with Edinburgh Airport.

Complex Facilities

For our Complex Facilities business, the strength of our relationships with existing clients and our ability to respond to emerging challenges contributed to significant organic growth in 2024 and the award of the hard FM provision at HMP Lowden Grange, as part of our existing contract with the Ministry of Justice.

Growth in adjacent markets

We are actively working with partners to optimise opportunities to grow our presence in the energy sector with asset management and other support services and to widen our defence sector support capabilities.

Elsewhere, our public estates team will pursue higher education, local authority, blue light and NHS opportunities anchored to our current operational footprint.

Decarbonisation and energy efficiency

During 2024 we further developed our decarbonisation and energy efficiency capabilities and early in 2025 launched new services to clients operating in the built environment. We use artificial intelligence, data, modelling and analysis to identify opportunities for carbon usage reduction and better energy efficiency, as well as advising on behavioural change. The business will help clients in defence, justice, education, highways, and health sectors turn strategic plans into practical actions that deliver value for money, save energy and enhance positive environmental impact.

These activities complement our sector leader experience in rail electrification and zero-carbon road building. In the transport space we are also working with our local authority clients to develop capabilities to install and maintain EV charging infrastructure.

International opportunities are a key focus, and we won contracts in target areas, including the Bahamas. Our first contract in the Republic of Ireland will see us deliver technical consultancy services to the value of €5 million for Roscommon County Council after its appointment to the joint Local Authorities and Transport Infrastructure Ireland (TII) 372 Technical Consultancy Services framework. Australia and the United States remain strong targets, and early in 2025 our Consulting business opened a new office in the New York area.

Public private partnerships

Amey has a strong track record in public private partnerships, having successfully bid for and operated over 20 complex projects, and retains the capability, skills and financial relationships to manage this complexity. As the first of our early PFI contracts now begin to come to the end of their life, we have led the way in designing a smooth transition to new operating models. With Walsall Council's street lighting PFI contract, Amey collaborated closely with the Council to manage this transition effectively, setting a pathway to the future management of such contracts and helping to deliver ongoing client benefits and the long-term sustainability of services.

Amey has also re-established its investment division to help finance current and future demand for new and sustainable infrastructure both in the UK and overseas. The investment division will be supported by Amey's engineers, analysts and data scientists, collecting and analysing accurate technical data to de-risk investments and help Governments go further to meet their sustainable infrastructure and Net Zero commitments.

Chief Executive Officer's Foreword continued

Capital structure

In the year we refinanced and refined our Revolving Credit Facility to £125 million. This allowed us to optimise our capital structure with the banks, supported by a group of market-leading financing providers, whose support is appreciated by Amey management and our shareholders, Buckthorn Partners and One Equity Partners. This represents the completion of the carve-out process from previous owners Ferrovial.

Environment

As a leading provider of infrastructure solutions, we play a vital role protecting the natural environment, supporting communities and contributing to economic prosperity.

Launched in 2023, our ESG strategy is built on the core pillars of Environment, Social and Governance (ESG). It sets out three key goals:

- To accelerate the change to a resilient and low carbon future
- To enhance the wellbeing of the people and communities we impact
- To achieve sustainable and responsible growth

Throughout 2024, Amey made significant strides in environmental sustainability. We launched Planet+, our internal engagement plan for employees to understand the part they must play in helping achieve our environmental goals. We also strengthened and formalised our ESG reporting structures. In 2024, we achieved PAS 2080:2023 asset manager and construction in addition to maintaining PAS 2080:2023 designer certification from the British Standards Institution (BSI). This cements our industry-leading position in offering clients full project lifecycle carbon reduction.

We are also taking further steps to bring our suppliers on this journey, including our large number of SMEs and VCMEs. Early in 2025 we launched our new supply chain guidance documents designed to set new standards in the management of our suppliers and help support the reduction in Scope 3 emissions.

Digital and AI

Artificial intelligence (AI) is becoming increasingly important to the management of critical national infrastructure as we search for better economic, social and environmental outcomes from limited public investment. Given its immense capability for delivering operational efficiencies and expediting decision-making processes, AI is already at the forefront of the plethora of digital tools that infrastructure professionals rely on. Of particular value is its ability to combine with, and augment, the power of other digital technologies such as data analytics.

We are further adapting our systems integration, digital and data services in recognition of the increasingly complex and multi-disciplinary challenges faced by clients. We prioritise leading edge and innovative solutions for clients across data management and analytics, systems and processes, performance analytics and operational technology.

In December 2024, Amey was selected to work directly with Microsoft experts at their Munich-based European Centre for AI to develop a prototype for an AI-enabled Knowledge Bank.

Health and safety

Amey's commitment to health and safety resulted in significant improvements in 2024. We achieved a 25% improvement in the Reporting of Injury, Disease and Dangerous Occurrence Regulations (RIDDOR), an 18% improvement in Lost Time Injury Rates (LTIR) and a 20% reduction in High Potential (HiPo) incidents. Our robust health and safety culture is reflected in the 22,565 close calls reported. We continue to innovate to find new ways to keep our people safe.

People

We continue to strengthen our employee value proposition, Inspiring Impact Together, and support a diverse workforce. This was recognised by Investors in People, which gave Amey a platinum award early in 2025, the highest accolade this organisation can bestow.

During 2024, Amey implemented various initiatives to support our employees and underscore our commitment to diversity and inclusion. Specific examples of these efforts include:

- We brought more structure to our internal affinity group network with the creation of a Unity Group to co-ordinate activity and ensure alignment with our business objectives
- We launched the Multicultural Leadership Development Programme to nurture future leaders within the organisation. This programme offers training, coaching and project assignments designed to develop leadership skills and strategic thinking. It builds on the already well-established Women in Leadership Development Programme
- Our wellness initiatives include the introduction of mental health support services and flexible working arrangements. We offer access to counselling services to promote overall wellbeing
- We enhanced our comprehensive skills development programme aimed at developing the technical and leadership capabilities of our employees. This includes online courses, workshops and mentorship schemes to ensure continuous learning and growth

Chief Executive Officer’s Foreword continued

Social value

Our commitment to diversity and inclusion was reflected in the launch of external initiatives such as Journey to Work, which supports the employment of people from underrepresented groups, and the continuation of our Clean, Rehabilitative, Enabling, Decent (CRED) programme, which helps prisoners reintegrate into society through upskilling while in prison, the creation of job opportunities and broader skills development. Amey has now expanded this initiative into 62 prisons and is working with the Ministry of Justice to explore expanding this further.

Community engagement

We are actively involved in community projects and supporting school STEM programmes. We have continued our partnership with CRUK, raising more than £100,000 for the charity in 2024. These efforts contribute to enhancing the quality of life in the communities we serve. We continue to build on these achievements. For example, we are relaunching our schools challenge, She Solves It, which encourages young females to consider a career in a STEM profession.

Our dedication to supporting our people and communities, along with our focus on environmental sustainability, has been pivotal in achieving our strategic goals. We remain dedicated to creating a positive impact for our clients, employees and the planet.

Awards

Our skills were recognised by respected industry awards including the Chartered Institution of Highways & Transportation (CIHT) Creating Better Places award, focused on sustainability, supporting community and improving the environment, and the Association for Consultancy and Engineering (ACE) Best Transport Project award for our Liverpool City Centre Connectivity project. We were again recognised for environmental excellence, winning the International Green Apple Environment award for our work on the A533 Bridge Replacement Scheme in Cheshire.

Amey was recognised once again by Good Business Pays as one of the winners of the 2024 Fast Payers award. This prestigious accolade is awarded to companies that consistently demonstrate excellent payment practices. Amey’s commitment to these practices places us among an elite 5% of large UK companies achieving this standard, according to data submitted to the Department for Business and Trade.

Looking forward

As we move into 2025, our focus is on key activities that support our strategy of developing integrated services across our businesses. We want to continue to grow and diversify our intelligent asset management capabilities, accelerate our analytics capabilities and embrace AI in the development of digital solutions.

We will continue to focus on energy transition and decarbonisation services with the aim of adding value and reducing costs to our clients. We anticipate climate change means that infrastructure resilience will become an even more important imperative in the management of assets going forward. Amey’s data maturity and analytics skills will make managing and extending the life of infrastructure feasible in a way not previously possible.

The uncertainty around future UK Government infrastructure strategy and ongoing global upheaval means agility and innovation will be critical to our future success. Value for money and extending the life of assets are high on the priority list for Governments. Amey’s capabilities mean we are well placed to take advantage of opportunities as they arise.

We expect to complete some M&A activity in 2025, enabling us to establish ourselves in targeted geographies beyond the UK and, through the export of proven data analytics and advisory services, establish ourselves in other key new geographies.

Our ongoing dedication to professional development will ensure that our employees continue to grow and succeed. We will also continue to advance our diversity and inclusion efforts, particularly through programmes like Journey to Work and the CRED initiative. Our community engagement projects will further expand, with new initiatives aimed at enhancing educational opportunities and fostering a sense of community.

Amey's achievements in 2024 set a strong foundation for the future. Our strategic activities for 2025 are geared towards sustaining this momentum and ensuring that we continue to make a positive impact in all areas of our operations.

Andy Milner

Andy Milner
Chief Executive Officer
30 May 2025

Business Unit Overview

Summary

	Group revenue 2024 £'m	Operating profit 2024 £'m	Group revenue 2023 £'m	Operating profit 2023 £'m
Consulting	181.2	16.8	203.8	22.5
Transport Infrastructure	1,040.5	37.2	1,128.5	32.0
Complex Facilities	590.1	30.0	503.5	24.0
Rest of Group and Central Services	87.0	(2.3)	78.5	(4.1)
Inter-segment revenue elimination	(145.0)	—	(188.8)	—
Non-core	96.7	34.5	107.3	12.6
	1,850.6	116.2	1,832.9	87.0

The information above is in respect of continuing business only and does not include exceptional items. See note 2 of the financial statements for full analysis.

The Group's activities are split into the following reportable business units. These have been determined based on the nature of the contracts and clients. Operations and management and shareholder reporting are managed according to these business units.

Consulting
Provides design, advisory and analytics services including data-led, sustainable infrastructure design and asset management.

Transport Infrastructure
Manages, protects and improves the UK's roads and railways.

Complex Facilities
Delivers critical facilities management, asset condition, energy reduction and decarbonisation projects across the health, education, defence and justice sectors.

Rest of Group and Central Services
Management of the Group's investment in PFI/PPP joint ventures and administrative support for the Group's operating segments.

Non-core
Legacy contracts which do not form part of our current service offering and which are to be operated to completion.

The following terms are used in the Business Unit Overview:

Bid rate by value: this is a measure of bids won in comparison to total bids entered, by reference to the contract value in GBP

Bid rate by volume: this is a measure of bids won in comparison to total bids entered, by reference to number of bids

Consulting

Our integrated engineering, design and digital consultancy service delivers full lifecycle engineering and decarbonisation solutions across our rail, highways, energy transition and sustainability, and advisory and analytics markets.

With a 1,900-strong team, this market-leading service operates from 15 UK locations and services more than 50 live contracts. Combining this unique consultancy, advisory and design expertise with our recognised operational capability secures our position as a first-choice service provider for transport networks, infrastructure clients and complex facilities owners and operators.

Overview

Our Analytics and Advisory teams add value across all our contracts, solving challenges in complex operational environments and enhancing asset lifecycles and outcomes. This includes expertise in identifying unique cutting-edge innovation opportunities and designing, delivering and sustaining digitally enabled performance gains.

Combined with our operational capabilities, our consulting expertise supports clients including National Highways, Network Rail, Thames Tideway, Transport for Wales (TfW) and Heathrow airport. We also provide specialist end-to-end design and supervisory services for Transport Scotland and Northern Ireland's Department for Infrastructure as well as central and local government.

In 2024, Consulting launched a transformation programme designed to enhance our position in the marketplace and create new opportunities for our people. Key changes included a new operating model and business stream, Energy Transition and Sustainability. This facilitates greater collaboration with our Complex Facilities and Transport Infrastructure teams, creates an unrivalled offer for clients and secures our position at the forefront of an emerging sector.

Our new Belfast office – inaugurated by John O'Dowd, Minister for Infrastructure, Northern Ireland – marks a major milestone in Amey's growth in Northern Ireland and further strengthens our commitment to creating and delivering sustainable, high quality infrastructure solutions tailored to the Northern Ireland economy.

A new Leadership Development Programme launched in 2024 supports ambitious team members to become future business leaders. The two-year programme provides structured development, dedicated support and mentoring along with masterclasses delivered by industry leaders.

Our expertise was recognised by respected industry awards including the Chartered Institution of Highways & Transportation (CIHT) Creating Better Places award focused on sustainability, supporting community and improving the environment for our Liverpool City Centre Connectivity project. A collaboration with Liverpool City Council, the project created new public spaces, cycle routes and blue-green infrastructure, and reconfigured bus networks to enhance the environment and improve the flow of sustainable and active travel options in the city centre.

New contracts have been secured across core and new sectors, and we have won further work on existing frameworks and extensions on major projects. This includes £800 million of further work on the existing Transpennine Route Upgrade West Alliance (TRUWest) project. This next phase includes a range of multi-disciplinary railway upgrades between Huddersfield and Leeds that will transform journeys by bringing more frequent, more reliable and greener travel to this key route.

A new £35 million contract with Northern Ireland's Department for Infrastructure (DfI) Transport and Road Asset Management (TRAM) will see us deliver a wide range of civil engineering consultancy services. We have also been reappointed as a delivery partner for National Highways' Digital Lab after delivering savings of £30 million over three years. We have supported National Highways' digital transformation since 2020, accelerating data-driven approaches across all directorates and developing new internal Decision Support Tools that promote predictive maintenance, improve efficiency and drive cost savings of over £60 million.

Recognised for our leadership in delivering cutting-edge environmental and sustainability solutions, Amey will play a key role supporting Network Rail's Environmental Sustainability Strategy and deliver its vision of serving the nation with the cleanest, greenest mass transport. As part of its Northwest and Central Region Environmental and Professional Services Framework, Amey's expertise will support Network Rail in its drive to reduce emissions, improve biodiversity and reduce waste. It will also support the drive to maximise the recycling and re-use of resources across the full lifecycle of Network Rail programmes. Our expertise will also help Network Rail deliver a railway that is reliable and resilient to climate change.

A new £30 million contract with the Department for Infrastructure (DfI) Rivers – the drainage and flood defence authority for Northern Ireland – will see us deliver water, engineering and network resilience services for up to five years. This includes designing and delivering structural improvements to watercourses such as culverts and open channels, flood and sea defences including dams and seawalls, control structures and reservoirs. We will also deliver alternative flood risk management schemes.

Key facts and financial results

Revenue

£181.2m

(2023: £203.8m)

Operating profit

£16.8m

(2023: £22.5m)

£151m

order book at the end of 2024

1,900

employees

Key contract wins and renewals in 2024

- Transpennine Route Upgrade West Alliance (TRUWest) project, securing £800 million of work from the £2 billion contract
- £35 million contract with the Department for Infrastructure (DfI) Transport and Road Asset Management (TRAM), the authority responsible for Northern Ireland's transport network, to deliver a wide range of civil engineering consultancy services
- Reappointed as delivery partner to National Highway's Digital Lab following the delivery of c. £30 million savings over three years
- £30 million contract with the Department for Infrastructure (DfI) Rivers
- Northwest and Central Region Environmental and Professional Services Framework. Amey's expertise will support Network Rail in its drive to reduce emissions, improve biodiversity and reduce waste
- A range of infrastructure projects for the Bahamas Government, maintaining connectivity and providing transport network resilience and also including funding and finance opportunities

Case Study

Thames Tideway: Developing and protecting our infrastructure

Amey's involvement in the £4.3 billion Thames Tideway super sewer system is testament to its position as a market leader in the design, construction and installation of cutting-edge solutions for major infrastructure projects.

The 25km super sewer runs under London from Acton to the Thames Estuary. It will capture and store almost all the sewage and rainwater that currently flows into the estuary, protecting the environment and returning the Thames to a clean and thriving environment.

Amey's involvement includes the delivery of the Supervisory Control and Data Acquisition (SCADA) system for the Tideway. This regulates the gravity feed of effluent from West to East at a rate that can be processed by the plant at Beckton. Sensors measure the levels in each section and the system controls the flow by opening and controlling penstocks (sluice gates) at 21 locations along the length of the sewer to regulate the flow of effluent.

We have also designed a vital new discharge monitoring system for the Port of London Authority. Here our technical and operational expertise delivers huge green dividends, reducing discharges into the river to a maximum of four a year, down from 50.

Amey is also delivering System Integration works for the Tideway Tunnel – the UK's second largest capital delivery project – and will provide the operational technology and two control rooms to monitor, operate and control tunnel operations. We also lead on cyber security policies for this critical infrastructure.

Amey's combined contracts for the Tideway project are worth £6.85 million in 2024.

Business Unit Overview continued

Consulting continued

Financial review

The end of 2024 saw a strong order book of £151 million. Our focus on high value, multi-disciplinary contracts across rail and highways delivered 9% operating margin on revenue of

£181.2m

(2023: £203.8m)

Shifts in the external market, including delays to major projects and frameworks coming to market, have impacted work winning compared to 2023. However, our Consulting team shows a strong

£16.8m

operating profit in 2024 (2023: £22.5m)

Our bid rate was

77%

by volume and

25%

by value

Growth

Expansion of Amey's Consulting business is integral to our unique market-leading end-to-end capability in planning, designing, delivering and operating a wide variety of infrastructure and assets. And experience as an asset operator brings valuable insight and expertise to our consulting capability and provision of analytical, advisory and design services rooted in practicality.

We play a leading role in the design of some of the UK's largest rail and road infrastructure projects. And our Analytics and Advisory business continues as systems integrator on the ground-breaking Thames Tideway 'super sewer' project.

In 2024 we launched a new strategy to underpin our ambitious growth targets. Implementation of these strategic priorities is underway, supported by organisational changes and improvements to work winning and key client management.

Expansion of our international business continues, with a focus on the Republic of Ireland, the Americas and the Caribbean. In 2024, Consulting won a place on the first design framework for Transport Infrastructure Ireland. Further afield, we secured a partnership with the Ministry of Works in the Bahamas.

Here Amey will provide advice and support to the Bahamas Government on a range of infrastructure projects aimed at maintaining connectivity and providing transport network resilience. We will also support Ministry of Works engineering and technical staff with training and career development. Our focus on developing new opportunities includes Australia and Canada. This sits alongside sector-specific growth ambitions including supporting energy and broader defence infrastructure.

Strategic ambition and priorities

We are further developing our systems integration, digital and data services in recognition of the increasingly complex and multi-disciplinary challenges faced by clients. We prioritise leading edge and innovative solutions for clients across data management and analytics, systems and processes, performance analytics and operational technology. One example is our continued involvement with Network Rail and the provision of our rail suite of products to help Network Rail improve passenger journeys.

Expansion of our energy transition and sustainability services continues, underpinned by a new business stream and collaboration with our specialist Complex Facilities teams. This is further supported by organic growth and strategic acquisitions. Our integrated service offer covers the design, development and management of sustainable energy infrastructure and services for large and complex estates.

The breadth and depth of our multi-disciplinary capabilities across complex facilities, highways and rail secure our position as a market-leading provider of critical maintenance, renewal, upgrade and enhancement work to the UK transportation market. We continue to implement and elevate our consulting services with new and existing clients, bringing them cutting-edge data science, asset management and asset resilience programmes as well as supporting their low carbon goals through environmental design, planning and assessment services and funding and finance support.

The ongoing expansion of our capabilities and markets sits alongside our commitment to developing opportunities for our people through a variety of graduate and apprentice programmes and robust diversity and inclusion commitments.

Transport Infrastructure

The breadth and depth of our multi-disciplinary capability and 4,000-strong team of operational experts secure our position as a market-leading provider of critical maintenance, renewal, upgrade and enhancement work for the UK's transport infrastructure. Used by each and every one of us, these critical assets are vital to securing sustainable growth and supporting economic prosperity.

Overview

Our highways teams keep people moving, maintaining and enhancing local and strategic roads for National Highways, Transport Scotland and Northern Ireland's Department for Infrastructure as well as numerous local authorities. These important transport assets are vital to connecting communities with services and creating prosperity.

Specialist teams ensure a better experience for road users through cyclical and reactive maintenance, improved street lighting and winter maintenance services. Our services create easier journeys today and a positive legacy for the future. Recognised for our insight into public use of transport, we meet current and future needs through new infrastructure including electric vehicle points.

This insight, combined with our absolute commitment to supporting communities to thrive, also drives our work across the UK's rail network including the Transpennine and Core Valley Lines upgrades. Alongside these flagship projects, our renewal and enhancement contracts for rail clients keep essential rail infrastructure running smoothly. With joint venture partner Keolis, we operate light rail franchises on the Docklands Light Railway and Manchester Metrolink.

With our specialist consulting and design engineering capability, our expertise and innovation cover the full asset lifecycle and optimise investment. This expertise has been recognised with flagship contract wins in 2024.

Key facts and financial results

Revenue

£1,040.5m

(2023: £1,128.5m)

Operating profit before exceptional items

£37.2m

(2023: £32m)

4.8bn

order book at the end of 2024

4,200

employees

Key contract wins and renewals in 2024

- Awarded the largest infrastructure package ever issued by Network Rail, the Transpennine Route Upgrade W34 package worth £2 billion to the TRU West Alliance
- Awarded places on two Eastern Routes Partnership frameworks with Network Rail, with an expected value of up to £202 million
- Secured a new eight-year £261 million contract with TfL to continue running the Docklands Light Railway with Keolis
- Started our five-year £160 million extension with Staffordshire County Council to deliver its highways maintenance and management service

Digital innovation and smart technology transform Wakefield street lighting

A new digital street lighting solution for Wakefield is set to future-proof the city's energy consumption and deliver significant energy, carbon and cost savings.

Delivered in partnership with Wakefield MDC and supplier Signify, our innovative solution combines the City Touch Central Management System (CMS) and the Digistreet luminaire products and has seen 45,000 lanterns converted to LED technology. The solution's mobile communication network means that Wakefield can now remotely control all its lighting assets. The system's mobile communication network facilitates automated fault detection and remote dimming, and new lanterns offer increased performance, efficiency and reliability.

As well as delivering savings of £300k in maintenance costs, the project has delivered an 80% reduction in energy use. This is particularly significant against a backdrop of rising energy prices and sustained market volatility. It has reduced carbon emissions by 5,990 tonnes of carbon annually and 140,000 tonnes over the project life.

Real-time intelligence from the CMS allows for further economies, capturing savings from adjusting light times and levels on individual units. And automated fault detection reduces average repair times by 10% and removes the need for nighttime inspections, delivering safety, wellbeing and productivity benefits.

Business Unit Overview continued

Transport Infrastructure continued

Financial review

A stable, consistent operating model and high performance culture supported our ambitions for a strong performance in 2024. Again, we overachieved against these ambitions, generating revenue in excess of £1,040.5 million and an increase in operating profit of £5.2 million. There was a slight reduction in revenue in comparison to 2023 due to a delay in some works within frameworks being released.

In 2020, we set ourselves the challenging target of achieving 7.6% compound annual growth rate (CAGR). We have outperformed this every year and anticipate a CAGR of 8.9% at the end of this five-year strategic planning period.

We secured 17 bids worth more than £1.38 billion in 2024. This included two lots on Network Rail's Eastern Routes Partnership which will see us deliver maintenance and enhancement services for signalling and telecoms equipment as well as overhead line equipment. This will support more than one billion passenger journeys every year and one million tonnes of freight each week. This new five-year framework builds on 15 years' expertise in the Eastern region.

Our team also secured a further £800 million contract as part of the Transpennine Route Upgrade West Alliance (TRU West) project. Here we will deliver improved reliability through upgrading six stations and signalling infrastructure. The construction of nine new bridges and a viaduct will further enhance capacity and facilitate electrification. This work will promote prosperity, transform train travel for millions, improve air quality and drive down rail's carbon footprint.

Building on the successful ten-year track record of our joint venture with Keolis, 2024 saw us secure a new eight-year contract to operate and maintain the Docklands Light Railway (DLR). The expansion of our Developing Markets team will support further expansion of our rail infrastructure work both in the UK and overseas.

Our five-year extension with Staffordshire County Council began in 2024 and secures new improved service delivery for local communities. This sits alongside organic growth on many of our current contracts.

2024 also saw us launch our new electric vehicle (EV) charging infrastructure business. We believe this flexible and accessible offering will encourage a greater uptake of EVs, driving down emissions and supporting clients' green ambitions. Having secured places on a number of key frameworks, we expect to start installing our new charging networks in 2025.

Bid rate

£1,381m

won in 2024

44%

by value

65%

by volume

Growth

Both highways and rail markets remain resilient with ongoing investment from central government. Amey's strategic decision not to operate in major construction project delivery has protected it from revised Government priorities and reduced funding for a series of projects.

The long-term nature of our contracts sees more than 60% of work secured until 2028. Our latest four-year financial planning cycle has an ambitious target of over 5% compounded growth. This is underpinned by a strong pipeline of opportunities within our Rail and Highways business.

Network Rail continues to issue works packages from its £43.1 billion funding for CP7. We have prioritised these against our core capabilities and strategic growth areas. Some of these packages have been delayed by central government and work has been slow to materialise on the CP7 frameworks. We have engaged extensively with the new Government alongside industry partners to unlock investment as quickly as possible.

A strategic decision to grow our rail presence will reduce risk of over-reliance on one client. However, Network Rail remains a critical client in the UK. To further enhance this relationship, we have increased our involvement with other sub-regional bodies, devolved nations and railway operators and recognise the benefit of integrating capabilities to provide new solutions to the railway industry.

To further protect Amey from Government funding delays and re-prioritisation, our Developing Markets team has engaged with a range of clients across Ireland. Research has indicated a high level of committed investment from the Department for Infrastructure with established projects and programmes of work coming to market over the coming years. We expect to see the early outcome of tender responses in 2025. We have also engaged with Government, industry and client organisations, developing a pipeline of opportunities for further development in 2025.

Infrastructure funding for Scotland's strategic road network remains resilient. As one of the largest providers to Transport Scotland, we maintain and manage nearly half of Scotland's motorway and trunk road network and all its intelligent traffic systems. Building on this strong presence, we have taken increased responsibility for major scheme delivery including work on the Woodside Viaduct, a critical structure on the M8 connecting Glasgow to the rest of Scotland. Using Amey's consulting capability, we have introduced a key account management approach to further strengthen relationships and open up new opportunities.

Our key account management approach is also used with National Highways, and we remain its largest provider of maintenance and response services. By further improving our trusted relationships and providing market-leading operational and technical expertise, we are well positioned to work with National Highways as it considers future strategic road network funding. While recent Government decisions to stop some major projects do not affect Amey, we continue to advise National Highways in support of its development and investment proposals.

Many local authority highways maintenance contracts have been extended to their maximum procurement term and competitive tenders are now coming to market. Traditional highways maintenance contracts have become increasingly challenging as contract models and competitors drive these into a cost-driven approach. A 'lowest cost' rather than 'value added' outcome is not beneficial to our clients, the industry or the public. We are therefore highly selective in our targeting of local authority contracts. We will continue to take this robust approach in order to protect the financial position of the business.

Our diversification into EV charging infrastructure for local authorities further manages this risk. Here we see guaranteed external funding alongside attractive opportunities for private investment. With Amey's investment capability and vast experience of private-public finance initiatives in a range of sectors, we are well placed to provide a new, creative offering to the market and build on the frameworks we secured in 2024.

Strategic ambition and priorities

Our combined operational and technical expertise continues to drive innovative solutions to the benefit of communities nationwide. This infrastructure expertise unlocks opportunities for all and is a key component of economic growth.

Our clients and industries continue to work through the impact of the new Government's policy and investment agenda. We have established relationships with the Great British Railways (GBR) Transition Team, and we will continue our work with it to understand and advance rail reform. Our experience of vertical integration, particularly through the Core Valley Lines project with Transport for Wales, provides valuable insight into meeting the challenges of connecting train and track.

We remain optimistic about the Government's focus on a longer-term approach to planning and investment which will provide greater certainty to our clients. This supports value outcomes rather than simply driving down costs in the short term. Greater investment in highways infrastructure facilitates a welcome focus on whole-life asset management.

The breadth of our expertise combined with our commitment to the continual evolution of our core services and strong client relationships mean we remain best placed to deliver market-leading solutions. Our recent work with Walsall Council on the first PFI handback in the country has been a significant learning experience for both parties. This knowledge has been shared with the industry and Department for Transport to create a blueprint for effective future PFI handback contracts.

With our end-to-end experience of private finance, we are working with a range of clients and partners to secure future investment for projects and contracts nationwide. To minimise any potential risk from reliance on the UK market, we will seek opportunities with new clients with a particular focus on our data, digital and technology capabilities. Building on the launch of our EV business, we are investigating further opportunities to grow our technology offering.

We are exploring new services and products, such as our innovative PLC solution which provides an accessible and affordable approach to digital signalling. We continue to target new markets and territories including Ireland and Canada.

Complex Facilities

A trusted supplier of facilities and asset management services, our Complex Facilities teams deliver market-leading solutions that help government, public and private sector clients optimise their assets and manage their facilities effectively.

Overview

Our team of engineers, operational experts and energy specialists leverage technology, data and innovation to optimise the estates we maintain, positively impacting every stage of a building's lifecycle. Our expertise supports clients to achieve their Net Zero ambitions, increase service capacity and resilience, and enhance buildings and environments. We also ensure that clients get maximum benefit from lifecycle funds, and that they are future-proofed and well placed to adapt to changing needs and priorities.

The expertise of our 4,000-strong specialist team underpins everything we do, and we are focused on recruiting, vetting and training the very best, equipping them to work effectively in complex environments including schools, hospitals, defence sites and prisons. Front-line teams are supported by in-house experts and supply chain partners who innovate, accelerate change and deliver the strategic asset management solutions that our clients need.

Our focus goes beyond operational delivery, ensuring that our societal and environmental ambitions and those of our clients sit at the heart of what we do. Market-focused ESG strategies enhance communities, and benefit nature and biodiversity at a local level. But we also support individuals and communities through social recruitment and social enterprise engagement programmes.

Working with e50k, for example, we enhance military communities by creating a sense of unity. In our justice work, we have launched initiatives such as Journey to Work and CRED to support prisoners to develop skills and create employment opportunities. And across our education contracts the Department for Work and Pensions' SWAPs initiative provides a 'try before you buy' style employment pathway for those who have experienced long-term unemployment.

Leveraging our market-leading cross-sector knowledge, practical engineering expertise and data-informed skills, we are uniquely placed to help clients tackle today's complex challenges head on.

Key facts and financial results

Revenue

£590.1m

(2023: £503.5m)

Operating profit of

£30.0m

(2023: £24.0m)

£2.9bn

order book at the end of 2024

(2023: £2.7bn)

4,100

employees

Key contract wins and renewals in 2024

- Awarded hard FM provision at HMP Lowdham Grange as part of the existing Ministry of Justice Prisons contract which is currently extended until September 2026
- Appointed to support the Ministry of Justice with their RAAC assessment programme
- Working collaboratively with the Ministry of Justice to deliver works previously assigned to ISG following collapse of that business in September 2024
- Further decarbonisation activity rolling out primarily across schools and prisons

Supporting the UK Government's Net Zero goals

To support the UK Government's Net Zero goals, the Ministry of Justice (MOJ) and His Majesty's Prison and Probation Service (HMPPS) are focused on reducing energy consumption and costs across their prison estate.

Amey installed smart metering technology and automatic meter reading (AMR) to more accurately track energy usage and make data driven decisions to reduce electricity usage across 36 prison sites.

Leveraging our knowledge and expertise in the prison estate, we managed the installation of the project in external buildings, working collaboratively with the utility provider and MOJ staff at individual sites to ensure the project's secure and timely completion.

Modernising the energy metering infrastructure of these 36 sites has given prison governors and estate managers insights into energy usage and waste, supporting carbon and cost savings across the prison estate.

The project has supported the client in formulating long-term strategies and incorporating innovative solutions for future client spend proposals, such as water flow metering, water leak reduction initiatives, and additional utility works.

Key metrics:

- 223,246 kWh of energy saved
- 462 tCO_2e reduction in carbon emissions
- 9.1% value saving compared to 2019 baseline figures

Business Unit Overview continued

Complex Facilities continued

Financial review

We ended the year with an order book of £2.9 billion (excluding joint ventures), including secured work on long-term contracts out as far as 2038.

Public Estates performed well despite a challenging economic backdrop. Building on the success of last year, we delivered more than £50 million of lifecycle and project works for clients. Many of these focused on Net Zero initiatives, driving enhancements to existing assets.

Growth

Working with key client National Highways, we developed initiatives to reduce carbon emissions through monitoring building occupancy across a number of its sites. This was complemented by the introduction of Grid Edge energy reduction software across client sites.

Our MoJ Prisons contract, currently extended until September 2026, saw continued high demand for project work along with more reactive works on the back of capacity challenges across the estate. Working closely with our MoJ partners, rectification works were undertaken quickly, and we adapted our service portfolio to meet the challenges of this increasingly dynamic environment.

The added value collaboration our consulting colleagues brings to clients was received very positively by MoJ. We will continue to build on this in 2025.

Our Future Defence Infrastructure Services' Regional Accommodation Maintenance contract made strong progress during the year, delivering more than £100 million of project work across the North and Central regions. Our core service performance continued to stabilise with improvements in response times and fewer occupant complaints.

Whilst client funding levels are typically difficult to predict, cultivating a more collaborative approach has helped strengthen relationships and enhanced mutual understanding. Defence Infrastructure Services remain positive about our business.

Strategic ambition and priorities

The strength of relationships with existing clients and our ability to respond to emerging challenges contributed to significant organic growth in 2024. This was further supported by our strong multi-disciplinary offer, cross-selling services from the wider Group portfolio.

This growth was achieved despite not securing opportunities including DWP and HMRC. Our performance here has been reviewed in partnership with third party advisors and plans put in place to ensure future pricing frameworks compete in the market but also ensure value generation. This new approach will be reflected in future Total Facilities Management bids including MoJ.

Continued and significant revenue, profit and cash generation from our current portfolio is projected for 2025. A new phase of MoJ contracts combines prison and probation services and allows us to secure two out of five regional lots predominantly focused on hard FM delivery. Annual projected revenue for securing these two lots is between £230 and £400 million.

A Public Estates project launched in 2024 supports clients as they approach the end of long-term PFI contracts. Our Lifecycle Validation Programme assesses the quality and sustainability of building assets, using this information to make recommendations against which funding pots can be allocated. This ensures estates meet contractual and environmental standards when handed back to authorities.

Business Unit Overview continued

Complex Facilities continued/Non-core

Elsewhere, our Public Estates team will pursue higher education, local authority, blue light and NHS opportunities anchored to our current operational footprint. In Defence, rebid cycles start in 2027. Having significantly enhanced our reputation through the recent performance on our Regional Accommodation Maintenance contract, we will be looking to extend our footprint and establish ourselves as a strategic partner across the wider military estate. This will include leveraging our consulting expertise and 100 legacy contracts operating in the defence sector.

After further developing our suite of decarbonisation services during 2024, we will launch our Net Zero and Energy Solutions team in 2025.

Elsewhere, our work-winning teams are developing opportunities to launch Amey into the nuclear sector. Initial opportunities will see us deliver hard FM and engineering maintenance programmes across strategic sites including Sellafield and the Atomic Weapons Establishment. We are also exploring the viability of other buoyant markets including regulated industries such as utilities as well as the manufacturing industry.

Non-core

This includes contracts that are not part of our current service offering but which are to be operated to completion. These are legacy contracts on waste collections, utilities power projects and defence services housing. On defence services housing, the original contract with the Ministry of Defence came to an end in 2022 and work was concluded in 2024.

Key facts and financial results

Revenue

£96.7m

(2023: £107.3 million)

Operating profit

£34.5m

(2023: £12.6 million)

Zero

order book at the end of 2024

(2023: £90m)

Circa 6

employees

Environment, Social and Governance

This section sets out our contribution to sustainable development, complying with the requirement to provide non-financial and sustainability information as per the Companies Act 2006, Section 414CA.

As a leading provider of infrastructure solutions, we play a vital role protecting the natural environment, supporting communities and contributing to economic prosperity.

Launched in 2023, our ESG strategy is built on core pillars of Environment, Social and Governance (ESG). It sets out three key goals:

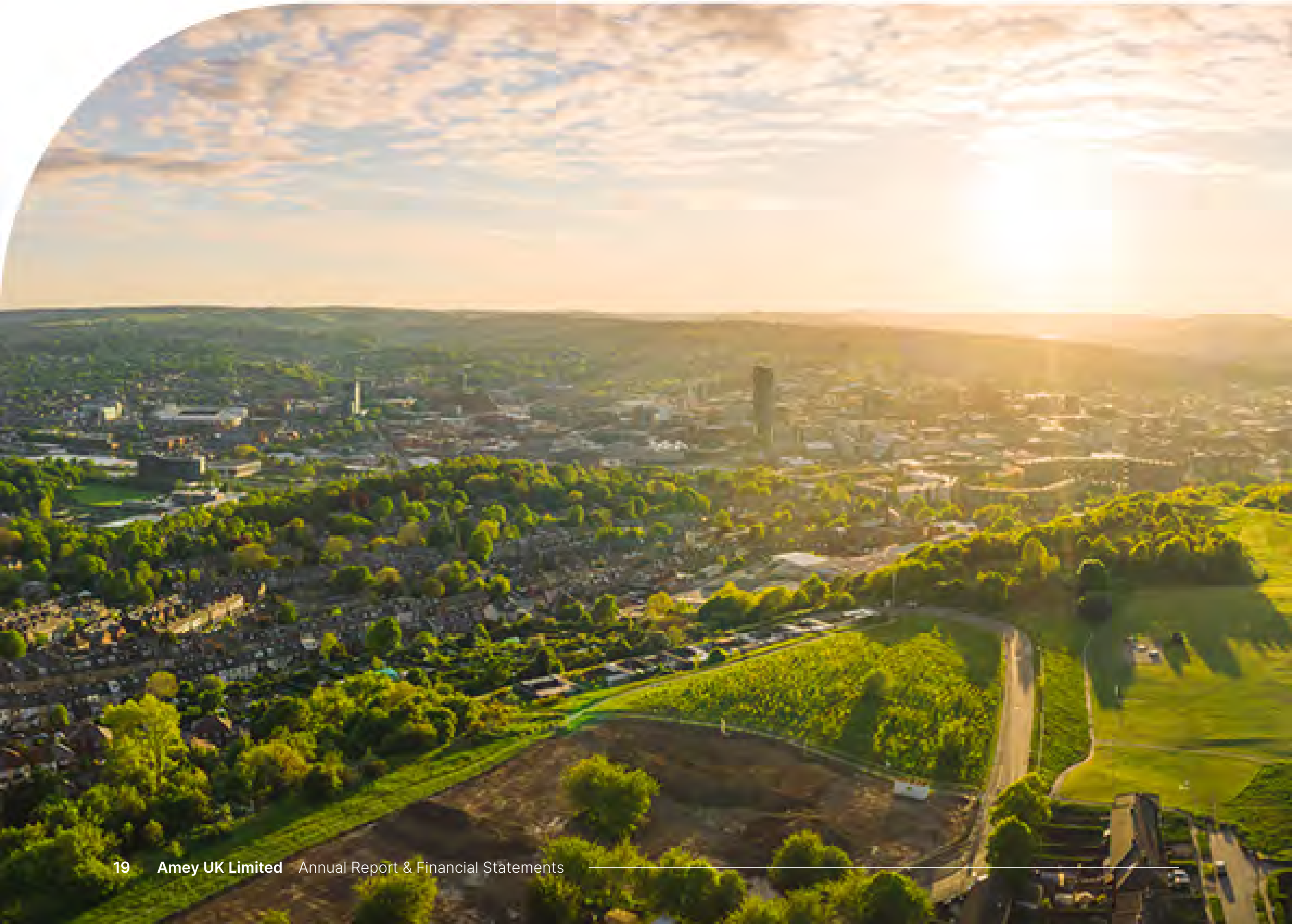
- To accelerate the change to a resilient and low carbon future
- To enhance the wellbeing of the people and communities we impact
- To achieve sustainable and responsible growth

12 central themes are underpinned by a series of robust commitments. These commitments guide our critical decision making.

Our approach contributes to the achievement of UN Sustainable Development Goals (SDGs) and in particular 'SDG 9 Industry, Innovation and Infrastructure' and 'SDG 11 Sustainable Cities and Communities'.

To ensure our ESG priorities are relevant and impactful, we consulted key stakeholders – colleagues, clients, suppliers and local communities – to understand their priorities.

Our robust ESG framework supports delivery of our Net Zero and social value ambitions.



Environment, Social and Governance continued

Governance

Governance	Ethics and compliance	Risk management	Transparency and partnership
Operating within a framework that creates long-term sustainable value	Meeting legal and regulatory requirements, whilst doing the right thing	Assessing and effectively managing and mitigating risks	Disclosing our performance, setting targets to track and improvement
Our actions	**Our actions**	**Our actions**	**Our actions**
Embed the Wates Corporate Governance Principles 🟢	Develop a sector-leading approach to ethics, spearheaded by our Amey Code and using our Ethics Hub to proactively engage our teams on behavioural expectations 🟡	Develop our enterprise-wide Amey risk management system, integrating AI to enhance the process and mitigation 🟡	Publicly report ESG performance and benchmark against external frameworks and disclosures 🟢
Simplify and provide continuous awareness and training of our governance policies and procedures 🟢	Implement a robust audit programme, with external verification 🟢	Focus awareness of environmental, economic and social risk across the enterprise 🟡	Build on our reputation as a trusted partner across energy transition and decarbonisation services, contributing to industry forums 🟢
Embed ESG into key decision forums 🟡	Learn from experience and identify at an early stage areas that may need attention 🟢	Develop our approach to assess and act on long-term climate change risks and opportunities, including different warming scenarios 🟡	Use the UN Global Compact Value Model to communicate the value realised through our ESG strategy 🟡
Activate, educate and empower employees to contribute to ESG 🟢	Incorporate ESG into our auditing programme 🟡		
Link ESG performance to reward and recognition mechanisms 🟢			

🟢 Action achieved and delivered 🟡 Action started and in progress 🔴 Action yet to start

Performance	2022	2023	**2024**	2025 target
Customer Net Promoter Score	Not reported	14	**21**	> 21
Cyber security breaches	0	0	**0**	0
Modern slavery incidents	0	0	**0**	Track

ESG governance

The Amey Board is ultimately accountable for our ESG contribution. The Board has established an ESG Committee – made up of Directors and chaired by our Group Chairman – with oversight of all of Amey's ESG activities. The ESG Committee oversees all ESG matters, including strategic decisions, setting of targets and objectives and climate-related issues, risks and opportunities. The Committee meets quarterly and reports directly to the Board.

Further leadership steering groups support the ESG Committee:

- Environment and Sustainability Steering Group – chaired by the ESG Director
- Social Value Steering Group – chaired by the ESG Director
- Wellbeing, Inclusion and Diversity Steering Group – chaired by the Chief People Officer
- Procurement Steering Group – chaired by the Chief Procurement Officer

National Highways' Digital Lab

Amey was appointed Digital Lab delivery partner by National Highways to accelerate the delivery of value through data-driven decision making across operations and asset delivery.

Leveraging its technical expertise and data analytics, Amey developed solutions to improve the UK's strategic road network, delivering significant savings and efficiency gains. Working with National Highways, we developed data-driven solutions for operational challenges including maintenance planning, operational technology delivery and road space booking. As well as generating £30 million of savings, the project reduced the time front-line engineers and operational teams spent in dangerous locations.

Artificial intelligence (AI) is becoming increasingly more important to the management of critical national infrastructure as we search for better economic, social and environmental outcomes from limited public investment. Given its immense capability for delivering operational efficiencies and expediting decision-making processes, AI is at the forefront of the plethora of digital tools used by infrastructure professionals. Its ability to combine with and augment the power of other digital technologies such as data analytics is particularly powerful.

Environment, Social and Governance continued

Governance continued

In 2024 Amey introduced further controls and considerations as part of its Investments and Approvals Committees, requiring further analysis and diligence on the environment and social impact of proposed opportunities.

Our Executive Committee is updated by the ESG Director as part of the ongoing assessment of risk and opportunity management and internal control. The operational business units are accountable for achieving agreed contributions to the ESG targets and objectives alongside their own areas of improvement.

Each enabling function contributed to the ESG strategy through its own forums and management meetings and stakeholder engagement.

Further details on Amey governance can be found on pages 77 to 87.

Ethics and compliance

Amey continues to promote and champion the Amey Code. This sets out a series of principles for engagement with customers, colleagues, suppliers and the communities in which we work and serve.

For progress on activities designed to reduce the risk of modern slavery please refer to page 85.

Risk management

Further details on risk management can be found on pages 69 to 76.

Transparency and partnership

Amey is a signatory to the UN Global Compact and we use this model to consider the value of our ESG actions. Amey will publish its first Communication of Progress Report in 2025, outlining progress made in 2024. This assesses growth opportunities, increased productivity and reduced risk.

We undertake regular customer surveys to provide feedback regarding customer satisfaction, experience and perception. This helps inform our strategic priorities and areas of focus going forward. A Net Promoter Score is determined through these surveys, an important measure of customer advocacy and satisfaction.

Digitalisation

Our digital and data solutions transform public services and assets, and help clients make informed asset management decisions. This creates tangible value through cost efficiency, improved safety and a better customer experience. It also facilitates effective strategic planning.

Integrating IoT, artificial intelligence (AI), drones and autonomous bots into our digital processes delivers a step change in operational efficiency and sustainability, supporting our clients to meet ambitious Net Zero targets and delivering significant cost savings.

A digital organisation

In December 2024, Amey was selected to work with Microsoft experts at their Munich-based European Centre for AI to develop a prototype for an AI-enabled Knowledge Bank. A cross-Amey collaborative team is developing this prototype into a software which will improve efficiency in finding and using data across the business.

Our newly established Amey Data Lake provides a central repository for a range of operational data. Already, this is providing insights that are helping to drive efficiency.

We continue to upskill our wider team, giving all IT users access to Microsoft's AI tool, Copilot, either through Copilot Chat or M365 Copilot. More than 850 colleagues are using M365 Copilot to improve their productivity. A Copilot Adoption programme in 2025 will be driven by our AI Adoption Lead.

Our AI fortnight event at the start of 2024 was designed to further promote AI solutions across Amey. This involved demonstrations, workshops, training sessions and roundtable discussions to increase AI awareness and literacy. A total of 50 events were attended by 1,600 colleagues.

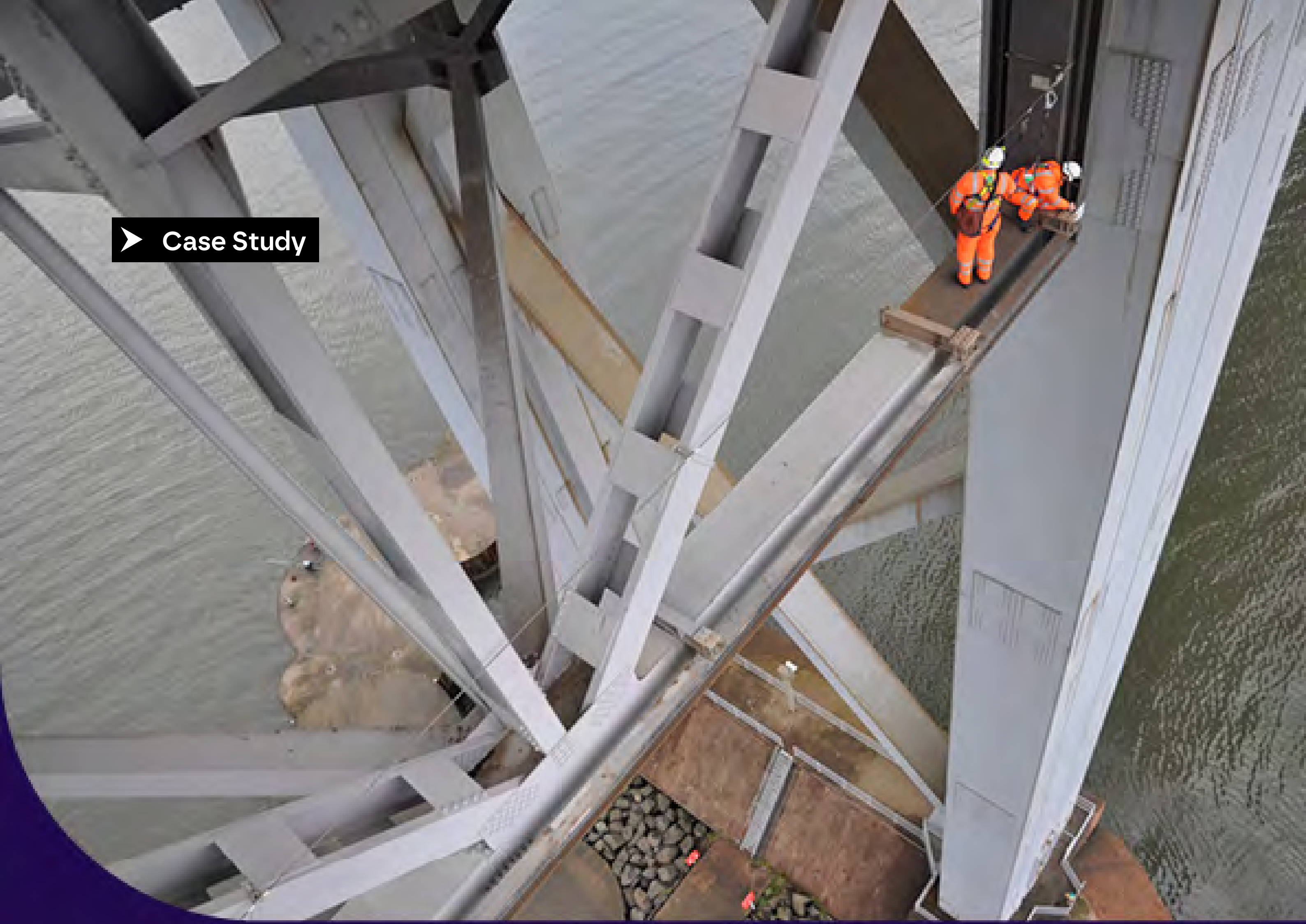
Our Group IT Digital Skills Team delivered digital skills training to 1,720 team members in 2024. This included 57 virtual sessions on AI, with over 900 colleagues participating.

A digital economy

We recognise the digital economy is a market in its own right, possessing unique and distinctive features in areas such as networks, economics and innovation. This perspective helps expand the range and ambition of our digital service.

Across Amey we identify, deliver and sustain digitally enabled performance gains for scaled asset critical national transport infrastructure and complex built environments. We call this Operational Intelligence.

Our approach optimises operational decision support, activates implementation of technology solutions and transforms asset management strategies for clients.



Predictive AI – Forth Road Bridge

Predictive AI is one example of intelligent data analysis that presents opportunities for improving existing operations.

AI is fast becoming a mainstay in infrastructure asset maintenance systems. This includes its use in remote asset condition monitoring tools, geospatial and environment management systems as well as traffic and timetable management. We can now predict and track the wear and tear of assets, monitor vegetation growth on rail tracks using satellite or drone footage, and detect structural defects and damage using remote video capture sensors.

Amey's monitoring of the Forth Bridge uses infrastructure monitoring and analytics systems leveraging AI technology to gain real-time understanding of the health and status of the bridge through data derived from sensors installed along the bridge structure. Live data insights inform engineers' maintenance decisions, helping us to keep this key structure open in all but extreme weather conditions. This delivers significant benefits to the Scottish economy as well as public and commercial users of the bridge.

Environment

Decarbonisation and energy efficiency	Nature positive	Infrastructure resilience	Net Zero organisation
Reducing and optimising the use of energy and natural resources across infrastructure management	Protecting biodiversity and enabling nature recovery so that it can thrive across the places we work	Upgrading infrastructure so it can both absorb environmental shocks, and deliver on the energy transition	Getting our own house in order – achieving Net Zero by 2040
Our actions	**Our actions**	**Our actions**	**Our actions**
Achieve certification to the PAS 2080 standard – carbon management in infrastructure 🟢	Measure biodiversity performance and set science-based biodiversity targets 🟡	Enhance our digital capabilities to predict and manage infrastructure performance 🟢	Transition to electric and alternatively sourced vehicles, plant and equipment 🟡
Develop our 'Carbon Bureau' offering, with associated digital tools 🟡	Strengthen our capability to provide nature positive services, investing in technology to enhance understanding of interactions with the natural world 🟢	Engage with clients to understand future risks and assess the impact of environmental shocks on infrastructure management 🟡	Engage with high impact suppliers to bring down emissions 🟢
Deliver energy transition expertise from quick wins to whole system change 🟢	Design our services to maximise opportunities for nature recovery on our projects 🟡	Work across our sectors to design, maintain and build infrastructure that contributes to climate change adaptation and resilience 🟡	Establish robust and validated carbon emissions to enable continuous improvement 🟢
Embrace renewable energy technology across our solutions 🟡	Optimise the use of nature-based solutions to deliver decarbonisation and climate change resilience 🟡		Work across the value chain to embrace circular principles to reduce waste and material consumption 🟢
Unlock funding so customers can progress decarbonisation 🟡			

🟢 Action achieved and delivered 🟡 Action started and in progress 🔴 Action yet to start

Decarbonisation and energy efficiency

Performance	2022	2023	**2024**	2025 target
Estimated GHG emissions avoided through service delivery (CO_2 tonnes equivalent)	Not reported	Not reported	**34,362**	Increase on 2024

We continue to focus our efforts on aligning to the PAS 2080 standard for carbon management in infrastructure. Certification for this standard is sought according to the value chain role we play. In 2024 we achieved certification to PAS 2080:2023 asset owner/manager and constructor, whilst maintaining certification to PAS 2080:2023 designer, first achieved in 2023. Certification was assessed by the British Standards Institution (BSI). This cements our industry-leading position in offering clients full project lifecycle carbon reduction.

We also use National Highways, Transport Scotland and RSSB Rail Carbon Tools to monitor performance in this important area and work with ADEPT and FHRG to ensure consistent interpretation and measurement of Scope 1, 2 and 3 data for Local Highways activities.

We have begun tracking carbon emissions avoided through deliver of our services. The calculation is centred on the development of revenue generating projects. The metrics are derived using the UK GHG conversion factors from BEIS, typical energy savings percentages from industry sources and standardised assumptions for different technology implementation. The final GHG avoidance calculation applied these metrics to the actual project value.

Case Study

Live Labs 2 – UK Centre of Excellence for Decarbonising Roads

A UK-wide programme funded by the Department for Transport, through the Association for Directors of Environment, Planning and Transport (ADEPT), including UK Centre of Excellence for Decarbonising Roads with North Lanarkshire.

Live Labs 2 aims to develop, test, pilot and roll out new technologies that facilitate innovation. It combines industry standards, knowledge management, a cloud database and global network as well as systematic measurement and a low carbon materials testing programme. This is used to identify and deploy world-leading innovation on UK roads. Primary data collection is enabling full carbon, technical and operational evaluations of the materials that offer high potential to decarbonise our local road network. By taking a systematic approach we are developing a comprehensive review and menu of low carbon options to share with the sector. Live Labs 2 was recognised in the Net Zero category at the Highways UK Excellence Awards.

Environment, Social and Governance continued

Environment continued

Our experts

Throughout 2024 Amey continued to grow its environment, climate change and broader sustainability expertise:

- Energy Transition and Sustainability Team – this 190-strong team provides expertise across a range of environment and sustainability disciplines from a planning and design perspective
- Net Zero and Energy Services Team – a new team bringing Amey's 'connected intelligence' to clients to support them on their Net Zero journey. The team drives Amey's services and capabilities in the decarbonisation space. Taking a holistic approach, the team collaborates with our partners, leveraging its extensive experience to identify every element needed to deliver fully integrated decarbonisation solutions across the entire lifecycle of building projects
- Environment and Sustainability Managers – this team is embedded across our operational business, guiding it to deliver on ISO 14001 and drive continuous improvement

Planet+

Following the launch of our ESG strategy last year, we made a commitment to activate, educate and empower our people so that everyone can contribute to sustainability.

Planet+ is a cultural programme focused on encouraging six key behaviours that will make a difference for us, for our customers and for our communities. Data shows that 9 in 10 people want to make more sustainable choices. But many of the necessary behaviours are currently too inconvenient, too unappealing or simply not the default or norm. Planet+ aims to tackle these issues head on, targeting barriers to environmental awareness and engagement so that greener behaviours flourish. We want Planet+ to be a step change that champions brilliant sustainability practices. Action to date includes:

- Bringing together our operational and environment expertise to self-develop Planet+ and elevate sustainability as part of our everyday roles
- A live launch event championed by our CEO, Chairman and ESG Director and filmed in our London headquarters
- Engagement tools including posters, manager booklets, videos and new online landing pages
- A series of Company-wide workshops and briefings to inspire our teams to consider environmental risks associated with their day-to-day roles
- A decarbonisation competition generating 33 high quality ideas that are now being progressed. These spanned quick wins and ideas that can be linked to form larger projects
- A new 'Planet+' category in our Company all-employee Amey A*Stars awards

In 2024, our partnership with IEMA facilitated the development of the Environmental IMPACT Leadership Programme, including IEMA's certified Leading with Environmental Sustainability course. Our Head of Environmental Sustainability and an IEMA Trainer delivered 13 workshops to 192 leaders across our Rail and Highways business. Insights from this collaboration were shared with more than 200 IEMA members. One-on-one follow-ups supported the development of similar programmes in these member organisations.

Training to support integration of whole-life carbon assessment continued with 454 of our consulting and design team completing the Introduction to Carbon and PAS 2080 training, and 160 trained to use the OneClick LCA carbon assessment tool. Calculating Project Carbon training has equipped 213 wider team members to understand our approach to internal carbon data management and reduction and external disclosures.

We delivered our new Environment and Sustainability Graduate Programme, encouraging young people into our sector and equipping them with key skills identified in the IEMA Sustainability Skills Map. In 2024 we had six people on the programme in our Rail and Highways business and five in our Consulting business.

Case Study

Decarbonisation at HMP Prescoed

HMP Prescoed, a category D prison in South Wales, wanted to reduce gas and electricity use and enhance sustainability across its estate.

Ageing infrastructure combined with the site's remote location presented challenges with energy supply and costs.

Leveraging our decarbonisation expertise and experience of working with prison estates, we created a bespoke solution that delivered energy efficiencies, cost savings and wider environmental benefits.

Key metrics include 100,000 kWh of fossil fuel consumption avoided, 20 tonnes of carbon abated every year and 120°C heat provided by solar thermal technology.

Targeted action at HMP Prescoed includes:

- Two identical thermal arrays, comparing VirtuPVT and VirtuHOT technologies directly
- Data-driven selection of the best technology for the site
- Replacement of life-expired equipment combined with re-use of existing infrastructure to reduce costs
- Insights and lessons learned to inform future solar thermal installations using insights
- Heat output and electrical output metering to monitor consumption

Our Environmental Practitioner Apprenticeship Programme helps develop key environmental skills and builds capacity. School leavers have the opportunity to work towards an Environmental Management degree while gaining experience in our Consulting business' Environment and Sustainability team. The five-year, fully funded course took in its first cohort in September 2021, and in 2024 we had 13 people on the programme. A partnership with Coventry University, the programme is IEMA accredited and degree apprentices achieve Practitioner level professional membership on graduation. This is the gold standard for environmental management professionals.

The Carbon Shadow Board is an advisory group designed to challenge existing business practices, processes and ways of working. Its primary objective is to identify opportunities for greater efficiency, effectiveness and innovation, and to contribute to continuous improvement and long-term success. The Shadow Board brings emerging ideas and fresh perspectives to the forefront of decision making. Members present well-researched proposals, engage in meaningful discussions with senior leaders and receive valuable feedback in a collaborative, face-to-face setting.

A new cohort is selected to serve on the Shadow Board each year, bringing together diverse expertise and perspectives from across the business. Throughout 2024, the Shadow Board has focused on key areas of development including growth, efficiency and innovative ways of working.

In 2025 we will:

- Continue to embed the PAS 2080 Carbon Management standard across our wider business
- Develop and strengthen our capabilities in supporting clients to decarbonise
- Embed Planet+ as our way of working to help the planet flourish

Nature positive

We recognise the urgent need to protect nature and biodiversity and the devastating impact of degraded natural capital. We believe it is vital to fully understand our environmental impact, both as an organisation and in the services we provide to clients.

Biodiversity footprinting assessment

Our policy is to safeguard biodiversity and deliver measurable biodiversity net gain in the communities we operate in. To support this, in 2024 we partnered with Nature Positive to assess our activities, procurement practices and work locations.

Outcomes were used to inform nature positive workshops. Supported by in-house ecologists across each of our business units, the workshops facilitated the development of Biodiversity Action Plans. In 2025 we will launch a new nature strategy setting out a commitment to report on nature-related risks and opportunities. This will focus on:

1. **Ecological risk and impact management:** Risk reduction underpins the management of biodiversity impacts. We advocate for operational approaches that integrate biodiversity considerations into all aspects of risk management from early engagement to project completion to address risks and impacts associated with protected species, invasive species and pollutants.

2. **Nature positive thinking:** Our understanding of nature and our dependencies on it continue to mature. We champion action and programmes that educate and activate people and organisations on biodiversity. Activity includes workshops, online resources and showcasing practical examples on how teams at all levels can contribute to biodiversity recovery through immediate daily actions and broader systemic thinking.

3. **Achieving biodiversity net gain:** We support biodiversity net gain and commit to achieving measurable improvements through habitat creation and restoration on land we manage, maintain and design and/or via partnerships with external organisations including charities and community groups.

4. **Combining action on climate and nature:** We advocate for action that addresses the connected challenges of climate and nature across the full value chain of operational activity.

Our 35-person ecology team is focused on protecting species and delivering against biodiversity net gain requirements and regulations.

Case Study

M60 J21 whole-life carbon

An innovative upgrade of this key junction halved its carbon impact while meeting the twin objectives of improving health and safety for workers and road users and easing congestion.

Our approach to the Broadway M60 J21 triple signalised junction upgrade prioritised carbon savings across the whole lifecycle in line with PAS 2080. A carbon baseline was calculated, establishing that standard 'traditional' construction methods would generate 1,218 tonnes of CO_2e. A fence-to-fence market scanning exercise then identified innovations to reduce embodied carbon as well as deliver important health and safety benefits.

This exercise identified 15 innovations that would deliver on our carbon reduction objective. Outputs recalculated by Amey's Carbon Specialists showed a reduction in design CO_2e of approximately 50% to 608.

Environment, Social and Governance continued

Environment continued

Key projects this year included:

- Amey has implemented Arbortrack to manage over 70,000 trees across Service Family Accommodation (SFA) Estates, ensuring efficient on-site surveying by arboriculture specialists. The team has consistently met the target of surveying every tree every 12 months, enhancing safety, tree health and biodiversity while adhering to British Standard BS3998. The platform provides a comprehensive record of all interactions with each tree, supporting accurate and efficient decisions and ensuring transparency. Arbortrack allows the team to easily identify areas for biodiversity improvements, such as placing bat boxes, replanting trees and creating green corridors that link existing habitats.
- Amey supported the implementation of the Green Routes Project, funded by the National Heritage Lottery Fund across Cardiff, Caerphilly, Pontypridd, Treherbert and Abergavenny rail stations.The project aimed to enhance biodiversity, improve station appearance and preserve the natural environment around the railway. Amey teams replaced existing shrubs with pollinator-friendly plants like lavender, borage and hebes, and used planters and sustainable, peat-free soils to support sensory and fragrant plants. This encourages pollinators to visit, enhancing passengers' experience and wellbeing. The project design and implementation involved schools and local communities.

A Net Zero organisation

Amey is committed to becoming a Net Zero organisation, alongside wider environment responsibilities.

We quantify and report greenhouse gas (GHG) emissions in accordance with ISO 14064 obligations in preparation for independent third party verification by BSI and this year have seen our science-based targets approved by the SBT initiative.

A full overview of our climate change risks and opportunities is outlined on pages 35 to 49.

	2019	2020	2021	2022	2023	**2024**	% change from 2019 baseline	% change 2030 targets
GHG emissions (CO_2 tonnes equivalent)								
S1 – Fuel use	62,607	49,280	45,291	38,477	30,356	**46,731**	(25%)	(53%)
S2 – Energy use – electricity	472	430	707	604	957	**558**	18%	(53%)
S3 – Total	494,139	464,246	617,935	449,587	241,508	**1,344,916**	148%	(30%)
S3 – Category 1 – Goods and services	430,346	416,227	574,370	416,474	205,572	**1,287,777**	199%	—
S3 – Category 3 – Fuel and energy-related activities not in S1 or S2	15,765	12,720	12,776	9,973	9,735	**11,852**	(25%)	—
S3 – Category 4 – Upstream transport and distribution	6,894	8,673	5,515	4,158	2,349	**3,761**	(45%)	
S3 – Category 5 – Waste generated in our operations	7,492	10,439	7,641	3,909	8,445	**18,647**	149%	—
S3 – Category 6 – Business travel	5,715	1,268	861	942	1,139	**1,384**	(76%)	—
S3 – Category 7 – Employee commuting	27,927	14,919	16,772	14,131	14,268	**21,495**	(54%)	—
Total GHG emissions	557,218	513,957	663,934	488,669	272,821	**1,392,205**		—

Amey's greenhouse gas emissions are calculated in accordance with the GHG Protocol – Corporate Standard (version 3.51) and the Waste Sector, built on the GHG Protocol and externally verified by BSI in accordance with ISO 14064 (Greenhouse gases. Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals).

Case Study

EV infrastructure at Polmadie Depot

Action on our SW Network Management contract (NMC) with Transport for Scotland has seen us exceed our 2025 EV target by 50% and reduce fuel consumption and carbon emissions.

A combination of 26 AC and two DC EV chargers installed at Polmadie Depot in partnership with Novuna Vehicle Solutions has facilitated the rollout of 13 Volkswagen ID.3 electric vehicles for highways supervisors. Now 85% of the NMC SW fleet is made up of ULEVs.

Fuel consumption is down by 9.7% and carbon emissions by 11.6%. This work and our driving behaviour change campaign has been recognised with a nomination for the Scottish Transport Awards 2024.

Our total energy consumption has been calculated using data and methodologies in the fulfilment of the Energy Savings Opportunity Scheme (ESOS) Regulations. Electricity use is calculated in accordance within the GHG Protocol – Scope 2 Guidance. The dual reporting approach is used, which includes the location-based method for the non-renewable electricity, and market-based method for the renewable electricity.

During the 2024 reporting period Amey reviewed carbon data sources and where improvements were appropriate expanded data sources. This primarily affected the collation of Scope 3 Category 1 data. As financial data accounts for 94% of source information, improvements in its collation resulted in an overall increase as more robust information was analysed. Amey intends to further refine its carbon data sources and implement thorough data cleanses where appropriate to ensure a more robust baseline from which to measure performance against our SBTi targets.

Performance	2022	2023	2024	2025 target
Energy consumption (MWh)	191,473	170,224	**204,654**	Track
Energy intensity (MWh/£m rev)	0.09	0.09	**0.1**	Track
% supplier with spend <£10m with SBTi commitment or target	Unknown	Unknown	**62.5%**	75%
% LCV electric	4 %	4 %	**8 %**	32%
% company car electric	5 %	60%	**82 %**	Track

A focus on fleet and plant

To help realise our climate action carbon reduction ambitions, we continue to decarbonise our fleet, plant and site compounds. Action includes moving to low carbon options and behaviour change campaigns.

Our Electric Vehicle (EV) First Policy is accelerating the adoption of EV across our company car and operational fleet. Prior to 2024, 97% of our fleet was powered by internal combustion engines but by the end of 2024 our company car fleet was 82% electric, 13% hybrid and only 5% petrol/diesel.

Our EV First Policy saw:

- Funding of home charger points
- Changing of the business mileage reimbursement to pay an actual cost per mile rather than the standard HMRC Advisory Fuel Rate
- Giving all colleagues the opportunity to order an EV straight away, irrespective of when the lease on their current company car expires
- Reducing the CO_2 limits on our car allowance vehicles

By year-end 2024 our Light Commercial Vehicle (LCV) fleet was 8% electric, 2% hybrid and 90% petrol/diesel. Transition of our LCV fleet is a key focus with milestone targets of 32% by 2025, 53% by 2026, 60% by 2027 and 66% by 2028.

We are working with manufacturers and our suppliers Novuna and Speedy Hire to trial new technology for our Heavy Commercial Vehicle fleet and plant as it becomes available. Initiatives include:

- Low carbon Mobile Elevated Working Platforms (MEWP) used in our street lighting and Manchester City Council, Wakefield Council and Walsall Council contracts: Eight MEWP vehicles with e-tech battery packs to power the platform hydraulics are now in use. Positive impacts include significant carbon savings of approximately 1,608kg per year, around £870 per annum, and quieter operation and reduced air pollution
- Hydrotreated Vegetable Oil (HVO) use in Staffordshire: 25 out of 37 diesel gritters transitioned to HVO. The remaining 12 will be swapped out for HVO compatible gritters at the end of their lease. With an average over 50,000 litres of HVO purchased per winter season, this move has already saved over 100,000kg CO_2e in comparison to diesel
- Switch to electric handheld kit across street lighting contracts: Across our four street lighting contracts, 77% of handheld equipment is now electric – 83% at Norfolk, 75% at Walsall, 60% at Wakefield and 90% at Manchester

Environment, Social and Governance continued

Environment continued

A focus on our building emissions

As part our data cleanse Amey developed a more robust account of building assets using renewable and non-renewable energy. We are currently working with energy providers to audit existing non-renewable sources and switch to renewably sourced alternatives where possible. As part of our large scale decarbonisation programme for buildings where we control utilities and user behaviour, we are driving programmes to optimise energy use. This includes installing new technology to support energy optimisation.

The majority of our electricity use (88%) is backed by REGO certificates and where possible we plan to follow this model for our remaining supply.

In 2025 we will:

- Continue to improve our carbon data methodology
- Achieve IWA 42 – Carbon Pathways, with BSI accreditation
- Focus on LCV fleet, plant and kit transition to electric, hybrid, solar and alternative energy sources
- Support supply chain commitment to SBTi

Polmadie: Scotland's first Net Zero depot

Transport Scotland (TS) is committed to achieving Net Zero emissions by 2045 in line with Scotland's legally binding 'Mission Zero' initiative.

Our Polmadie Energy Decarbonisation Roadmap will deliver major energy, carbon and cost savings for the key TS site. Used by both Amey and TS, the Glasgow depot has two main elements, the main building and yard.

This roadmap used combined TS and Amey data analytics and decarbonisation expertise to create consistent datasets and identify strategies to turn the depot into a sustainability showcase. Site-wide decarbonisation initiatives align with Scotland's Net Zero Public Sector Building Standards and the Just Transition Commission. This ensures a fair and inclusive move to Net Zero, addressing the needs of workers, communities and industries.

Key measures include energy efficiency intiatives, renewable energy generation and building fabric improvements. Heat decarbonisation will also help to create a more sustainable site. Our roadmap will reduce carbon emissions by 90%. It also identifies measures to offset or inset the remaining 10%.

This represents a projected 525,848kWh in energy savings, £50,953 in cost savings and 103 tCO_2e in carbon savings. A blueprint for a more sustainable future, our work at Polmadie paves the way for similar initiatives across other TS sites.

A further example of our work at Polmadie can be found on page 31.

Climate change risks and opportunities

The following climate change risk and opportunities disclosures cover the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

This is our second report outlining our response to climate-related risks and opportunities, which we will continue to develop and refine through improvement workstreams and reporting to the ESG Committee.

Governance arrangements in relation to assessing and managing climate-related risks and opportunities

The consideration of climate risk and opportunity is included in our ESG strategy, published in 2023 and for which the Amey Board has overall accountability. Execution of this strategy is delegated to the Executive Committee.

The Board delegates accountability to an ESG Committee, a Committee of Directors, chaired by our Board Chairman, on all matters relating to the ESG management of Amey's activities. The ESG Committee:

- Has responsibility for reviewing actual or potential climate-related impacts to Amey and making recommendations to the Board and its relevant Committees
- Reviews internal compliance with internally established policies and externally applicable ESG codes and principles across the business units
- Meets quarterly and directly reports to and advises the Board on such matters
- Has oversight of our greenhouse gas emissions disclosures and the steps required to make sure we accomplish science-based greenhouse gas reduction targets

Members of the ESG Committee have experience across organisations with strong track records of climate change and sustainability. Further, they include leaders and decision makers from across the business who are able to influence strategic decision making and the delivery of the ESG goals.

The impact of climate change risk on the business and Amey's impact on climate are reviewed by the ESG Committee, Risk Committee and Executive Committee. Climate change is included as a principal risk and in our Amey risk management system.

The Executive Committee's responsibility includes setting and monitoring targets in relation to climate-related matters as part of our ESG strategy and ensuring the operating business units have improvement action plans in place.

The Executive Committee is updated by the ESG Director on climate-related matters as part of the ESG and sustainability updates. The ESG Director put in place in February 2023 champions a series of environment and climate-related workstreams.

The Business Unit Managing Directors have responsibility for the identification and management of climate-related risks relevant to their business and arrange ownership of targeted controls and actions. BU Environment and Sustainability Leads enable oversight and management of sustainability matters, which include climate-related risks and opportunities at the operational level.

The priority for managing climate change is reflected in remuneration for our senior leaders and decision makers. The Remuneration Committee is responsible for setting and assessment of ESG remuneration targets.

Identification, assessment and management of climate-related risks and opportunities

We use the Task Force on Climate-Related Financial Disclosures (TCFD) guidance to inform how we identify, assess and manage climate-related risks and opportunities.

To help ensure the identification and assessments are undertaken in a manageable manner, Amey assesses each of its core sectors separately. This ensures the assessment is restricted to the areas of the business that the assessors attending are experts on, whilst helping manage the size of the assessment group.

The sectors are highways, rail, facilities management (including defence, justice and public estates) and consulting. Each sector undertakes a review of climate-related risks and opportunities, supported by the Group ESG team to oversee the process, which informs those that are considered principal risks at a corporate level. Representatives from the business sector reviews include:

- Sector Financial and Business Director
- Business Unit Environment Lead(s)
- Account Directors and other interested stakeholders
- Group Carbon and Climate Change Business Partner

Environment, Social and Governance continued

Climate change risks and opportunities continued

Scenario analysis

The TCFD framework recommends undertaking scenario analysis to assess how climate-related risks and opportunities may impact on our business. This is the process of considering future events in terms of varying extents of climate change, in order that a cross-discipline group can assess how the material issues resulting from the climate-related risks and opportunities may impact on our business within each scenario. The outputs of the scenario analysis are:

- A record of the material issues arising from climate-related risks and opportunities that may impact on the business
- A record of the control measures that will help us mitigate or adapt to climate-related risks that minimise our financial exposure, or explore opportunities that create a beneficial financial impact
- An estimate of the potential financial impact on the business in the short term (1–2 years), medium term (2–5 years), long term (5–10 years) and very long term (10–15 years)

It must be emphasised that a forward-looking scenario is not a forecast or a prediction, but a plausible future condition. There are two categories that scenarios can fall into:

(a) Those that consider the likely future conditions because of different policy outcomes, such as the level of temperature increase or precipitation changes due to a low uptake of low carbon transport solutions

(b) Those that specify the range of GHG concentrations in the atmosphere and the likely future conditions at those concentrations; these types of scenarios can be seen in the Intergovernmental Panel on Climate Change (IPCC) reports

Materiality of climate-related risks

Materiality assessment is the process of identifying refining and assessing potential environmental, social and governance issues that could affect the Company, and/or stakeholders, and condensing them into a list of topics that inform Company strategy, targets and reporting. As part of the Amey ESG strategy, Amey undertook a materiality assessment which has informed its headline goals, priorities for action and broader ESG KPIs. The assessment was informed by feedback, engagement and assessment from Amey stakeholders including shareholders, suppliers, employees, clients and communities. Climate-related risks and opportunities are considered a material factor.

To consider potential climate-related issues we have used the TCFD framework, which recommends consideration of the risks and opportunities as outlined in the table below.

Climate-related risks		Climate-related opportunities
Transitional risks – related to the transition to a low carbon, climate resilient economy	Policy and legal	Resource efficiency
	Technological changes	Energy source
	Market changes	Products and services
	Reputation	Markets
Physical risks – related to the physical impacts of climate change	Acute	Resilience
	Chronic	

Environment, Social and Governance continued

Climate change risks and opportunities continued

Identify and define future scenarios

Scenarios are identified by the Group ESG team and detailed below.

The scenario conditions for the physical risks are from the Intergovernmental Panel on Climate Change (IPCC) Shared Socio-economic Pathways (SSP) included in the Climate Change 2021 Report. SSPs describe socio-economic characteristics that influence greenhouse gas emissions in a standardised manner, giving an indication of the potential societal pathways associated with different levels of climatic change. The scenario conditions for the transitional risks are from the World Energy Outlook (WEO) 2021. The scenarios and time horizons used in the analysis modelling were based off the recommendations of the TCFD, except for the 'very long-term' time horizon, which we have aligned to our Net Zero (NZ) SBT year (2040) for the financial modelling. Within our scenario planning and looking at a timeline of the next 5–25 years, we outlined risks associated with: a 1.5°C rise as our Scenario 1 (in line with SSP 1), a 2°C warming as our Scenario 2 (in line with SSP 2 and SSP 3) and a 3°C warming as our Scenario 3.

- **Scenario 1:** Net Zero 2050 (1.5°C): Policies are implemented immediately and smoothly. Emissions start declining immediately and reach zero by 2050. This scenario is aligned with the RCP 2.6 pathway. This scenario enables us to explore the impact of our NZ strategy where global decarbonisation efforts are also aligned to NZ action from present
- **Scenario 2:** Delayed Transition (2°C): This scenario assesses our resilience under a high transition risk scenario with increased physical risk. With no additional policies, emissions rise until 2030. Thereafter, strong and rapid policy sees emissions decline dramatically, reaching Net Zero by 2060. This scenario is aligned with the RCP 4.5 pathway. In this scenario, global policy implementation is delayed until after 2030, from which point action towards NZ is stringent and sporadic
- **Scenario 3:** Current Policies (3°C): This scenario tests our resilience in a world with high warming and physical change. With only current policies pursued, emissions continue to rise. This scenario is aligned with the RCP 8.5 pathway. In this scenario, global efforts towards NZ do not advance over and above current levels. Technology investment and legislation do not support NZ action and therefore Amey relies on suppliers to drive innovation and decarbonisation

The scenarios above were aligned to the Network for Greening the Financial System (NGFS) archetypes which included a well below 2°C scenario in line with the TCFD recommendations. It is expected that Amey will ultimately be subject to a hybrid between Scenarios 1 and 2.

As the transition towards Net Zero is progressing at a slower rate than the anticipated detrimental effects of climate change, Amey will inevitably be required to respond at short notice to markets and environmental conditions which affect the timelines outlined in our current scenario analysis.

Evaluate and manage business impact

For each of the scenarios and issues identified, the assessment team considered how the business could be impacted, when that would likely be experienced, the likelihood of it occurring and the potential financial impact. The original likelihood is ascertained upon guidance from SMEs, based on if the effects are already being felt, expected imminently or anticipated. The options are outlined in the table below.

Impacts	When it is likely that this impact may be experienced	The likelihood that the risk will be realised	Impact (£)
Operational costs: Such as labour costs, fleet, fuel and material costs. **Revenue:** Such as contract penalties/inflexibility/ opportunities. **Impact(s) on supply chain:** Such as interruption, availability of goods and services. **Business interruption:** Such as can our people undertake the task or can they get to work?, etc.	Short term (1–2 years): During this period, we review risks, focus on those of most significance and develop carbon budgets. Medium term (2–5 years): This period aligns to our internal initiatives and programmes. Long term (5–10 years): This period corresponds to the duration of many of our medium and large client projects. Very long term (10–15 years): This period aligns with our long-term strategic objectives, including our Net Zero 2040 target.	Very low (<10%) Low (11–30%) Medium (31–60%) High (61–90%) Very high (>90%)	Very low (<£2m) Low (£2m–£5m) Medium (£5m–£10m) High (£10m–£20m) Very high (>£20m) These impact categories align to those within Amey's wider Risk Management System.

Environment, Social and Governance continued

Climate change risks and opportunities continued

How processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management process

The processes for identifying, assessing and managing climate-related risks are incorporated within the Amey risk management (ARM) processes. This is discussed further in the Risk and Assurance section on pages 69 to 76.

Description of risks and opportunities and their impacts on our business

The following section provides a description of:

(i) The principal climate-related risks and opportunities arising in connection with the Group's operations

(ii) The time periods by reference to which those risks and opportunities are assessed

It includes a summary of the actual and potential impacts of the principal climate-related risks and opportunities on the Group's business model and strategy.

Risk: Customer behaviour and demand for climate solutions

Risk type: Transitional (market)

Description: Clients cease engaging in our services or extending current contracts because we are not agile enough to evolve and innovate at pace regarding climate mitigation and adaptation and therefore meet their expectations. Customers may also require substitution of existing products and services with lower emissions options, resulting in early retirement of assets/equipment to achieve lower emission needs.

Potential impacts on business and strategy	Mitigating controls
Operational: Additional cost for new products, kit and services – or to retire old kit. **Revenue:** Customers move to suppliers with more comprehensive services and products, or those that are delivering them at a lower cost. Amey misses out on revenue opportunities. **Supply chain:** Inability to know about or have access to low/zero-carbon materials, products, kit and services. **Business interruption:** Management and logistics of swapping products, kits and services – including new supplier contracts.	Monitoring the market and regularly engaging with customers and the wider sector to understand their priorities regarding carbon and climate change. Seeking feedback on our services and reputation for delivering associated services. Investment in carbon and climate-related tools and platforms to measure, track and report on GHG emissions. Maintaining PAS 2080 (Carbon Management in Infrastructure) Designer, Asset Owner/Manager and Constructor. Applying whole-life carbon assessment for our design solutions as standard. A roadmap for investment in research and development for alternative products and services and capex investment on low carbon solutions and sustainable fuels. Working with suppliers to design products that contain recycled materials and can be recycled or repurposed to extend product lifecycle. Supporting those suppliers to bring eco-products/materials and sustainable fuels to market.

Associated metrics: Green revenue and customer feedback

Climate scenarios	Risk likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Low (11–30%)	Very low (<£2m)	Low (£2m–£5m)	Medium (£5m–£10m)	High (£10m–£20m)
Delayed Transition (2°C)	Medium (31–60%)	Low (£2m–£5m)	Medium (£5m–£10m)	High (£10m–£20m)	High (£10m–£20m)
Current Policies (3°C)	High (61–90%)	Medium (£5m–£10m)	High (£10m–£20m)	High (£10m–£20m)	Very high (>£20m)

Risk likelihood

Low · Medium · High · Very high

Term impact

Very low · Low · Medium · High · Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Risk: Amey is unable to meet SBTi targets

Risk type: Transitional (reputation)

Description: Amey is unable to achieve decarbonisation at scale and pace to meet approved SBTi targets. This will most likely be caused by lack of availability and innovation in low carbon materials and products required to deliver services, the costs associated with those products and services or customer specifications that prevent the use of them.

Potential impacts on business and strategy	Mitigating controls
Revenue: Amey is unable to bid for new work as it is not demonstrating the GHG emissions reduction expected of a trusted partner. Loss of revenue if customers terminate contracts or choose SBT-aligned providers. Penalties associated with missing carbon targets. **Supply chain:** Investment in new reduction initiatives including new technologies.	Net Zero roadmap across Scope 1, 2 and 3 and transition plans for each business unit, with a tailored approach on how to reach the approved SBTi. To include budgets for targeted divestment of carbon intensive products/service. Robust and validated carbon emissions to enable continuous improvement. Carbon dashboards to support regular carbon reporting and active management. Supplier engagement plans to assess suppliers' approach to carbon management (evaluation, on-boarding and delivery). Supplier commitment to align to SBTs by 2025. Clear carbon reduction responsibilities across the business and embedded resource to drive achievement of targets. Regular horizon scanning to monitor climate policy and regulation to future-proof our approach to Net Zero.

Associated metric: GHG emissions and customer feedback

Climate scenarios	Risk likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Low (11–30%)	Very low (<£2m)	Low (£2m–£5m)	Medium (£5m–£10m)	High (£10m–£20m)
Delayed Transition (2°C)	Medium (31–60%)	Low (£2m–£5m)	Medium (£5m–£10m)	High (£10m–£20m)	High (£10m–£20m)
Current Policies (3°C)	High (61–90%)	Medium (£5m–£10m)	High (£10m–£20m)	High (£10m–£20m)	Very high (>£20m)

Risk likelihood

Low Medium High Very high

Term impact

Very low Low Medium High Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Risk: Energy or carbon price increase and reporting

Risk type: Transitional (Policy and legal)

Description: Amey could be exposed to increases in carbon and energy costs, associated with policy designed to reduce and report on emissions.

Potential impacts on business and strategy	Mitigating controls
Operational: Increased costs to operate fleet and plant and manage Amey buildings. Investment required to deliver on renewable energy and energy reduction initiatives, and associated reporting and disclosure requirements. **Revenue:** Increased energy costs may be passed onto customers (cost to charge assets/vehicles), affecting profit. **Supply chain:** Suppliers pass on the cost of increased energy of their products and services to Amey. Capital investment required to deliver on renewable energy and energy reduction initiatives.	Net Zero roadmap across Scope 1, 2 and 3 and transition plans for each business unit, which include measures on energy efficiency. Investing in energy-efficient technologies such as Building Management Systems for all new properties and existing properties with high energy use. Where appropriate buildings fitted with electric heating or cooling systems rather than gas and budget allocated to replace old gas fired heating systems with electric alternatives. Training for all employees and suppliers on energy efficiency actions and behaviours – such as Green Driving techniques.

Associated metrics: Green revenue

Climate scenarios	Risk likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Low (11–30%)	Very low (<£2m)	Very low (<£2m)	Very low (<£2m)	Medium (£5m–£10m)
Delayed Transition (2°C)	Medium (31–60%)	Low (£2m–£5m)	Low (£2m–£5m)	Low (£2m–£5m)	High (£10m–£20m)
Current Policies (3°C)	High (61–90%)	Medium (£5m–£10m)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)

Risk likelihood

Low · Medium · High · Very high

Term impact

Very low · Low · Medium · High · Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Risk: Extreme weather negatively affecting service delivery

Risk type: Transitional (physical)

Description: Business operations and human capital affected by the increasing frequency and severity of extreme weather events. Impact on operating efficiency and increase in costs as business operations and human capital may be significantly affected.

Potential impacts on business and strategy	Mitigating controls
Operational: Increase in reactive maintenance as a result of flooding damage/hotspots or drought. Inconsistent need for winter maintenance services as a result of wetter and warmer weather. Lower worker efficiency during extreme weather events. **Revenue:** Reduction in revenue due to increased labour and material costs. **Supply chain and material:** Availability of materials, products and kit sourced from geographies with increasing extreme weather events. Inability of sub-contracted services that can operate in extreme weather conditions. The availability of products, kit and services required to respond to emissions. **Business interruption:** Flooding events effect planned works if they move into reactive mode – loss of shifts and additional cost of rearranging works. Inability of teams to work in extreme heat conditions.	Engaging with clients to understand future risks and assess the impact of environmental shocks on infrastructure management. Continuity plans in place for operational teams in the case of extreme weather events. Processes in place to review frequency and impact of extreme weather events and changing climate. Information used to inform future bidding and commercial planning.

Associated metrics: No. of related incidents

Climate scenarios	Risk likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Medium (31–60%)	Low (£2m–£5m)	Low (£2m–£5m)	Medium (£5m–£10m)	Medium (£5m–£10m)
Delayed Transition (2°C)	High (61–90%)	Medium (£5m–£10m)	Medium (£5m–£10m)	Medium (£5m–£10m)	Medium (£5m–£10m)
Current Policies (3°C)	Very high (61–90%)	High (£10m–£20m)	High (£10m–£20m)	High (£10m–£20m)	High (£10m–£20m)

Risk likelihood
Low Medium High Very high

Term impact
Very low Low Medium High Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Opportunity: Increasing customer demand for decarbonisation products and services

Opportunity type: Products and services

Description: Increase in work-winning and contract extension opportunities through delivery of climate mitigation services.

Impacts to business model and strategy	Actions to realise opportunities
Operational: Increased resources and training required to meet work-winning demand and expanded service delivery regarding decarbonisation.	Developing and expanding our whole-life carbon services and solutions, across transport and public buildings, maximising on our position to provide an integrated approach (design, delivery and operations).
Revenue: Increased revenues through access to new and emerging decarbonisation services.	Developing our expertise and resource across carbon, energy and decarbonisation within our core sectors of road, rail and building services.
Supply chain: Greater opportunity for suppliers providing low carbon and environmentally resilient materials and services. Longer lifecycle for goods and services so reduced frequency of procurement/replacements required.	Strengthening our marketing, communication and engagement action on decarbonisation. Greater client engagement and understanding of challenges and barriers to decarbonisation. Provision of energy and carbon assessments across building contracts we currently manage, to identify potential for action/client investment. Investments in low carbon measures such as: improved insulation; compliant cladding; hydrogen ready boilers; and triple/double glazing. Maintaining our PAS 2080 certification and adoption of ISO 50001 where applicable. Moving forward with key procurement category decarbonisation plans and innovation projects including low carbon aggregates and ADEPT Live Labs.

Associated metric: Green revenue and customer feedback

Climate scenarios	Opportunity likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	High (61–90%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Delayed Transition (2°C)	High (61–90%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Current Policies (3°C)	High (61–90%)	High (£10m–£20m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)

Opportunity likelihood
Low Medium High Very high

Term impact
Very low Low Medium High Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Opportunity: Ability to diversify business activities

Opportunity type: Market

Description: Development and/or expansion of low emission goods and services. Opportunity to win work in new markets as the UK and global governments progress the energy transition from fossil fuels to renewables.

Impacts to business model and strategy	Actions to realise opportunities
Operational: Investment required in resource and effective tools and systems to capture and assess climate data (direct and supply chain) to inform the services we provide. **Revenue:** Increased revenues through access to new and emerging markets. **Supply chain:** Investment in suppliers' resources to research and unlock ideas and funding so customers can progress decarbonisation ambitions.	Market review of Net Zero plans and opportunities across wider geographical markets including Australia, Canada and Northern Ireland. Market review into ancillary works to support renewable infrastructure (grid connections), nuclear and smart local energy systems. Enhancing our digital capabilities to predict and manage infrastructure performance. Expanding where possible PAS 2080 accreditation across all areas of service delivery.

Associated metric: Green revenue and customer feedback

Climate scenarios	Opportunity likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Medium (31–60%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Delayed Transition (2°C)	Medium (31–60%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Current Policies (3°C)	High (61–90%)	High (£10m–£20m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)

Opportunity likelihood

Low · Medium · High · Very high

Term Impact

Very low · Low · Medium · High · Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Opportunity: Ability to support clients with climate adaptation services

Opportunity type: Products and services

Description: Chronic impacts of climate change are expected to increase the frequency and severity of extreme weather events in the UK. This will create adaptation opportunities for additional maintenance/repair contracts for Amey, especially among large public sector clients. Amey has an opportunity through providing our clients with climate change resilience, emergency and adaptation planning (including through nature-based solutions).

Impacts to business model and strategy	Actions to realise opportunities
Operational: Strengthen our resources and capability to provide climate adaptation including nature-based solutions, investing in technology and platforms to enhance services delivery. **Revenue:** Increased revenues through customer priority on climate adaptation and resilience of assets. **Supply chain:** Opportunity for new suppliers to work with Amey that can offer support and enhancement to climate adaptation services.	Engaging with clients to understand future risks and assess the impact of climate change on infrastructure and asset management. Developing communications and marketing plans that showcase Amey's provision of climate change resilience, emergency and adaptation planning (including through nature-based solutions) services. Actively supporting nature positivity across infrastructure management, spearheaded by our nature strategy. Growing our nature-based solutions, biodiversity and nature capability and expertise.

Associated metric: Green revenue and customer feedback

Climate scenarios	Opportunity likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Medium (31–60%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Delayed Transition (2°C)	High (61–90%)	Medium (£5m–£10m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)
Current Policies (3°C)	High (61–90%)	High (£10m–£20m)	High (£10m–£20m)	Very high (>£20m)	Very high (>£20m)

Opportunity likelihood

Low · Medium · High · Very high

Term impact

Very low · Low · Medium · High · Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Opportunity: Increase resource efficiency

Opportunity type: Resource efficiency

Description: Opportunity to manage internal efficiency for cost savings and carbon reduction, through reduction, re-use or recycling of resources and materials.

Impacts to business model and strategy	Actions to realise opportunities
Operational: Increased efficiency and success in getting to our Net Zero targets. **Revenue:** Lower expenditure on resources, fuels and energy. **Supply chain:** Reduction in waste and material consumption, utilising suppliers that focus on circular economy.	Transition to electric and alternatively sourced vehicles, plant and equipment. EV First Policy in place which encourages the use of EV company car. Use of transport planning tools, to support efficient operational movements, reducing fuel use. Travel Policy that supports online/at-home working. Cost efficiencies through re-use of materials such as virgin aggregates. Development of tools that provide visibility of excess materials and products for re-use across Amey/supplier sites. Reduction in energy use from efficient use of buildings. Circular Economy toolkits and training to look across value chain and establish circular principles to reduce waste and material consumption.

Associated metric: Cost savings

Climate scenarios	Opportunity likelihood	Short-term (2025–2026) impact	Medium-term (2026–2030) impact	Long-term (2030–2035) impact	Very long-term (2035–2040) impact
Net Zero 2050 (1.5°C)	Medium (31–60%)	Very low (<£2m)	Low (£2m–£5m)	Low (£2m–£5m)	Medium (£5m–£10m)
Delayed Transition (2°C)	Medium (31–60%)	Low (£2m–£5m)	Low (£2m–£5m)	Low (£2m–£5m)	Medium (£5m–£10m)
Current Policies (3°C)	High (61–90%)	Medium (£5m–£10m)	Medium (£5m–£10m)	Medium (£5m–£10m)	High (£10m–£20m)

Opportunity likelihood
Low Medium High Very high

Term impact
Very low Low Medium High Very high

Environment, Social and Governance continued

Climate change risks and opportunities continued

Resilience of our business model and strategy, taking into consideration different climate-related scenarios

Amey is a leading provider of full lifecycle engineering, operations and decarbonisation solutions for transport infrastructure and complex facilities. Our expertise in data science, alongside our engineering consultancy and operational delivery across the whole asset lifecycle, is unique, making the Group highly differentiated with no single competitor across the whole business.

In recognising the increasing demand for decarbonisation-related consulting services and maintenance of public sector infrastructure, in 2023 Amey put sustainability and decarbonisation at the centre of its refreshed purpose and re-brand. Our purpose is to 'Deliver sustainable solutions, enhance life and protect our shared future' and we are on the journey of embedding this into our strategy and operations.

A core part of strategy is our ESG Plan (published in 2023), within which we have identified four key commitments:

- **Decarbonisation and energy efficiency:** reducing and optimising the use of energy and natural resources across infrastructure management
- **Nature positive:** protecting biodiversity and enabling nature recovery so that it can thrive across the places we work
- **Infrastructure resilience:** upgrading infrastructure so it can both absorb environmental shocks, and deliver on the energy transition
- **Net Zero organisation:** getting our own house in order – achieving Net Zero by 2040

Each commitment is aligned the UN Global Compact Value Model, which ensures all activities and initiatives to deliver the commitment either reduces risk, enhances productivity or supports growth. In addition to organic growth, Amey has an active mergers and acquisition pipeline, focused on consulting, energy transition and decarbonisation capabilities. To track the revenue opportunity we are using a new Green Revenue KPI (see page 48 for methodology). No specific targets have yet been established for this. Regular reviews are undertaken with regard to climate change risks and resilience and we believe we are in healthy position by both managing and tracking these.

Resilience against climate-related risks	Progress against climate-related opportunities
Research and development – participation in a range of sector collaborations and partnerships such as Centre of Excellence for material decarbonisation in local roads. **Client engagement** – client engagement surveys and workshops to better understand decarbonisation aims and goals. Participation in forums such as ADEPT and SOLACE (local authorities) and the BSA for central government. **Science-based targets** – in 2024 our Net Zero targets were approved by the SBTi. We are developing detailed pathways to achieve these targets. **Supply chain literacy** – partner and active member of the Supply Chain Sustainability School, supporting our suppliers, particularly SMEs, to raise their carbon awareness, literacy and action for climate change mitigation. **Supply chain engagement** – targeted engagement with strategy suppliers in high carbon procurement categories. We have set targets for Tier 1 suppliers to have also set SBTi approved targets.	**Decarbonisation services** – provision of a growing range of services across the rail, road and complex facility sectors: • Net Zero strategies and roadmaps for buildings, estate and infrastructure projects • End-to-end climate resilient, low carbon design, build and operations of new infrastructure • Data strategies to generate actionable insights, drive decisions and integrate decarbonisation plans • Whole-life carbon assessments and effective management, certified to PAS 2080 Designer, Asset Owner/Manager and Constructor • Nature-based solutions to lower carbon emissions, improve biodiversity and create new community spaces **Building Energy Management** – achieving ISO 50001 and PAS 2060-based processes and analytics to create a Net Zero and retrofit building design and upgrade. **Nature focus** – a growing capability to offer nature-based solutions, and biodiversity net gain, alongside wider technical biodiversity support. **LED street lighting solutions** – design, installation and maintenance of leading LED technology targeted for local authorities. **EV infrastructure** – design, installation and maintenance of EV solutions.

Environment, Social and Governance continued

Climate change risks and opportunities continued

Targets used to manage climate-related risks and to realise climate-related opportunities and performance against those targets

Amey has set the following carbon reduction targets:

- 2030 – 52.8% absolute reduction across Scope 1 and 2. Amey also commits to reduce absolute Scope 3 GHG emissions by 30.0% within the same timeframe
- 2040 – 100% Net Zero across Scope 1, 2 and 3 with a maximum of 10% carbon sequestration

These targets are in line with SBTi and the latest climate science recommendations necessary to meet the goals of the Paris Agreement and limit global warming to 1.5°C, well below 2°C.

Our progress against these targets, and proactive future plans are outlined in the table below:

What we have achieved (2019–2024)	Next 5 years to 2030	Next 10 years to 2035
Scope 1 and 2	**Scope 1 and 2**	**Scope 1 and 2**
• Scope 1 and 2 reductions by 25% (since 2019) • Moved to 100% renewable purchased electricity • Electric Vehicle First Policy for company cars – 86% of all company cars are EV • New Speedy contract supporting transition of plant and kit to battery, hybrid, hydrogen and solar • Developed tools to track our building energy consumption	• Transition to electric light commercial vehicles (LCVs) • Work in partnership with clients and property teams to install electric vehicle charging infrastructure • Transition from fossil fuelled kit and plant working with our key suppliers • Continuously track and trail new innovations • Achieve energy efficiency in the buildings and premises we occupy	• Work with manufacturers to transition LCVs and HGVs to low carbon alternatives
Scope 3	**Scope 3**	**Scope 3**
• PAS 2080 (Management of Carbon Infrastructure) – achieved for both Design and Asset Owner/Manager and Constructor • Early engagement with key suppliers, and integration of climate change considerations into supplier tendering and evaluation • Participation in Centres of Excellence such as the ADEPT Live Labs 2: Decarbonising Local Roads • Sought and gained verification of our emissions against the ISO 14064 standard • Adoption of Low Carbon Opportunities registers • Amey's full greenhouse gas emission data is outlined in the ESG KPIs section on page 30	• Maintain PAS 2080 accreditations • Focus on key procurement categories, with each having in place a Carbon Reduction Roadmap. Evidence of carbon reduction will be realised in year for each of these suppliers • Participate and invest in pan-sector key R&D forums • Support suppliers to set a science-based carbon reduction target • Improve carbon reporting and tracking systems across the organisation • Develop detailed Net Zero Transition plans, achieving the ISO IWA 42 standard	• Continue to innovate regarding materials and products procured from suppliers • Collaborate with clients to review specifications, to ensure low carbon options are being maximised • Work with SMEs to ensure they are progressing through Net Zero roadmaps • Review and agree and appropriate offsetting routes • Deliver Net Zero Transition plans

Environment, Social and Governance continued

Climate change risks and opportunities continued

Performance indicators used to assess progress against targets

Risk/opportunity description	Key Performance Indicator	Description	Tracking methodology
Transitional (policy and legal)	Operational costs Value to be included within 2025 reporting	Increased costs associated with delivering on additional climate-related requirements (reporting, audit and energy costs).	These are estimated as part of business cases for investment, approved by either our Investments and Approvals Committee (IAC) or Amey Governance within our operating businesses. The project teams are responsible for tracking the costs, where they are over and above business as usual.
Transitional (market)	Green revenue Value to be included within 2025 reporting	The revenue Amey generates through the delivery of sustainability/green services. These services are defined using the FTSE Russell Green Revenues Data Model. This model is used in lieu of a UK taxonomy. There are some limitations to the FTSE Russell Green Model as it does not cover all services we provide and, for this reason, some additional commentary/assumptions have been made to cover lighting, buildings and property, smart city design and engineering and road vehicles. We aim to develop this methodology further in 2025.	Revenue is categorised by the Financial, Operation and ESG teams on an annual basis. In 2025 we will be developing a dashboard to track this on a more frequent basis.
	Technical resource Value to be included within 2025 reporting	The size of Amey teams in delivering decarbonisation, climate change and energy transition services. The number of new 'job' opportunities advertised and filled across these disciplines.	Team sizes are shared by the operational business and recruitment is tracked by our People Team.
Transitional (reputation)	GHG emissions Value included in KPIs (page 30)	Amey's GHG emissions (Scope 1–3) in accordance with the Greenhouse Gas Protocol and tracked against Amey's SBTi approved carbon reduction targets.	GHG data is tracked via the Power BI platform, accessible to all employees. Our GHG emissions reporting is verified to ISO 14064. Carbon management is led by our Climate Change Lead in our Group ESG team, closely supported by our IT and Group Shared Services team.
	Customer feedback scores Value included in KPIs (page 20)	Regular customer feedback provides insight as to Amey's reputation for the delivery of climate-related commitments and services. We closely monitor this perception of our brand and engage with both internal and external stakeholders to avoid its deterioration.	Amey undertakes regular client surveys to produce a Net Promoter Score (NPS) as well as specific feedback on climate-related commitments and services. The assessment is co-ordinated by our Communications and Marketing team.

Environment, Social and Governance continued

Climate change risks and opportunities continued

Risk/opportunity description	Key Performance Indicator	Description	Tracking methodology
Transitional (physical)	Environmental incident Value to be included within 2025 reporting	Number of significant incidents that have caused operational disruption due to extreme climate events.	Climate-related incidents that have a potential to or cause harm are recorded and tracked on our incident management platform, EcoOnline.
Opportunity (products and services)	Green revenue	As per above.	As per above.
	Customer feedback scores	As per above.	As per above.
Opportunity (markets)	Green revenue	As per above.	As per above.
	Customer feedback scores	As per above.	As per above.
Opportunity (resource efficiency)	Cost savings Value to be included within 2025 reporting	Financial savings realised through energy-related resource efficiencies.	These are estimated as part of business cases for investment, approved by either our Investments and Approvals Committee (IAC) or Amey Governance within our operating businesses. The project teams are responsible for tracking the realised savings.

Social

Investing in people	Creating opportunities	Sustainable supply chain	Involved communities
Championing a safe and progressive workplace where people can be their best	Creating new employment and skills opportunities, delivering the infrastructure needs of the future	Engaging and integrating suppliers, championing local business and elevating the total value they bring	Engaging the people who are impacted by the solutions we're designing and delivering
Our actions	**Our actions**	**Our actions**	**Our actions**
Refresh and enhance our approach to behavioural safety, centred around our Zero Code ● (green)	Develop education and employment pathways to encourage and enable young people into our sectors ● (green)	Achieve ISO 20400 Sustainable Procurement Management ● (green)	Track the social and economic value we bring to continuously improve ● (green)
Use Safety Improvement Groups to focus on common injury and fatal risk reduction ● (green)	Offer bespoke programmes for those that face barriers into employment, targeting areas of social deprivation so everyone can access employment ● (green)	Champion and mentor VCSEs within infrastructure services to develop and grow ● (green)	Strengthen our community engagement and social value activity across our portfolio of projects ● (green)
Build on our Wellbeing and Inclusion Strategy, with the aim to be the best in our sector for employee health, wellbeing and inclusion ● (green)	Embrace difference and nurture diverse talent across our sectors and workplace ● (green)	Provide opportunities and development for SMEs and VCSEs, supporting local economic growth ● (green)	Offer solutions that improve safety, enable access to green space and create healthy communities ● (yellow)
Develop our people to create high performing teams in a changing world ● (green)	Communicate our ESG ambitions to attract and retain the best talent to deliver for our customers ● (yellow)	Collaborate with suppliers to implement innovation ● (green)	Add social value within all the services we provide ● (yellow)

● (green) Action achieved and delivered ● (yellow) Action started and in progress ● (red) Action yet to start

Investing in our people

Performance	2022	2023	2024	2025 target
No. of employees (year end)	10,393	10,269	**10,978**	Track
No. of new employees recruited	2,278	2,969	**2,451**	Track

At Amey we work as one team and we value our people. We continually re-think the way we work so that we optimise every opportunity and help everyone to fulfil their potential.

Attracting, developing and retaining talent are fundamental to our business. We work as one team and value all of our people, recognising that diverse experiences and skills add value to our business.

In 2024 we saw the rollout of People Portal – our new and refreshed central system for employees and managers to manage all aspects of human resource management. This intuitive and easily accessible tool makes it much easier for our people to keep up with payslips and book holidays.

Our commitment to attracting, developing and retaining a diverse and inclusive team forms the basis of our people strategy which in 2024 has successfully led us to achieve Investors in People Platinum status.

Attract – a diverse workforce that reflects a range of backgrounds, experiences, perspectives and ideas drives innovation and creativity.

Environment, Social and Governance continued

Social continued

To help us attract the very best talent we:

- Showcase our inclusive culture and personal growth opportunities, positioning ourselves as employer of choice through our compelling employee value proposition
- Use targeted hiring strategies, partnerships and innovative platforms to target and attract the best people
- Pay the Living Wage – our lowest rate of pay is a premium higher than the Real Living Wage. Our very lowest rate of pay is 5% higher than the Statutory Minimum and 1.8% higher than the Real Living Wage

In 2024 we recruited 2,451 people to our team of which 1,335 were on a temporary basis to support with key projects. The average Hiring Manager score on the feedback survey was 4.35/5.

Develop – all our people are given the opportunity to thrive, fulfilling personal ambitions and contributing to our success.

Our commitment in this area includes:

- Ensuring team members have performance and growth plans to help them achieve their potential. These include training opportunities, leadership programmes and mentoring and upskilling initiatives
- Feedback and recognition are a fundamental element of our corporate culture and recognised as integral to personal and professional growth
- Providing targeted training programmes, including the front-line manager programme, formal peer learning, and Band C, D, High Potential and Executive training programmes

In 2024, more than 71,000 e-learning courses were completed, equipping our team with new knowledge and skills. A number of mandatory training courses covered key topics such as health, safety, environment and quality and people themes such as wellbeing, diversity and inclusion. Our new learning management system is set to launch in 2025/26 and will offer cutting-edge e-learning content. Accessible to everyone at Amey through our People Portal, this will feature a strong self-service element.

Our commitment to having more than 5% of our team learning while earning was recognised with a Gold award from the 5% Club for the second consecutive year and in 2024 we invested £6,286,492 in training, helping our team members to excel in their roles.

We maintain a sharp focus on digital skills and in 2024 we hosted 119 online sessions attended by more than 1,500 colleagues. Sessions focused on essential digital skills from Microsoft Office applications to AI. In-person training was given to 218 offline operatives with 500 more colleagues due to take part in the first quarter of 2025. We became signatories of the Workforce Digital Skills Charter co-ordinated by the FutureDotNow coalition of which Amey is a strategic partner, and are co-ordinating this across the infrastructure and construction sector to close the digital skills gap.

Retain – a resilient workforce capable of driving sustained growth is key to our success and we prioritise strong team dynamics and safeguarding industry knowledge.

Our focus here includes:

- A commitment to engagement and wellbeing, creating an environment where everyone in our team feels valued, supported and connected
- Offering excellent career growth opportunities, competitive compensation and benefits packages and flexibility

In October 2024 our ‘Investors in People’ survey supported our ‘one team’ vision, revealing positive attitudes about Amey as a place to work. Over three quarters of respondents believed their behaviours reflect those of Amey values, and that their role enables them to work well with others. Over 70% agreed they are encouraged to use their initiative and 66% agreed they are trusted to make decisions in their role.

A new Amey-wide Impact programme launched in January 2025. This encourages team members and stakeholders to share knowledge, ideas and creative solutions aligned to our strategic priorities. And our A*stars saw more than 500 nominations in nine categories with our winners celebrated at a special event.

Ambassador networks cover communications, social value, wellbeing and inclusion, and create a conversation with our people that allows us to understand their priorities and makes changes to reflect these. Our one team approach is further supported by bi-monthly all-employee calls led by our Chief Executive. Other key engagement events included our 300-strong senior leadership conference, bringing leaders up to date with performance, challenges and future strategy.

And our Hub magazine reaches 5,000 team members including those who are regularly not online.

Environment, Social and Governance continued

Social continued

Investing in people – safety

Performance	2022	2023	2024	2025 target
All worker Lost Time Injury Rate	0.43	0.36	**0.33**	Track

Amey is a complex organisation operating across multiple sectors. Although UK centric, Amey also operates on the international stage.

Our overarching value, 'Safety First, Always', offers a simple goal to get everybody home safe and well every day. This is underpinned by our Zero Code framework, which ensures consistent and relatable expectations for anybody providing services on behalf of Amey. This framework allows anybody to stop work and seek advice if they feel unsafe and is continually communicated through regular releases of Zero Code videos which are well received by our direct and indirect workforce.

Our approach to health and safety organisation, governance and arrangements is assessed by UKAS accredited independent third party assessors and we hold formal third party certification to a number of standards, most notably BS EN ISO 45001 (the international operating standard for health and safety management). The robust independent auditing scrutinises policy, organisational arrangements, our approach to identifying and the mitigation of health and safety risks and the effectiveness of these arrangements, whilst also reviewing health and safety performance and the delivery of identified continual improvement plans. 2024 saw full compliance across all business entities with a recommendation from our third party for continued certification.

Our approach to the management of health and safety is also recognised through continual annual awards from the Royal Society for the Prevention of Accidents (RoSPA) and the British Safety Council where applicable. 2024 saw a good return across our business for these awards.

We continue to operate the Safety Council, which oversees and gives strategic direction for good health and safety management. The Safety Council meets twice yearly with membership consisting of our shareholders, Non-executive Chairman, CEO and other Board members (as required) and Amey Group H&S Director. In addition monthly Executive Committee meetings and CEO-led Operational Review meetings are held where H&S is a prominent feature.

To ensure continued focus on common and fatal risks, Board-sponsored Safety Improvement Groups (SIG) were established with a focus on common and fatal risk categories and improvement strategies. Our SIG playbook has been published and informs business unit level Health and Safety Improvement Plans.

Competent and professional chartered H&S advice and support are retained throughout the business to assure compliance with the Management of the Health and Safety at Work Act (MHSWA), regulation 7.

2024 performance continued to show improvement against improvements realised in 2023; these are as follows:

- Reporting of Injury, Disease and Dangerous Occurrence Regulations (RIDDOR): 25% improvement
- Lost Time Injury Rate (LTIR): 18% improvement
- A 20% reduction in High Potential (HiPo) incidents being reported
- As an indication of a good health and safety culture 22,565 close calls were also reported (up from 21,977 in 2023)

Environment, Social and Governance continued

Social continued

Investing in people – wellbeing, diversity and inclusion

Performance	2022	2023	2024	2025 target	2030 target
Employee engagement	Not reported	78.0 %	**77.0 %**	80.0 %	90.0 %
Female representation	29.5 %	31.0 %	**30.7 %**	Track	40%
Female representation (Band D+)	18.7 %	20.1 %	**21.5 %**	23.0 %	Track
Multicultural representation	8.4 %	9.4 %	**9.1 %**	10%	10%
Gender pay gap – mean	24.7 %	20.7 %	**18.6 %**	Year on year reduction	Track
Gender pay gap – median	33.7 %	25.8 %	**24.2 %**	Year on year reduction	Track

It is our firm belief that wellbeing, diversity and inclusion are intrinsically linked. This belief underpins our ambition to attract the very best talent to Amey and to retain, develop and care for our people.

A new Wellbeing, Diversity and Inclusion Steering Committee drives this work and links to our Environmental, Social and Governance Committee, Executive Board and affinity networks.

This year has seen us launch and embed our new Wellbeing, Diversity and Inclusion strategy. This comprises three overarching priorities that drive delivery of targeted action plans across our business. These are to:

1 Promote wellbeing

We proactively support a self-care approach to collective and individual wellbeing so that individuals and teams are empowered to fulfil their potential. This includes supporting our people to understand the factors impacting wellbeing including physical, emotional, social and financial health as well as sleep, nutrition, alcohol and drug use. A range of tools promote proactive self-care and support is tailored to individual needs.

Our Wellbeing policy outlines our commitment to support our colleagues and our wider workforce. We recognise the impact of mental health and we are proactive by providing a number of employee assistance programmes (EAP). These include programmes provided by our preferred suppliers, Medigold and Health Assured.

Our new Wellbeing check-in app will support all our people to review wellbeing and signpost them to further support if needed. A new 'I'm struggling' button provides a simple and immediate way to access help. Our 2025 Wellbeing calendar explores all aspects of wellbeing and will help to further embed the new app. We have also worked on growing our ambassador network across the business and refreshed our Wellbeing internet pages to ensure support is accessible.

A new reasonable adjustment passport ensures that people experiencing health or menopause symptoms get the right support. The passport provides a record of agreed adjustments and support measures that help overcome barriers to work.

To support and retain the 62% of women at Amey who are of perimenopausal or menopausal age we have partnered with My Menopause Centre. Rated 'Outstanding' by the Care Quality Commission, the Centre offers specialist menopause health services, medical advice, monthly webinars and wider support. We also further support through a five-week menopause cognitive behavioural therapy course.

Our Sexual Harassment Lead works with stakeholders across the business to foster a culture of dignity and respect. This includes ongoing training and awareness raising. We have partnered with the Employers Domestic Abuse Covenant (EDAC) to support women affected by domestic abuse to enter or re-enter the workplace. This important partnership is the foundation for a range of meaningful support including job opportunities, mentoring and sector-specific courses.

A Disability Confident Leader, we are committed to supporting each other and fostering a positive working environment for people with disabilities. We also work with employers to encourage disability awareness. Our RNIB covenant ensures that we properly support colleagues with significant sight loss.

Environment, Social and Governance continued

Social continued

2 Inclusive culture

Our affinity network now includes a Unity Group Lead, creating cohesion across the network. This facilitates effective planning of inclusion initiatives and awareness events, highlights intersectionality and allows smaller networks to extend their reach. A stronger voice for our Unity Group includes panel sessions during our leadership conference and at one of our large depots.

A shortlisting for the Unity Group in the Outstanding Employee Network of the Year category at the British Diversity Awards 2025 recognises the success of our Group. This award is for people and organisations who strive to make the workplace and society more inclusive.

Our Armed Forces Covenant recognises the exceptional contribution former servicemen and women make to our business. This year we secured a five-year revalidation under the MOD's Gold Employer Recognition Scheme.

3 Represent communities

Other commitments include our partnership with Race Equality Matters. This year key initiatives include awareness events around Race Equality Week and work around intersectionality. Working with Autistica we have carried out a Neurodiversity Employers Index Review looking at how we recruit and support neurodiverse team members and have secured bronze certification.

Focused on supporting all our people to achieve their ambitions, we launched a suite of leadership programmes in 2024 including our executive programme with Ashridge. A successful fourth cohort of our award-winning Women@Amey programme saw more than 70% of participants promoted or stretched in their role. And 18 out of 29 delegates in our Multicultural Leadership Development Programme were either promoted or stretched.

We marked International Women's Day with a Innovate and Elevate women's festival including an A-Star spotlight focused on the achievements of outstanding team members. An Empowering Women in Leadership session explored empowerment in leadership using interactive sessions, role plays and panel discussions. A session on women in STEM addressed stereotypes and explored supporting women in STEM careers.

Our Women's PPE survey changed the way we provide safety clothing for women at Amey and won Diversity Network Awards' Initiative of the Year. Other key engagement initiatives include canvassing suggestions to ensure fully inclusive meetings and events.

The Race Equality Matters five-day challenge was a key strand of our programme of activity to mark Race Equality Week. This was supported by a programme of events to promote inclusivity. We are signatories of Business in the Community's (BiTC) Race at Work Charter and in 2025 will again continue to publish our ethnicity pay gap data.

A highly commended award in the employers category of the Disability Power 100 awards recognises the work of our Diversability network that aims to challenge and change attitudes towards disability. This supports Amey's achievement of a Disability Confident and RNIB Visibility Better Employer status.

Environment, Social and Governance continued

Social continued

Our affinity networks

- **Armed Forces** – A community to inspire and empower members to achieve their personal and professional goals, the group focuses on career advancement, building personal networks and finding further support. It also connects members with other Amey people who understand the challenges faced by veterans, reservists, cadets and military spouses. Proud winner of the Veteran Employer of the Year award, the group has launched a buddying system with 23 trained mentors supporting new joiners
- **Diversability** – This group's vision is to challenge and change attitudes towards disability, ensuring that Amey is inclusive and everyone has an equal opportunity to achieve their full potential. The group provides education, support and guidance to disabled people as well as the wider Amey team and aims to increase representation at Amey. Its work was recognised with a best network initiative award
- **Multicultural** – Our Multicultural group provides a safe space for employees to talk about race and learn about the different backgrounds and cultures that make up our team. It offers help and support to those affected by non-inclusive behaviour or racism and promotes understanding and knowledge share
- **Neurodiversity** – This group supports team members who identify as neurodivergent providing a safe space to share experiences and find support. It also raises awareness and understanding of neurodiversity so that everyone at Amey can offer more support when it is needed. Celebrating the many advantages diverse minds can bring to Amey, the group challenges harmful stereotypes and misconceptions
- **Parent and Carers** – A community of people supporting one another to navigate through the different stages of life, our Parent and Carers group supports all parents and carers. The group's members include parents of young children, teens and adults as well as those who care for family members, young or old
- **Pride** – Our Pride group aims to build an environment that is safe and inclusive of lesbian, gay, bi and trans people and their allies. The group takes part in Pride across the UK and hosts online social and learning events
- **Women@Amey** – The W@A network promotes gender inclusion by developing and supporting women at Amey. Its purpose is to listen and provide a voice to women across Amey. As well as advocating for their needs, it offers practical support and resources to facilitate success. The group received a Princess Royal award for its multicultural leadership programme Inspiring Women in Construction and Engineering Recruitment and Retention

In 2025 we will:

- Continue to make safety our first priority by building on our Zero Code framework, refreshing the Behaviour Safety Framework and focusing on common and fatal risk reduction
- We will continue our investment in improved HR systems, notably through the rollout of a new People Portal
- Launch our new Wellbeing, Diversity and Inclusion strategy, supported by employee resources and new e-learning
- Use the learning management module Success Factors to better track the learning we offer colleagues and ensure compliance for those roles and areas where training is critical, most importantly health and safety

Environment, Social and Governance continued

Social continued

Creating opportunities

Performance	2022	2023	2024	2025 target
% apprentices, graduates and those on formal learning programmes	Not reported	Not reported	7%	7%
Recruits from target groups (No. and % total new recruits)	54 / 2.4%	153 / 5.2%	176 / 7.2%	10% of new recruits
Female new starters on Early Careers Programmes (apprentices and graduates)	25%	21%	28%	35%

Early careers

At Amey we are committed to helping everyone fulfil their potential and our Careers programme provides an important springboard to opportunity. The end of 2024 saw more than 550 active participants in the programme including 200 new apprentices, graduates and placement starts.

Its three key strands are:

- Our apprenticeship programme includes degree apprenticeships in rail, engineering, data science and business development, giving participants real-world experience and a nationally recognised qualification while earning
- Two and three-year graduate programmes where participants work with industry leaders on flagship projects while positively impacting communities
- Year-long and summer placements giving students valuable work experience and helping them develop professional and personal skills

Now in its second year, our T-Level technical training programme on our Staffordshire account has supported six people – four starting in 2023 and two in 2024 – to gain valuable skills in design, surveying and planning for construction design and business administration. We are now exploring using this programme as a pipeline for apprenticeship roles.

Our partnership with the Royal Academy of Engineering and its award-winning Graduate Engineering Engagement Programme (GEEP) helps to support engineering graduates from diverse backgrounds into engineering jobs. In 2024, our Early Careers community invested 38.75 hours volunteering in group events and seven hours in mentoring graduates, and our Consulting business recruited a GEEP participant into a graduate role.

The second year of our partnership with 10k interns saw five new summers interns gain valuable experience across our business. One will join our Graduate Programme in 2025. In Scotland, our DofE Taster Day equipped 15 students from diverse backgrounds with valuable insights into careers in engineering. This programme will be extended to the other devolved nations in 2025.

In December 2024 we signed the Care Leaver Covenant, a further commitment to social responsibility and inclusivity. This covenant is a promise to support young people leaving care, helping them transition into adulthood and achieve their full potential.

The year saw an increase in apprentice completions, up from 46 in 2023 to 69 in 2024. By the close of 2024 we had recruited 572 professional development apprentices onto funded programmes. Although recruited apprentices figures were slightly lower in 2024, this was balanced by an increase in professional development apprentices enrolling onto levy funded programmes including our Consulting Leadership Development Programme.

The £1,760,825.5 levy received from the Government was up slightly (2.97%) in 2024 compared to £1,709,992.32 in 2023. The levy used in 2024 increased by 13.75% (£1,491,237.80) compared to 2023 (£1,310,942.14). In 2024 Amey passed the £1 million benchmark in committed levy transfer, with an additional £100k committed to Discovery Schools Trust and £290k committed to Norfolk and Suffolk Constabularies. This additional committed levy transfer resulted in expired levy of £104,547 in 2024, down from £580,164 in 2023 and £1,035,000 in 2022.

Environment, Social and Governance continued

Social continued

Inspiring future generations

A partner of The Duke of Edinburgh's Award (DofE) charity for over 22 years, Amey recognises the award's significance in supporting the development of young people. This partnership supports our joint objectives of improving the life chances and employability of thousands of young people. In 2024, 35 of our young colleagues took the opportunity to work towards their Gold DofE award.

The year also saw us launch our Essential Skills Insights programme, again working with the Skills Builder Partnership. This gives young people from disadvantaged backgrounds the opportunity to develop essential transferable skills that help them move into work. Running across three schools, the programme reached more than 300 young people. Very well received by participating schools, this programme aligns with Gatsby Benchmarking 1 criteria regarding progressive careers programmes shaped and driven by a strategic careers plan.

This year also saw us launch the Duke of Edinburgh Taster Day programme, giving young people insights into a career in a market-leading infrastructure and engineering organisation. The programme involved 30 young people completing their DofE award, giving them the opportunity to meet Amey senior managers and experts, use their skills to solve an engineering challenge, explore career opportunities and network with other participants.

We delivered more than 75 work experience placements through our Paving the Way programme. This supports participants to develop essential skills and gives them valuable workplace experience. In July alone our Bristol office hosted 12 work experience students over two weeks. Students met Amey experts and worked on an engineering project. Several participants expressed an interest in our apprenticeship programme.

Through our partnership with Speakers for Schools, we also delivered 5 Hybrid Work Experience programmes to 61 students within Kent, Birmingham, Catterick and York. This programme gives individuals the opportunity to develop their essential skills and to gain valuable experience in the workplace. It is intended to give young people an understanding of working life and the discipline and skills which are needed within the workplace.

Environment, Social and Governance continued

Social continued

Breaking down barriers

Embracing diverse perspectives is not just the right thing to do, it also benefits our clients and our business. With a dedicated inclusive recruitment strategy, we are committed to creating and supporting initiatives that help break down barriers to employment and career progression for talented people from diverse backgrounds.

In 2024, we welcomed 176 new team members from our social target groups. These include those who have experienced long-term unemployment and people not in education, employment or training, as well as people with health conditions, former prisoners, care leavers and veterans.

As part of our ongoing commitment to breaking down barriers to employment we signed up to important new pledges and covenants in 2024. These cover issues including domestic violence, supporting care leavers and tackling homelessness.

We have also strengthened our partnership with the Social Recruitment Advocacy Group. We are the first employer to achieve Gold Chartermark membership for our exemplary work in social recruitment.

Armed forces

We are one year into our five-year revalidation under the Ministry of Defence's Gold Employer Recognition Scheme (ERS). This important recognition of our commitment to the military community and many forces friendly initiatives was first awarded in 2018.

Our collaboration with the Forces Transition Group and the Career Transition Partnership (CTP) creates employment opportunities for service leavers. And our strategic level partnership with the industry-led BuildForce programme gives further important support, connecting veterans and service leavers with jobs in the construction sector.

Our award-winning Armed Forces affinity network, comprising veterans and service leavers, plays a crucial role in providing mentoring, support and assistance. This network also supports our resourcing team by participating in CV panels, conducting mock interviews and facilitating work experience placements.

We attended 14 military events with our partners and these collaborative efforts have enabled us to recruit 92 new employees from the military community. In 2024, we also launched our innovative Service to Success programme, a unique initiative designed to support service leavers in their transition to fulfilling civilian careers. The programme offers a comprehensive insight into a range of roles with Amey and the wider industry and includes valuable first-hand experience and tailored support to help military candidates succeed.

Prison leavers

Employment is the linchpin of successful rehabilitation of offenders and a number of Amey initiatives give prisoners skills and experiences that will help them move into work.

Our pioneering CRED programme is now running in 46 prisons, equipping prisoners with practical new skills in painting and decorating and stores and grounds maintenance. CRED provides 64,000 hours of purposeful activity per month for prisoners, equating to a social value of £40 million in 2024.

Ten Journey to Work events in prisons in 2024 helped connect prison leavers with job opportunities, and Amey has created 10 employment opportunities for ex-prisoners. Our Step Ahead Pathway project developed in partnership with The Duke of Edinburgh's Award is set to launch in two prisons in 2025 and will give further support to young people in custody.

We sit on five prison employment advisory boards. Chaired by employers, these independent boards work closely with prison governors and employment leads to ensure prisoners get the support they need on release.

In 2024, our social value work in prisons was recognised with the award of PFM's Overall award and its Partners in ESG award. Our CRED programme was highly commended in the Institute of Workplace and Facilities Management's Social Value category.

Sector-Based Work Academy Programme

Our Sector-Based Work Academy Programme (SWAP) has further strengthened our long-standing partnership with the Department for Work and Pensions. This new initiative builds confidence and equips jobseekers with essential new skills and valuable work experience, significantly improving their employment prospects.

The SWAP is active in Bradford, Northampton and Edinburgh through our public estates and PFI school accounts. Already, 29 participants have accepted permanent positions with Amey and we are proud of our 100% retention rate.

Looking ahead, 2025 will see SWAP introduced to our other business units, offering new opportunities to jobseekers and supporting their professional development.

Journey to Work

Our Journey to Work events saw us engage 925 people in 2024, with 664 taking part in our workshops and 53 moving into work with Amey or our supply chain. Run with DWP and supply chain partners, these events give those furthest from work access to employability resources and workshops along with tailored guidance on overcoming barriers to employment. This includes advice on finance and debt management, childcare, accommodation and transport as well as general job-seeking support.

Environment, Social and Governance continued

Social continued

Interviews for specific roles are available along with work experience opportunities. In 2024, we ran 20 events in local communities and prisons, collaborating with 92 partners for maximum impact.

Talent Reintegration Programme

New in 2024, this reflects our commitment to supporting people who have not worked for some time back into employment. Target groups include care givers and those who have been in custody or experienced long-term unemployment.

The structured six-month programme focuses on building confidence and developing professional and life skills. Combining clear goals and wrap-around support, it aims to enhance overall wellbeing and support participants into sustainable careers with Amey.

In 2025 we will:

- Bring together our programmes and initiatives to support pathways into employment under ‘Journey to Work’ and maintain a focus on social recruitment
- Explore opportunities and partnerships that focus on inspiring and supporting girls into our sector
- Strengthen partnerships that help break down barriers to work

Sustainable supply chain

Performance	2022	2023	**2024**	2025 target
Total no. suppliers	4,500	4,100	**5,205**	Track
Total supply chain spend	£1.7bn	£1.3bn	**£1.3bn**	Track
SME spend – £ and % total	£895m | 53%	£616m | 48%	**£664m | 53%**	Track
VCSE spend – £ and % total	£6.8m | 0.4%	£5.2m | 0.41%	**£5.1m | 0.41%**	>0.4% of total spend
Prompt payment	95% in 60 days	99% in 60 days	**98% in 60 days**	99% in 60 days

Our sustainable procurement approach is a key part of our commitment to positive social impact. Purchasing decisions reflect not simply value and need but also their impact on society and the environment.

Collaborating with suppliers creates innovative solutions to drive value. And, by championing local businesses, SMEs and social enterprises, we develop a more diverse supply chain that supports the local economy.

We collaborated with BSI to integrate sustainability into our procurement processes per ISO 20400:2017. In 2024, we launched Supply Chain Excellence 2024–2026 supporting our ESG strategy and Sustainable Procurement and Supply Chain Policy. We encourage suppliers to maintain ISO 14001:2015 certified environmental management systems and set expectations for carbon emissions, air quality, circular economy, water, nature and social value. We have set milestone dates for suppliers to commit to SBTi approved near-term targets or Net Zero targets.

We continue to use the Constructionline fully hosted and vetted database to assess suppliers to a common industry standard.

Throughout the year, we partnered with more than 5,200 suppliers across the UK. More than half (53%) of this spend was with SMEs. And of our total supply chain spend of £1.253 billion, £5.1 million was with social enterprises. We are pleased to have paid 99% of our supplier invoices within 60 days.

In 2024 we achieved Gold status with the Supply Chain Sustainability School. Our membership supports our employees and suppliers to understand and embed social value through procurement. We remain committed to working with the wider sector to create a sustainable future.

Partnership with VCSEs

Our focus on creating opportunities for voluntary community and social enterprise organisations (VCSEs) is underpinned by our membership of Social Enterprise UK's Buy Social Corporate Challenge. This helps us support the growth of the VCSE sector.

In 2023, we launched the Amey Hays Social Enterprise Initiative in partnership with our temporary recruitment supplier. This fosters sustainable growth for four VCSEs that prioritise inclusive recruitment. Support is primarily delivered through in-kind benefits, supplemented by a grant of £10,000 to each VCSE. Beneficiaries were Community Driving School, Morgan Developments, Rising Stars Property Solutions and Standing Tall. These emerging VCSEs align with our social value purpose and have a significant positive impact on local communities. In total, 145 hours of support were provided, including:

73 hours

of mentoring

65+ hours

of subject matter expertise

6+ hours

spent supporting community-led events

The initiative has delivered value to the four VCSEs, Amey, Hays and wider society. Using the Thrive social value reporting platform, we have calculated <£104,000 in social value generated across the initiative's first year through VCSE spend, expert hours, charity aid, mentoring hours and community support.

Outcomes of the 12-month programme were independently reviewed and validated by SEUK. Its Impact Evaluation and Recommendations Report found that in its first year the project demonstrated a capacity to 'play a pivotal role in accelerating the growth of social enterprises'.

The report identified clear success across all VCSEs, with one seeing a transformational difference. Key areas of development included enhanced knowledge, confidence and skills in a range of business areas.

Year two of this initiative sees us focus our efforts on two social enterprises, providing multi-layered support to deliver further social impact. The grant for each participant is increased to at least £25,000 to help accelerate their growth. Additionally, we will look to provide:

- An expanded SME network: using joint Hays and Amey events and workshops to create a skills matrix database to match our expertise to specific VCSE challenges
- Greater focus on functional, high value support: providing technical expertise that VSCEs would otherwise find hard to source

In 2025 we will:

- Launch a new Supply Chain Excellence guide to set out the commitment Amey makes to its suppliers and the expectation Amey requires from its suppliers
- Continue to support the SME and VCSE sector to access our supply chain, developing a roadmap of key opportunities across our procurement categories
- Implement recommendations from the SEUK impact and evaluation report to deliver Cohort 2 of the Amey Hays Social Enterprise Accelerator
- Strengthen and champion sustainable procurement through alignment with and advocacy of ISO 20400 Sustainable Procurement guidance

Environment, Social and Governance continued

Social continued

Involved communities and social value

Performance	2022	2023	2024	2025 target
Social and environmental value	Unknown	£184m	**£211m**	Year on year increase
Volunteering hours	7,238	16,920	**13,426**	15,000
Fundraising for charity	£130k	£80k	**£106k**	Track

Our social value reporting tool Thrive helps us track, audit and report on our social value and broader ESG activities. This can be tailored to social value objectives at contract level, allowing us to ensure we deliver on agreed client KPIs.

Thrive uses the Impact Evaluation Standard to create tangible value of our social value activities. The Standard is fully aligned with the UK Government's Social Value Model and the Sustainable Development Goals and guided by an independent steering committee of recognised social impact leaders.

In total we delivered £681,200,746 in social value in 2024, broken down to:

- £211,025,594 social and environmental value
- £332,614,637 local economic benefit*
- £137,560,514 non-local economic benefit*

As part of this, we were pleased to:

- Recruit 176 people who face barriers into employment, including 50 who were previously unemployed, 92 veterans and 10 prison leavers
- Deliver 1,342 weeks of work experience and placements
- Volunteer 15,686 hours targeted towards environmental community action, and community projects and education programmes
- See 11,791 people benefit from our community outreach activity

Our focus is on using robust, quality data sourced from our central systems coupled with input from teams across our operational sites.

Local and non-local economic benefit is not fully captured in the Thrive platform. Our focus for 2025 is to continue to improve this data capture process.

Partnership for change

We are in the second term of a two-year partnership with Cancer Research UK (CRUK). Fundraising efforts are channelled towards early detection research and supporting CRUK in pioneering diagnostic tests, treatments and prevention.

During 2024, we raised £106,435 for CRUK of which £82,311 came from fundraising activities and £24,124 came from our Donation Station initiative. This saw us collect 51,045 bags of items for sale in CRUK shops. Fundraising initiatives included our Early Careers Challenge (£12,414) and a pan-Amey STEPtember Challenge involving over 25 activities (£24,160), and our TRU West team raised a further £10,480. Other team and individual fundraising events included Race for Life, Night Shine Walks and Walk All Over Cancer.

Awareness raising activity focused on our Cancer Awareness in the Workplace programme which reached 1,294 employees through 19 face-to-face activities. These included nine cancer awareness health stands, ten workshops, two webinars and monthly health communications.

During this two-year partnership, 4,524 colleagues have been reached, across 50 activities. The vast majority (79%) of those who took part in these activities reported better understanding of health awareness and enhancement.

Early Careers CRUK Charity Challenge

Nineteen graduates, apprentices and placement students took part in our third CRUK challenge. Given five weeks to raise as much as possible, participants raised £12,414.97, more than double their target.

As well as raising funds for important research, participants developed their communication, team working, planning and presentation skills and pushed themselves physically to a range of fundraising activities including a music event, a 10k a day challenge and a marathon run across the Severn Bridge.

Environment, Social and Governance continued

Social continued

Giving back

Amey offers up to two paid Social Impact Days (SIDs) every year, giving all our people the opportunity to support communities and non-profit organisations by volunteering and in 2024 our team volunteered 15,686 hours.

We encourage people to support environmental, educational, employment and skills-based initiatives and to help achieve local community goals. Activities include supporting biodiversity improvement projects, regenerating community waste ground so new facilities can be built, professional skills-based mentoring to help partner social enterprises, supporting food bank collections and establishing a community polytunnel as well as supporting STEM education outreach sessions and Rail Safe Friendly school visits. Where possible, volunteering activities are combined with fundraising.

We have cultivated strong relationships with nationwide charities including the Trussell Trust, Macmillan Cancer Support, BuildForce, Little Troopers, Samaritans, Duke of Edinburgh and CRUK. In 2024, 52 employees used SIDs to volunteer at 18 CRUK stores and superstores.

The Amey Foundation's Amey Match Funding initiative empowers any employee taking part in a fundraising event for a registered charity to apply for supplementary sponsorship. In 2024, the Foundation granted £13,354 in match funding, bolstering over 38 causes and augmenting the £54,982 raised by team members. Beneficiaries included Children with Cancer, Mind, We Hear You, Walking with the Wounded, Help Bristol's Homeless, Goals Beyond Grass, Women's Aid and Andy's Man Club.

In 2025 we will:

- Develop and implement a process for our supply chain to report social value via our Thrive platform
- Launch our partnership with Neighbourly, a platform that connects businesses with local charities to facilitate impactful volunteering
- Review and strengthen opportunities for schools, colleges and youth groups, inspiring young people and supporting them into careers in our sector
- Establish a new Employee Chosen Charity Partnership that holds purpose and value for our workforce

Amey Challenge Cup

The Amey Challenge Cup brings girls aged 13–15 into Amey to work with our engineers for a day to solve a real-life engineering problem.

The Cup showcases the variety of roles in technology and engineering and inspires participants from underprivileged backgrounds to consider a career in these sectors. In 2024, 524 girls from over 40 schools participated in 18 events. More than 200 Amey volunteers took part, giving 1,200 hours of their time. The Skills Builder Essential Skills Framework used to assess the event's impact on participants showed:

90%

improved their speaking skills

90%

improved their problem-solving skills

83%

increased their confidence

Key Performance Indicators

We use a number of financial and non-financial Key Performance Indicators (KPIs) to evidence progress against our corporate strategy. Where applicable, these KPIs are also used to determine bonuses and other rewards.

Financial

- Revenue on continuing operations was £1,876.8 million compared with £1,832.9 million in 2023
- EBITDA[1] and operating profit on continuing operations before exceptional items were £138.8 million and £116.2 million respectively (2023: £107.1 million and £87.0 million) representing margins of 7.5% and 6.3% respectively (2023: 5.8% and 4.7%)
- Operating cash flow from all activities was a £97.1 million inflow (2023: £78.9 million inflow). This inflow is after including payments made against historical contract loss provisions of £30.9 million (2023: £39.4 million)

1 EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

ESG and non-financial

Please refer to the following pages for full details of our ESG KPIs and performance:

- Environment – pages 24 to 49
- Social – pages 50 to 63
- Governance – pages 20 to 23

Streamlined Energy and Carbon Reporting (SECR)

Amey's SECR looks at UK operations and services. Currently this is only evident in this Annual Report.

	2022		2023		**2024**	
	MWh	% of total consumption	MWh	% of total consumption	**MWh**	**% of total consumption**
Energy source						
EfW parasitic consumption*	27,574	14%	—	—%	—	—%
Electricity	19,139	10%	9,882	6%	**12,062**	**6%**
Gas	4,566	2%	1,482	1%	**1,215**	**1%**
Diesel	118,509	62%	126,776	74%	**182,995**	**89%**
Unleaded	11,348	6%	15,541	9%	**5,534**	**3%**
Red diesel	8,490	4%	2,890	2%	**482**	**<1%**
Kerosene	345	<1%	637	<1%	**316**	**<1%**
LPG	—	—	34	<1%	**30**	**<1%**
Bottled LPG	772	<1%	1,188	<1%	**1,448**	**<1%**
Business travel in employee owned vehicles	731	<1%	11,793	0.07	**570**	**<1%**
Total	191,474	100%	170,224	100%	**204,652**	**100%**

* Parasitic consumption is green energy generated through the Energy from Waste (EfW) process that is used to power on-site auxiliary equipment, which supports the generation of the green energy, and is therefore not exported to the National Grid. Amey no longer operates Energy from Waste (EfW); data has been included for historical reference

Our energy intensity is annual energy consumed per annual revenue. In 2024, this was 0.10 MWh/£m revenue. The energy consumption reported is all consumed within the United Kingdom. Set out below is the total kWh from 2019 to 2024, as required for Streamlined Energy and Carbon Reporting (SECR). The reduction in total consumption of total kWh from 2019 to 2024 is a 35% reduction.

- 2019: 315,055,465 kWh
- 2020: 275,625,783 kWh
- 2021: 248,628,345 kWh
- 2022: 191,473,011 kWh
- 2023: 170,223,709 kWh
- 2024: 204,653,704 kWh*

* Refer to page 32 for commentary on 2024 increase in total consumption

Stakeholder engagement

We recognise the importance of effective communication with our key stakeholders to successful delivery of our strategy and to further enhancing Amey's reputation.

As set out in our Strategic Report, we engage with key stakeholders through multiple channels. The Board and Executive Committee have a robust programme of stakeholder engagement. This aims to identify and understand the priorities our customers, people, supply chain, communities and governments so that the interests of these stakeholders inform our decision making.

	Why are they important?	Our priorities	Engagement examples	Outcomes
Shareholders	Providing sustained support to and investment for the Group	• Deliver the strategy • Generate responsible shareholder returns on investment	• Shareholder representation on the Board • Regular financial, commercial, operational and work-winning updates • ESG Committee representation • Shareholder site visits	• Stable shareholder relationship
Our people	Developing our people and supporting them in gaining the skills they need to succeed	• Develop and engage people within our workplaces • Create inclusive workplaces and diverse workforces • Achieve zero harm and promote healthy lifestyles for all • Understand the strategic priorities of the Group	• All-Company CEO calls • Executive Committee involvement in supporting national and local activities • Annual a*star awards hosted by the Executive Committee • Regular programmes to promote health and safety in the workplace • Investors in People Engagement survey sent to all employees in October 2024 • HUB portal and magazine • L&D portal	• IiP Platinum status awarded January 2025 • More than £6 million invested in training • More than 71,000 e-learning courses completed • Please refer to pages 50 to 59 to view our KPIs and performance associated with investing in our people
Clients	Collaborative and long-term mutually beneficial relationships with our clients are the foundation of our success	• Be a trusted partner with a reputation to deliver • Client understanding of the broader capabilities of Amey • Demonstration of Amey's ability to support clients on their decarbonisation and Net Zero journey	• Regular client engagement between Executive Committee and operational levels • Development of key customer account plans using Miller Heiman • Annual customer survey	• Contract renewals and new business wins as highlighted in the Consulting, Transport Infrastructure and Complex Facilities sections • Amey's Net Promoter Score (NPS) from Client survey +21, an increase of +19 in two years
Strategic partners and supply chain	Building healthy and diverse supply chains by engaging with our suppliers and making Amey an easier business to work with	• Safe, compliant and resilient supply chain • Environmentally and sustainably responsible suppliers • Delivery of innovation and collaboration • Increased spending with SMEs and VCSEs • Paying suppliers promptly	• Utilising Constructionline to search for SMEs/VCSEs in our procurement • Members of the Constructionline Social Value Working Group supporting SMEs on their social value reporting • Launching new supplier best practice guidance early 2025	• Please refer to pages 59 to 60 to view our KPIs and performance associated with our strategic partners and supply chain

Stakeholder engagement continued

	Why are they important ?	Our priorities	Engagement examples	Outcomes
Communities	Delivering positive and lasting change to communities that's built on a foundation of trust	• Involve, listen and connect with our local communities • Give back to our communities to make a difference that lasts • Open doors, educate and improve the skills of people in our communities	• A continuous programme to raise funds for our corporate charity • Thrive – social value reporting tool to track, audit and report on social value and broader ESG activities • Journey to Work programme to help disadvantaged people get back into the workplace	• Please refer to pages 61 to 62 to view our KPIs and performance associated with supporting our communities
Government	Government sets the policy in the environment in which we operate. Additionally, Government departments are our largest customers	• Build on existing relationships with the Cabinet Office • Broaden out our relationships with sector-specific government departments • Build relationship with local government sector • Input into policy development forums	• Weekly cabinet office meetings with our Crown representative • Monthly update provided to the Cabinet Office • Increasing involvement in round table policy discussions • Set of policy standpoints developed	• Positioning ourselves as trusted partners to Government • Improved Cabinet Office feedback • Feeding into debate around infrastructure policy
Pension trustees	The trustees of the Group's pension schemes are responsible for ensuring that the schemes are run properly and that members' benefits are secure	• Uphold robust governance and compliance principles and protocols • Maintain the strength of the employer covenant and fulfil funding commitments • Maintain clear and open communication channels	• Regular meetings between the Group's in-house pensions team and trustees	• Assurance of management of risk in accordance with internal controls procedures • Financial considerations are explained fully in note 19 to the accounts
Banks, lenders and insurers	As providers of banking, debt and other financial support to the Group	• Generate cash from operations • Strengthen the balance sheet • Meet covenant obligations	• Effective cash forecasting and working capital management • Regular updates to financial partners • Reporting on covenant obligations • Successful refinancing of the Group	• Ensuring working capital commitments can be met so that the Group can continue to operate on a going concern basis • Compliance with terms of the Group's financing agreements to ensure ongoing financial support

Companies Act Section 172 Statement

The Board of Directors of Amey UK Limited considers, both individually and collectively, 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 and having regard to our stakeholders and matters set out in s172(1) (a–f) of the Act in the decisions taken during the year ended 31 December 2024.

Regard is also given to other factors which the Directors consider relevant to the decisions being made, including the interests and views of clients and their end users, regulatory bodies and relationships with our lenders, pension scheme trustees, Government departments and local communities.

While the Board has overall responsibility for managing relationships with our stakeholders, it delegates some practical responsibilities for engaging with stakeholders to the Executive Committee. This engagement ensures Directors fully understand stakeholder needs and make well-informed decisions that address differing priorities. An overview of stakeholder engagement which influences the Board's decision making can be found on pages 65 to 66.

The Board, supported by the Executive Committee, has a diverse set of skills, knowledge and experience. This allows for informed decision making that promotes Amey's long-term success but also considers stakeholder needs. Further information on our Board composition, including the skills and experience of the Directors, can be found in the Board Leadership section on pages 80 to 81. Further information on the governance structure which supports the decision-making process can be found on page 77.

The Board meets regularly and receives detailed papers and in-person updates from management. This includes stakeholder priority and outcome analysis, which is reviewed and challenged to ensure careful consideration of conflicting views. Progress reports on agreed actions allow the Board to review and adapt to evolving stakeholder priorities. Newly appointed Directors receive training on Director duties and responsibilities, including decision making and conflicts of interest and regular refresher training is provided to all Group Directors.

In discharging their duties in relation to s172(1) of the Companies Act 2006, the Directors and the Executive Committee have paid regard to the following matters:

The likely long-term consequences of any decision

The Board monitors the strategic plan using financial and non-financial Key Performance Indicators. The plan is designed to have a long-term beneficial impact on the Group and to contribute to its success in delivering better quality and more innovative services to clients. Other activities during the year included:

- Agreeing the 2025 budget
- Reviewing the Company's capital structure resulting in redemption of the Ferrovial hybrid loans between the Company and Project Ardent Bidco Limited
- Further strengthening the financial position of the Group and providing security for employees through an insurance buy-in for two defined benefit pension schemes
- Refinancing of the Group's corporate financing facilities
- Launching a new website and approving branding positioning initiatives
- Strengthening capabilities around sustainability and energy transition as part of the ESG strategy
- The review and approval of key bids and business development opportunities including overseas expansion

More information can be found in the CEO's Foreword on pages 2 to 5.

Companies Act Section 172 Statement continued

The interests of our employees	The Board recognises the value of its ongoing focus on creating an engaged workforce to support long-term growth. It is committed to creating a diverse workforce, keeping our people engaged and safe and nurturing our culture of wellbeing. Feedback from employee surveys – in addition to Directors' site visits, the CEO's all-employee calls and corporate events – influences Board decisions regarding our people. Gender and Ethnicity Pay Gap Reports influence decisions on attracting talent and diversity initiatives Amey wide. The impact of the cost of living was a consideration in determining our 2024 pay awards and Amey's ongoing commitment to being a Real Living Wage employer supports retention and recruitment. Regular Safety Council reports ensure that best practice is shared across the business, reducing accidents in the workplace. More information can be found in the Social section of the Environment, Social and Governance part of the Strategic Report on pages 50 to 63.
The need to foster business relationships with suppliers, clients and others	The Board receives updates on relationships with the supply chain and strategic partners from the ESG Committee and operational and financial reviews as well as routine business updates and presentations. The Board and Executive Committee met key clients during the year and undertook reviews of significant contracts. There was also dialogue and regular meetings with the Crown representative, including an annual supplier assessment which informed our strategy. Amey is a member of the Supply Chain Sustainability School and is a member of Social Enterprise UK's Buy Social Corporate Challenge. More information can be found in the following sections: • Environment and Social sections of the Environment, Social and Governance part of the Strategic Report on pages 24 to 35 and pages 50 to 63 respectively • Stakeholder engagement on pages 65 to 66
The impact of the Group's operations on the community and the environment	The Board recognises the urgency and focus needed to reduce carbon emissions. As well as approving our long-term corporate commitment to be a Net Zero organisation by 2040, the Board has focused on reducing our resource consumption and investing in reducing the carbon emissions of our customers and the UK at large through the services we deliver. The Board has adopted the UN Sustainable Development Goals (SDGs) as part of our ESG strategy. In particular, Amey contributes to SDG 9 industry, innovation and infrastructure, and SDG 11 sustainable cities and communities. The Board believes in creating a sustainable future for the communities we operate in and has supported the implementation of social value measurement tools to measure and report our social impact. During the year the Board approved the launch of Planet+ as a new way of working to deliver on Amey's ESG commitments with the aim of assisting employees in understanding what they can do to achieve Net Zero. More information can be found in the Environment, Climate Change and Social sections of the Environment, Social and Governance part of the Strategic Report on pages 24 to 49 and pages 50 to 63 respectively.

Risk and Assurance

Effective risk management is embedded in our business. Our Risk Team's main focus in 2024 was building on Amey's established framework and enhancing the maturity of our risk management practice.

Core components of the maturity model were:

- Leadership and commitment
- Core risk management process
- Enablers, e.g. culture, tools, systems, communication and consultation

In 2024, Amey partnered with a risk management advisor to provide an independent assessment of the existing enterprise risk management (ERM) framework and to help inform the risk management strategy and progress maturity. This comprehensive ERM assurance review provided detailed observations and recommendations to elevate our risk management practices to an enhanced level. A series of workshops were held to review and benchmark our risk scoring and peer practices, facilitating the identification of key risk areas and the development of tailored risk mitigation strategies.

These recommendations are now being implemented systematically, continuously improving our risk management framework. Close collaboration between Amey's risk management team and independent experts ensured that the project remained on track and that all stakeholders were engaged throughout. This partnership has significantly enhanced our risk management capabilities, positioning Amey to navigate the complexities of the modern business environment while maintaining a strong focus on continuous improvement and strategic risk mitigation.

A number of enhancements are being implemented to the framework including:

- Policy and procedures
- Risk appetite
- Risk interest group
- Risk reporting
- Risk system development

We also fully integrated our ESG framework with our risk management framework in 2024. Risk assessment workshops were held with a wide range of stakeholders across our business to apply our risk procedure within the context of Amey's ESG risks and opportunities.

Risk and Assurance continued

Integrated risk management and assurance framework

Effective risk management is the responsibility of everyone at Amey, and specialist groups own key risk responsibilities allocated to each of the three levels of our risk management defence. These three lines of defence represent our Amey-wide governance process spanning every level of our business. This comprises a range of risk management activities including internal controls, reporting and assurance.

Risk reporting and escalation	**Group Board**	• Bi-annual assessment and review of key strategic risks	
	Executive Committee	• Quarterly appraisal of risks, with focus on high impact risks • Review of risk driven audits	
	Audit Committee	• Sub-committees of Executive Committee represented by executive members from Finance team • Focus on measurement and testing of the risk	Third line of defence
	Risk Team	• Defines Group risk policy and process development • Proactive risk and opportunity management and assurance • Day-to-day engagement with the Group and provision of reporting function	Second line of defence
	Operational risk management – BU/ account/ function level	• Day-to-day management at contract level • Key focus on pre-contract risk, commercial and legal risk and operational risk assessment • Full alignment with Governance Gateway process	First line of defence

Integrated risk management and assurance framework continued

The Three Lines of Defence are:

First line of defence – operational risk management

Operational Managers hold clear responsibility for risk at contract level and provide day-to-day risk management. They focus on pre-contract, commercial and legal risks as well as operational risk assessment, and are fully aligned with the Risk Team.

Second line of defence – Risk Team

The team provides proactive risk and assurance management. It defines the risk policy and process and is the point of contact on risk matters Amey wide.

Third line of defence – Audit Committee

The Audit Committee focuses on measurement and testing of the risk management strategy and advises our Executive Committee on the most effective methodology for strategic and principal risk management. It also plays a pivotal role in facilitating effective governance, supported by proactive engagement at all levels and across the three lines of defence.

Quarterly principal risk reviews are managed by the Risk Committee and reported to the Audit Committee, with individual feedback and instruction given to principal risk owners.

All risks are individually assessed for likelihood and impact at current and target level, ensuring that effective mitigations are in place. All risks have assigned risk owners accountable for ensuring that the active mitigation plans are sufficient to reduce the impact and likelihood of Amey's principal risks. We use Amey risk management (ARM) specialist software to assess, record, manage and track risk trends.

Throughout 2024, principal risks were managed and monitored by respective risk owners, with all risks managed within our risk appetite.

Risk and Assurance continued

Principal risks

The principal risks relating to the Group are listed below. These are constantly monitored in line with our risk management procedure. Mitigation plans were routinely checked by the Audit Committee throughout 2024.

			Current score		Forecast score (post-mitigation)	
			Likelihood	Impact	Likelihood	Impact
1	Health and safety	Unsafe/unlawful operating practice which could lead to injury, fine, prosecution and reputational damage. Any breach in legislation or regulation could have consequences to securing future work	High	Medium	Low	Medium
2	Cash and credit	Inability to maintain adequate funding and liquidity profile and failure to meet financial covenants tests as set out in the debt facility agreements	Very low	High	Very low	Medium
3	Pensions	Corporate and commercial transactions that may impact the strength of the employer covenant	Medium	Very high	Low	Medium
4	Supply chain management	Failure on the part of Amey or the third party to manage and meet contractual requirements	Medium	High	Medium	Medium
5	Business continuity planning	Failure of Amey's business continuity plans or contingency measures	Medium	Very low	Medium	Very low
6	Future work pipeline/order book	Failure due to market conditions to fulfil Amey's organic growth strategy and secure a sufficient order book	Medium	Medium	Low	Low
7	Cyber threat	Loss of critical systems or data unavailability leading to failures in Amey's business operations	Medium	Medium	Medium	Medium
8	Data protection	A significant data breach that leads to the loss of personal information	Low	Medium	Low	Medium
9	Contract management	Failure to effectively manage operating contracts and satisfy required contract deliverables to time/cost/quality	High	Medium	High	Low
10	Insurance	Inability to obtain insurance due to claims history and shift in global insurance markets	Low	Low	Very low	Low
11	Recruitment and retention	Inability to recruit and retain key employees, skills and expertise necessary for fulfilling Amey's obligations and to support core processes	Medium	Low	Low	Low
12	Climate change	Failure to meet Amey's obligations in carbon reduction in support of our clients' (and the nation's) accelerating decarbonisation agenda	Low	Medium	Very low	Low

Risk and Assurance continued

Health and safety

Amey designs and operates in complex, high risk environments in the UK and internationally. These include road and rail networks, defence establishments, civil engineering structures, schools and prisons. We also operate a large fleet of rail and road vehicles. Delivering risk-reducing designs and incident-free operations is central to our commitment to putting safety first, always.

We seek to continually improve our health and safety culture, with a focus on efficiency and governance across our UK and international operations. Put simply, we aim to make sure that everyone working with Amey returns home safe and well every day.

Health and safety is at the heart of all we do, enshrined in our corporate value, 'we put safety first, always'. Our use of data helps drive risk out of our business. Advancements in digitisation facilitates internal key stakeholder visibility, supporting intelligence-led improvement at the point of delivery. Exploiting AI technology will drive further improvement.

Our approach is underpinned by our branded Zero Code framework setting out our health and safety expectations. Communicated to all team members and subcontractors, this includes encouraging our people to stop work and shout out if they have safety concerns.

Cash and credit risk

The management of credit risk, interest rate risk, funding and liquidity risk and foreign exchange risk is further explained in note 12 to the Group financial statements. Our objectives and policies for managing the financial risk of the Group are also outlined in note 12.

Amey's credit risk is primarily attributable to its non-public sector trade receivables (circa 10%). However, significant amounts of trade receivables are due from public sector clients. We manage credit risk by running credit checks on new and existing clients, ensuring that risk transfer is appropriate, and by monitoring payments against contractual agreements. Cash flow is monitored as part of day-to-day control procedures. Directors regularly review our cash flow projections, ensuring we have appropriate contingency facilities to draw on as necessary.

Pensions

Our work in certain sectors entails exposure to pension risks. Our established Pensions Committee is a sub-committee of the Executive Committee. This oversees our activities and ensures the pension position is optimised within parameters set by the Executive Committee and the Amey Board.

Significant progress has been made with our pension de-risking programme through further insurance transactions for the largest schemes. Over 90% of accounting liabilities are now insured with less than 1% equity exposure within remaining assets.

Supply chain management

In 2024, we finalised our Supply Chain Excellence strategy and started embedding this strategy under our five core delivery themes:

- Safe, compliant and resilient supply chain
- Effective work winning and contract delivery
- Governance and management of risk and opportunity
- Environmentally and sustainably responsible suppliers
- Delivery of innovation and collaboration

Our 'Working with our Suppliers' guide sets out our commitment to our suppliers as well as our expectation that our suppliers drive commercial and service excellence, collaboration and innovation. The guide supports us in achieving our corporate objectives and ESG strategy as well as delivery of our Sustainable Procurement and Supply Chain Policy.

Amey engages and collaborates with supply chain partners. Wherever possible we keep spend local to support local economic prosperity, and we embed sustainability and social value into procurement decision making. To support this, we continue to simplify the way we do business with our suppliers, encouraging Small and Medium Enterprises (SMEs) and Voluntary Community Social Enterprises (VCSEs) to work with us.

We have strengthened our relationship with the Supply Chain Sustainability School, achieving Gold member status. And we are committed to developing our understanding of how sustainability and social value can be provided to SMEs and VCSEs free of charge. Our prompt payment performance is currently best in class.

Our robust approach to our responsibilities in relation to modern slavery and human trafficking continues. We have a zero-tolerance policy of non-compliance with the Modern Slavery Act in any part of our business or our supply chain.

Risk and Assurance continued

Targets inform our decision making, and we select suppliers based on their commitment to delivering responsible outcomes for people and communities. We support suppliers to promote social equity, diversity, and inclusion. Ongoing development of our Procurement team supports our operating model and ensures that issues such as economic, climate and global supply chain disruptions do not impact delivery.

In 2024 we reviewed and improved our procurement data. Our taxonomy was also reviewed and amended to better align with our current business. These improvements will help drive effective category management and decision making as well as overall financial, commercial and service delivery performance.

Business continuity planning

All risks threatening continuity of business operations or a widespread impact on client services are part of our centrally driven business continuity planning. This includes regular reviews of Amey's contingency planning to ensure we are covering key risks including:

- Information systems failures
- Public health emergencies
- Reduced access to operational hubs
- The need to run on manual processes for an extended period for other reasons

Governance of our business continuity process is overseen by an executive sponsor, Amey's CFO. Management of the process is led by our Group Head of Property, supported by a Business Support Manager. In 2024, an internal audit was completed, and all actions have been closed.

The new Business Continuity Management System is now live and a senior and middle management training programme has been completed. Online business continuity training has launched with 109 team members already enrolled. This combined with other ongoing training and planned communications will further reduce the future risk score for likelihood from Medium to Low. 20 audits and 12 scenario tests were completed this year.

Auditing and testing will continue throughout 2025, and ongoing training will embed learning into the business.

Future work pipeline/order book

In 2024, Amey further improved its management and governance of new bids or Strategic Sales Opportunities (SSOs). We are well placed to adapt to any significant challenge in the work pipeline or increased competitive pressures. Dedicated bidding resources – including Business Development and the Key Account Management/Capture processes – are devoted to developing customer relationships and securing new contracts, and we have invested in a central Business Development team to track and progress SSOs.

As investment in this process is only recouped when contracts are won, potential risks and rewards are reviewed regularly. Our Governance Gateway system ensures all opportunities are approved in line with our General Authority Schedule (GAS). All bids are given proper scrutiny and appropriate approvals are obtained at all stages of the bidding process. Our Governance Gateway system includes improvements to our Contract Evaluation Tool. This profiles contract risk and is further supported by robust pre-contract commercial guidelines and adherence to our Amey golden rules of risk management.

The provision of high value, high quality services combined with our strong relationships with key clients further mitigates the risk of losing expired contracts. We developed work-winning processes to include multiple additional stage reviews for both quality and price submissions including compliance checks. Our commercial enabling function carries out additional independent Group Commercial Tender Reviews (GCTRs) for all strategic bids, mitigating risks and providing independent observations on pricing and commercial strategy.

All our estimating teams are now centralised and report into our commercial enabling function. This facilitates sharing of best practice, knowledge and experience. It also improves productivity of the team, provides learning and development opportunities, and establishes consistent competitive and sustainable pricing. Our central estimating function supports and challenges the business to create profitable and sustainable opportunities.

We have continued to strengthen our pre-bid effectiveness. The Miller Heiman approach to Strategic Selling and Key Account Management (KAM) including introducing a fully enabled MS Dynamics customer relationship management (CRM) system sits alongside the Miller Heiman KF Sell module which we continue to refine following user feedback. This ensures effective management of pre-engagement bidding activity, client relationships and opportunity/client knowledge, maximising our bidding success and ensuring effective contract delivery.

Our investment in the Knowledge Bank Project at Amey further enhances our ability to manage and use our vast repository of information. The project will integrate data sources and create a centralised knowledge base. This will improve the efficiency and effectiveness of our bidding process.

Risk and Assurance continued

Cyber threat

The global threat of cyber-attack and associated risks remain significant. Threat actors continue to refine their approach and are actively exploiting AI capabilities alongside traditional avenues of attack while tech companies and partners develop tools to address this. Amey is renewing its AI policies and practices to reflect these new challenges.

While there are many potential vectors of attack, over the past year enterprise risk has expanded to four primary areas:

- Ransomware
- Supply chain compromise
- Business email compromise
- AI developed threats and attacks on AI systems in business use

Ongoing investment in improved cyber protection technology mitigates this risk. Our wider approach includes threat monitoring services, working peer groups and expert partners, removal of legacy technology and attack surface reduction as well as assessing threat intelligence, process development, AI policies, supply chain governance and user awareness training.

The risk in this area is persistent, and continued resource investment is a priority. To demonstrate high levels of maturity across our information security programme, we continue to focus on retention and expansion of external certification against UK and international standards.

Data protection

Regulatory alignment across all relevant data protection legislation, and handling personal data entrusted to us, continues to carry significant risk. We continue our work to actively reduce this risk and ensure compliance.

This includes reducing pathways by which data can leave the organisation and new classification labelling to enhance the policies that manage data movement. A comprehensive regulatory gap analysis carried out in partnership with an external body established a roadmap of improvement activities for 2024 and we are now focused on implementing these improvements. This is driving significant change to policies and processes, as well as technology controls aimed at protecting personal data. This includes a focus on the use of personal devices, data classification, data loss prevention (DLP) and updated mandatory training for all staff.

Outputs from ISO/IEC 27701:2019 accreditation for our privacy programme in February 2025 will be a key focus for 2025, coupled with our ongoing work with regulatory bodies. This will both demonstrate regulatory compliance and further support client assurance activities.

New risk factors include the potential globalisation of Amey's business and data laws in target markets and geographies. Delivering controls aligned to international legislation and monitoring and reporting that benefits an international organisation will be a focus.

Cyber threat and data awareness training will be continually evolved to keep our wider Amey team up to date with current and future risks and risk management expectations.

Contract management

Amey uses co-ordinated measures including regular reviews of contract performance and monthly oversight of key contracts by the Amey Executive.

Constant review of management risk allows for analysis of key risk contributors – resources, competencies, processes and procedures, systems and reporting – to determine any need for additional mitigations. Our contract management teams collaborate with clients to understand root cause analysis of risk events and determine lessons learned to feed back into our operating model.

Insurance

There is an ongoing risk that professional indemnity insurance products with adequate cover to meet all our contractual obligations will not be available at commercially reasonable rates. Claims history and a shift in global insurance markets could also impact the availability of other insurances. Our insurance team and strategic relationships with brokers manage and mitigate this risk.

A softening of the market across most classes of insurance has facilitated an increase in capacity and competitive pricing. In 2024, a full remarketing exercise across various classes of insurance ensured we achieved the most competitive terms when renewing the Group programme and allowed us to challenge and negotiate with insurers on both price and cover before instructing placement. We continually review options and policy wording to ensure the risk and insurance programme is best in class.

Risk and Assurance continued

We monitor emerging market risks, considering their potential impact to ensure we have appropriate cover in place.

Recruitment and retention

A modern and progressive organisation, Amey is committed to attracting, developing and retaining employees through industry-leading pay and benefits. This includes our commitment to matching the Real Living Wage (RLW) and conducting competitive salary reviews across our business. Our attrition rates remain below industry average and have decreased slightly from 12% in 2023 to 11.6%.

Each of our business units has a people board chaired by the Managing Director and focused on key positions, succession planning and talent development. Critical vacancies are reviewed monthly and our ‘grow your own’ talent programme focuses on graduate recruitment through bespoke university courses and the apprenticeship levy. Our second successive Gold award from the 5% Club recognises our commitment to having more than 5% of employees learning while earning. Our career path framework, tied to an external salary and benefits benchmarking tool, is reviewed annually by our Chief People Officer.

Internal recruitment teams embedded in our business areas focus on succession planning. We believe diverse perspectives enhance collaboration and lead to better outcomes. Our social hiring team supports initiatives that remove barriers for talented individuals.

Pledges and covenants signed in 2024 underline our commitment to addressing domestic violence (EDAC), supporting care leavers and tackling homelessness. We have continued and strengthened our partnership with the Social Recruitment Advocacy Group and we were the first employer to receive the Gold Chartermark for our work in social recruitment.

Our annual Investors in People (IiP) engagement survey results are reviewed by our Board. Leadership Development Programmes are tailored to women and employees from a multicultural background. Additionally, we have 11 affinity networks, driving change and awareness across the business.

A new learning management system will enhance access to learning for all employees. This will help ensure that training and development is readily available to everyone at Amey, giving them the skills they need to thrive and to perform their role safely.

Artificial intelligence

The rapid development of artificial intelligence (AI) and machine learning capability offers significant benefits for organisations able to leverage these advancements. But use of this technology also brings challenges and risks. Our robust governance framework manages these risks and opportunities. We are now leveraging this capability across our business and continue to develop our robust governance framework to reflect new advances and updated legislation.

Climate change

Our leadership team continues to develop its understanding of climate-related risks and opportunities, applying the assessment framework we introduced in 2021 in line with recommendations from the global Task Force on Climate-Related Financial Disclosures. The management of our climate risk is further explained in the Environment and Climate Change sections of the Environment, Social and Governance section of this Strategic Report on pages 24 to 23.

Strategic Report approval

The Strategic Report on pages 2 to 76 contains the strategic review of the business for 2024. This report was approved and authorised for issue by the Board of Directors on 30 May 2025.

Signed on behalf of the Board by:

Andy Milner
Chief Executive Officer
30 May 2025

Governance

Corporate Governance Overview

The Board's objective is to run the business responsibly, fairly and transparently, always considering the impact on the wider community and environment. It believes that business growth can be sustainable and ethical, and have a positive impact on society. To achieve this, Amey consults with employees, clients and the communities it works with to understand what matters to stakeholders and to work towards common goals.

The Directors have opted to apply the Wates Corporate Governance Principles for Large Private Companies for the year ended 31 December 2024. These principles, endorsed by the Financial Reporting Council (FRC), provide a code of corporate governance for large private companies, to raise awareness of good practice and, over time, to improve standards of corporate governance.

The Company is classified as a 'portfolio company' under the Walker Guidelines on disclosure and transparency in private equity (the Walker Guidelines) due to the backing of One Equity Partners (OEP) and Buckthorn Partners (Buckthorn). In producing this report the Board has recognised the Walker Guidelines on enhanced disclosure, as refreshed by the Private Equity Reporting Group, by:

1. Producing a narrative report with enhanced disclosures which substantially meets the requirements of Section 414C of the Companies Act 2006 which is referred to above
2. Having OEP and Buckthorn Partners as Investor Directors on the Board in accordance with the articles of association, as listed in the Board Leadership section on pages 80 – 81

The Directors believe that the private equity knowledge and network of the Investor Directors, together with their sector expertise, are helping to accelerate the Group's growth and enhance its expertise in adjacent sectors.

OEP funds have an economic interest in the Group and collectively own a majority of the investment in the Amey Group with Buckthorn funds owning the remainder.

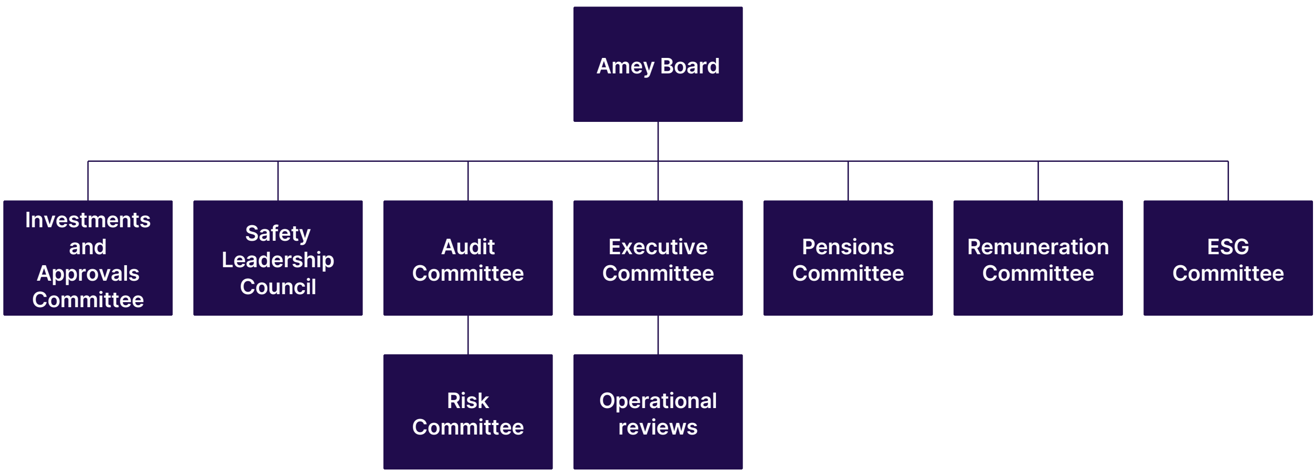
These funds are:

1. One Equity Partners VIII and related vehicles
2. BP Ardent Co-Invest LP (Jersey)

The governance framework is critical for helping to deliver on ESG commitments. To this end, the Board approved aligning with the UN Global Compact Value Model which ensures that sustainability actions are driving growth and value and making a measurable impact where it matters.

Structure of reporting lines to the Board

A summary of the Board's governance framework, together with those individuals who lead the support provided to the Board committees, is as follows:



Corporate Governance Overview continued

Terms of reference

Terms of reference for all committees were reviewed and updated during the year.

Executive Committee

This oversees the implementation of our strategy and operations including consideration of business performance, risk, health and safety and people matters. Chaired by the Chief Executive Officer (CEO), the members are the Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Commercial Officer (CCO), General Counsel, Managing Directors of the business units, Chief People Officer and Director of Marketing and Communications.

Investments and Approvals Committee

A sub-committee of the Board, this Committee reviews all approval requests in accordance with the Authorities Schedule. Such approvals matters include key bids and significant capital expenditure or finance-related transactions. Chaired by the CEO, members are the CFO, CCO and General Counsel. Other attendees are dependent on the matter for approval and consist of the Executive and senior managers of the business unit or function seeking investment or approval.

Audit Committee

Established in 2023, this is a separate sub-committee for Amey Group with Non-executive Directors as members. It oversees preparation of audited accounts and audits underlying financial processes. It also receives the relevant findings of the Risk Management Committee. Members of the Committee are the CFO, Group Financial Controller and shareholder directors.

Safety Council

The Safety Council is chaired by the Chairman of the Board and its members are the CEO, Group Health, Safety and Assurance Director and key people from the business who monitor, assess and seek to prevent health and safety incidents. The wellbeing of our employees, suppliers, customers and the wider community is paramount, and Amey regularly reviews every aspect of safety within its business.

Environment, Social and Governance (ESG) Committee

This provides oversight into the development and implementation of ESG policy and strategy. It also monitors the Group's ESG performance. The Committee is chaired by the Chairman of the Board and includes the CEO, the COO and a representative of the shareholder and is attended by the Group Communications Director and ESG Director.

Remuneration Committee

This Committee is responsible for determining the approach to all elements of remuneration. It defines and implements policies and procedures relating to compensation and benefits for all Amey employees including the Executive team and Board Directors.

Group Pensions Committee

Responsible for determining policy on all pension-related issues affecting the Amey Group and reviewing the performance and management of Amey Group-sponsored pension schemes. It is chaired by the CFO and has senior HR, legal shareholder and pensions team representatives. Recommendations on key pension decisions are made to the Board for approval.

Risk Management Committee

Chaired by the Head of Risk Management, this is attended by the CFO, General Counsel, CCO and a Managing Director. The Committee undertakes quarterly appraisals of strategic and corporate risks/opportunities as well as low probability and high impact risks including key mitigation actions.

Operational and financial reviews

These are chaired alternately by the CEO and CFO. Attendees are the General Counsel, CCO and executive management teams of the business units. The reviews are conducted monthly and cover business unit performance and top risks along with mitigations, financial performance, innovation, work winning, people issues and future market positions.

Board Leadership

The Directors of the Company at the date of this report were as follows:

Colin Moynihan, Non-executive Director and Chairman

Lord Moynihan was Minister for Energy in the Thatcher and Major Governments. He was responsible for renewable energy policy and the British Government's R&D Energy Programmes. Prior to that he was Parliamentary Under Secretary of State at the Department of the Environment where he worked as a member of the three-man Ministerial Team on the privatisation of the water industry. He was Chairman of the UK Renewable Energy Advisory Group and the first President of the British Wind Energy Association. A former Director of Rowan Companies Inc. for 19 years, he was Executive Chairman of Consort Resources and then Executive Chairman of Clipper Windpower Europe.

Andy Milner, Chief Executive Officer

Andy, a chartered civil engineer, joined Amey in 2006 following the acquisition of Owen Williams. He was appointed Managing Director of Consulting in 2008 which he grew to be one of the UK's leading engineering and technical consultancies. Andy rapidly grew the business through diversifying, acquisition and moving into new international territories including Australia, Qatar and the USA. He took responsibility for the rail and highways operating businesses in 2012 and oversaw significant turnaround, improvement and growth in both areas.

Andy was appointed CEO of Amey in 2016 and steered the business through a period of transition that included growing our strategic infrastructure business, winning the Wales and Borders and Transpennine rail route upgrade contracts, and fully establishing the Complex Facilities business from the defence joint venture.

Andrew Nelson, Chief Financial Officer

Andrew is responsible for financial matters relating to strategy. He also oversees the treasury, pensions, IT, insurance and property functions and plays a key role in acquisitions and disposals. He is experienced in debt financing, restructuring and creating strategic value through public private partnerships for the delivery of public services and infrastructure.

Prior to joining Amey, Andrew spent five years in corporate finance with the investment bank Robert Fleming and a further five years with London Electricity post-privatisation and through two changes of ownership. Andrew is a Non-executive Director of The Altro Group and Chair of its Audit and Risk Committee and was a Trustee of Student Minds, the UK's student mental health charity until he stepped down in November 2024. He is also a member of the Institute of Chartered Accounts in England and Wales.

Chris Ahrens, Advisor, One Equity Partners

Chris is an advisor to One Equity Partners (OEP) and to Certares, a travel-focused investment firm. Before becoming an advisor, he spent 20 years as a senior investment professional at OEP and Certares. He was active in these firms' industrial, travel industry, technology and healthcare investments.

Mark Chaichian, Managing Partner, Buckthorn Partners

Mark is a Managing Partner at Buckthorn Partners. Prior to this he worked at OEP focusing on investments in the supply chain to the energy sector. Mark has worked on a significant number of transactions in the energy sector with conglomerates, independents and many other private and public businesses. Before joining OEP, he worked at Marble Bar Asset Management, Clipper Windpower Plc and Morgan Stanley. Mark was a member of the British Olympic Association Audit Committee. He is also a member of the Institute of Chartered Accounts in England and Wales.

Peter Charrington, Operating Advisor, One Equity Partners

Peter is a former CEO of Citi Private Bank. He worked for Citi for 26 years in various countries and ran the global private banking business based in New York. The business covered 15,000 families globally with 4,000 employees providing a full range of financial services and strategic advice. Peter was named Wealth Management CEO of the Year in 2019 by Private Wealth Management (PWM) and Citi Private Bank was named Best Private Bank in the world in 2018 and 2019. He is currently a Senior Partner of the Nexus Luxury Collection, based in Albany Bahamas, Chairman of the Board of Sterling Bank and Trust, Bahamas, a member of the Board of Avaloq Group based in Zurich, and a Senior Advisor to both OEP and UST Global.

Joe Connolly, Founding Partner and Chief Financial Officer, Buckthorn Partners

Joe is the CFO and Founding Partner at Buckthorn Partners. Prior to this, he was the CFO of listed mining company Sierra Rutile where he oversaw the company's turnaround from a breakeven operation to EBITDA of over US$100 million. Joe also led business development at Clipper Windpower until the business was sold to United Technologies. Joe was an Equity Analyst in Morgan Stanley's industrial team and spent six years in Deloitte's energy and resources group. He is also a member of the Institute of Chartered Accounts in England and Wales.

Board Leadership continued

Nicholas Gee, Founding Partner, Buckthorn Partners

Nick is a Founding Partner at Buckthorn Partners. Before this, he was an Officer and Executive Vice President of Strategy and Development at Weatherford International. As part of the Executive team, he also led the company's global business units and numerous business functions. During his time at Weatherford, he was on the Boards of Proserv, Borets International and Axon Energy Products. Nick started his career with BP as a Petroleum Engineer and subsequently worked for Petroline WellSystems and Global Marine Drilling. He also established and developed companies and technologies in the energy sector, during which time he was Chairman of an AIM-listed renewable fuels company.

Ante Kusurin, Managing Director, One Equity Partners

Ante joined OEP in 2011 and is based in New York. During his tenure at OEP, he has worked on investments in the industrial and technology sectors. Ante is a member of the Board of Directors of Dragonfly Financial Technologies, Orion, W W Williams, and Infobip. He is a Board observer at Allegro and has previously been a member of the Board of Directors of Rizing, Inertech, and Voltyre. Prior to joining OEP, Ante worked in the investment banking division of NM Rothschild & Sons in London where he focused on the consumer goods and retail industries.

Jordan Lawrie, Vice President, One Equity Partners

Jordan Lawrie joined OEP in 2020 and is a Vice President based in New York. He is a member of the Board of Directors of Imperative, Medco, Rosboro and Acteon. He has previously being a member of the Board of Directors of ORS Medco. Prior to joining OEP, Jordan worked in the investment banking division of Barclays in New York where he focused on capital markets transactions in the financial sector. Jordan received his BS in Finance from Lehigh University and an MBA with a double major in Finance and Management from the Wharton School of the University of Pennsylvania.

The Company Secretary who attends Board meetings is:

Jayne Bowie, Amey General Counsel and Company Secretary

Jayne joined Amey in 2012 and was appointed to the role of General Counsel and Company Secretary of the Amey Group Board in April 2017. She qualified as a solicitor in 2003, specialising in project finance, and then worked at Eversheds and Freshfields Bruckhaus Deringer on complex infrastructure projects and leveraged corporate transactions. Jayne leads the legal and corporate services team, advising the business on all legal and corporate governance matters. Jayne has led the team on complex litigation and key M&A opportunities.

Report of the Directors

The Directors present their Annual Report together with the audited financial statements of the Amey UK Limited group of companies (Amey or the Group) for the year ended 31 December 2024.

Amey UK Limited (the Company) is incorporated in the United Kingdom (registered in England and Wales) and is the holding company of a Group whose subsidiary companies and joint venture undertakings are listed in note 27 to the financial statements. The Company is a private limited company, is limited by shares and is privately owned.

Information incorporated by reference

As permitted by Section 414c (11) of the Companies Act 2006, some matters which are required to be included in the Directors' Report have instead been included in the Strategic Report. The following information is provided in other appropriate sections of this Annual Report and the financial statements and is incorporated into this Directors' Report by reference:

Information	Reported in	Pages
Corporate governance	Corporate Governance Overview	78 to 80
Directors	Board Leadership	80 to 81
Employee engagement	Social section of the Environment, Social and Governance section of the Strategic Report	50 to 63
Engagement with suppliers, customers and other	Stakeholder Engagement	65 to 66
Greenhouse gases and climate change	Environment and climate change section of the Environment, Social and Governance section of the Strategic Report	30
Important events since the end of the financial year	CEO's Foreword	2 to 5
Likely future developments	CEO's Foreword	2 to 5
Principal risks and uncertainties	Risk and Assurance section	69 to 76

Results and dividends

The Group income statement is set out on page 92 and shows a profit after tax for the year on continuing operations amounting to £110.7 million (2023: £84.4 million) on Group revenue on continuing operations of £1.88 billion (2023: £1.83 billion).

EBITDA[1] and operating profit on continuing operations before exceptional items were respectively £138.8 million and £116.2 million (2023: £107.1 million and £87.0 million), representing margins of 7.5% and 6.3% respectively (2023: 5.8% and 4.7%).

The operating profit on continuing operations after exceptional items was £139.9 million (2023: £87.0 million). Operating exceptional items totalling £23.7 million arose in the year (2023: £nil), full details of which can be found in note 3 to the Group financial statements.

In 2024, the Group recorded an exceptional loss of £2.8 million in respect of the impairment of a loan (2023: £nil). In 2023, the Group realised an exceptional profit of £8.0 million on receipt of a previously impaired loan to a joint venture undertaking (2024: £nil). Full details can be found in note 3 to the Group financial statements.

Net finance expense on continuing operations was £(15.9) million (2023: £(3.0) million). The Group's share of profit after tax of joint ventures on continuing operations was £5.5 million (2023: £4.9 million).

1 EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

The overall profit after tax for the year on all operations was £110.7 million (2023: £84.4 million).

Group operating cash flows before tax was a £100.5 million inflow (2023: £79.9 million inflow). This inflow includes additional pension top-up contributions of £50.6 million (2023: £6.4 million) made during the year.

Equity shareholder funds at 31 December 2024 stood at £141.9 million (2023: £240.4 million). The reduction is due to the repayment of £159 million of the subordinated hybrid loan during the year.

No interim dividend was paid during the current or preceding year. The Directors do not recommend the payment of a final dividend.

Post-balance sheet events

There have been no events since the balance sheet date which materially affect the position of the Group or Company.

Going concern

The Group is financed through a mixture of shareholder equity, bank loans, overdrafts and leases. Details of all bank loans and leases and their maturity are set out in note 18 to the financial statements whilst details of finance risks are set out in note 12.

On 29 October 2024, the Group completed a refinancing of its external borrowing facilities. The existing £235 million Term Loan and Revolving Credit Facility (RCF) was replaced by a £125 million committed, syndicated RCF with a tenor of 6.5 years. Up to £75 million of the RCF is available for loans and the remainder available for ancillary facilities, primarily bonding requirements. The RCF is provided by JPMorgan Chase Bank, N.A., London Branch, National Westminster Bank PLC, and HSBC UK Bank plc acting as lenders and with HSBC UK Bank plc acting as agent.

Under the same financing agreement, the Group's immediate parent, Project Ardent Bidco Limited, secured funding of £280 million through a Term Loan facility with a tenor of seven years. The facility is provided by a syndicate of lenders arranged by Apollo and with HSBC UK Bank plc acting as agent. Security is limited to each of Project Ardent Bidco Limited, Amey UK Limited and Amey Holdings Limited providing security over their shares in their respective direct subsidiary and, in the case of Amey Limited, providing security over its shares in certain other Group companies that are Guarantors under the facilities (being: Amey Community Limited, Amey Defence Services Limited, Amey Defence Services (Housing) Limited, Amey Fleet Services Limited, Amey OWR Limited and Amey Rail Limited).

On 1 May 2025, the Group's RCF was extended with the addition of ING Bank N.V., London Branch, to the lending group. This amendment increased the RCF overall limit by £25 million to £150 million and the borrowing limit from £75 million to £100 million.

As of 31 December 2024, no borrowings were drawn against the RCF and the Group also held £63.5 million of unrestricted cash on the Group balance sheet.

Notwithstanding this continuity of available financing, the Directors of the Group have reviewed several factors including:

- The future business plans of the Group (including the current year results and cash flows up to the date of these accounts, the current forecast for 2025 and the strategic plan for 2026 to 2029)
- The availability of core and ancillary financing facilities
- Compliance with banking covenants regarding net leverage, minimum liquidity and net interest cover
- The projected drawn positions and headroom available on the core committed financing facilities
- The projected future cash flows of the Group comprising:
  - A Base Case forecast built up from the budget and strategic plan for 2025–2029
  - A Reasonable Worst Case (RWC) forecast which applies sensitivities against the Base Case
  - Reverse stress testing Group liquidity resilience against extreme events

The sensitivities applied to the RWC include specific, unbudgeted cash flows in 2025 and cash flow stress cases in 2026 ranging from 60% to 100%. The Group's cash flow forecasts show that there is sufficient liquidity to enable it to continue trading should these scenarios materialise. In addition, management has considered significant additional reductions in headroom due to unforeseen events such as supply shocks and widespread client defaults, along with potential mitigations. Inflation is not considered a significant risk to the Group's liquidity as the majority of its revenues are index-linked and so are naturally hedged against inflationary pressures. Reverse stress testing showed that the Group would have sufficient liquidity in all but the most extreme case, where 100% of local government clients and 15% of central government and agency clients default. The impact of this scenario could be offset by increased liquidity from mitigating actions and is, in any case, considered an extremely remote possibility. Furthermore, the Group's operations and suppliers are primarily in the United Kingdom and the majority of its clients are government or government-backed and so the Group is not considered to be exposed to vulnerable markets or sectors or from global geopolitical impacts such as armed conflicts. The Group's financial position is not expected to be significantly impacted by US tariffs on imported goods since it primarily provides services within the UK and any US activities will remain service focused for the foreseeable future.

The Directors have considered the pension risks and sensitivities in note 19. The Directors consider the exposure to be adequately mitigated by strong governance, de-risked scheme assets (including insurance policies), various contingent assets and committed payments for the benefit of the schemes.

The Directors are satisfied that the Group has adequate resources to meet its obligations as they fall due for a period of at least 12 months from the date of approving these financial statements and, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

Report of the Directors continued

Financial risk management

Details of the objectives and policies employed in managing financial risk and the Group's use of financial instruments can be found in note 12 of the Group financial statements.

Composition of the Board

The Directors of the Company during the year, and up to the date of this report, were as follows:

C B Moynihan, Chairman
A L Milner
A L Nelson
C Ahrens
M R Chaichian
N W Gee
A Kusurin
J Lawrie
J A Connolly
P C Charrington

Directors' indemnity

Directors and Officers of the Company (and those employees who are also Directors of the Group's subsidiary companies) benefited during 2024 from Group-wide Directors' and Officers' liability insurance cover in respect of legal actions brought against them. Accordingly, the Company and its subsidiaries do not maintain their own equivalent Directors' indemnity insurance cover arrangements. In addition, Directors of the Company are indemnified under the Company's articles of association to the extent permitted by law, such indemnities being qualified third party indemnities.

Employment of disabled persons

Amey complies with the Equality Act 2010 and Public Sector Equality Duty. The aspiration is that Amey's services help eliminate unlawful discrimination, harassment and victimisation, advance equality and foster good equality relations. Harnessing the talents, skills and experiences of people with disabilities will help Amey to create a stronger, more diverse business that reflects the communities it serves.

To demonstrate this commitment, Amey further renewed its Level 3 Leader status, the highest status which can be achieved, with the UK Government's Disability Confident campaign. This helps people with disabilities or health conditions to secure full-time employment and gives them the support they need while they are at work. As part of this commitment, Amey makes reasonable adjustments for customers and employees, guarantees job interviews for people with disabilities who meet essential requirements, and audits sites, systems and communications to ensure that they are accessible.

Disabled employees have full access to training, career development and promotion opportunities. Line Managers regularly discuss training and development needs with all employees as part of our Continuous Performance Management (CPM) process. This allows us to offer appropriate training bespoke to individual requirements. Appropriate training support and workplace adjustments are provided where necessary. CPM processes also ensure there are no barriers to progression for disabled employees.

Modern slavery

Amey is committed to reducing the risk of modern slavery or human trafficking in its supply chain or in any part of its business and has a zero-tolerance approach to non-compliance. This is supported by our Anti-Slavery and Human Trafficking Policy and other ethical policies. Together with our Slavery and Human Trafficking Statement for 2024 pursuant to the Modern Slavery Act 2015, this sets out the steps we have taken to address the risk of slavery and human trafficking in our supply chain. These documents can be found on our website.

Each year Amey creates an action plan to help continuously improve our approach to reducing the risk of modern slavery occurring within our operations and our supply chain. We have established a Modern Slavery Working Group to review our approach to modern slavery, co-ordinate the delivery of the action plan and draft the annual statement. The Modern Slavery Working Group involves representatives from our social value, procurement, people and legal teams and is accountable to the ESG Committee and the Executive Committee.

In 2024, Amey continued to conduct internal audits of specific employee data to identify any potential indicators of modern slavery within the organisation; for example, numerous salaries being paid into one bank account, or an excessive number of people with the same home address. No indications of modern slavery were identified.

Amey has an effective grievance and whistleblowing process and policy in place to manage and investigate any concerns within the business or the supply chain. All new employees are provided with, and are given access to, a copy of the mandatory Amey Code and are required to complete mandatory modern slavery training upon enrolment.

Our supply chains

Procurement of services and supplies is done by specialists, either in our central procurement function or in our business units. Ongoing engagement with our supply chain is key, and failure to respond to any enquiries from Amey carries consequences for those in the supply chain including exclusion.

Report of the Directors continued

We continue to use Constructionline for identification and pre-qualification assessment of our suppliers to common industry standards. The assessment includes questions specifically related to modern slavery with the requirement, where relevant, to provide a copy of their statement and information to show where the risk of slavery is and that it is being managed correctly.

The Amey Group continues to undertake a supply chain modern slavery risk mapping assessment. The review involves a category-specific approach, assessing both the risk of modern slavery occurring and the strategic risk to Amey with the emphasis on those categories considered most at risk. The outputs of the risk assessment inform the onward review and, where relevant, auditing.

Recruitment and training

Amey undertakes pre-employment screening that includes identity checks and confirmation of entitlement to work in the UK on all employees prior to commencing employment with the Amey Group. These checks include a regular ongoing review of bank account, next of kin and home address duplications, as potential indicators of modern slavery. Where duplications are identified these are followed up by our people team.

Amey continues to use its web-based training for its online employees. For offline employees we have produced a training and briefing for cascading by supervisors, along with posters and communications materials on what to do, if they have a concern. During 2024, the material was refreshed and championed the use of training film and videos, which provide example scenarios and victim accounts.

Key Performance Indicators (KPIs)

Amey's measures to reduce the risk of modern slavery are in constant review and our proactive regime of training and diligence has continued throughout 2024.

The main KPIs for ensuring the effectiveness of reducing the risk of slavery and human trafficking include:

- Actual and potential incidents raised
- Employee completion of modern slavery training
- Screening for duplications in employee data as a potential indicator of modern slavery
- Percentage of suppliers using Constructionline

Amey completed the Government's Modern Slavery Assessment Tool for the fifth time in early 2025 with a score of 97%.

Industry engagement

In 2024, Amey actively participated in the Modern Slavery Steering Committee and Modern Slavery Council, co-ordinated by the Business Services Association. The aim is to work collaboratively across the sector, providing tools and support to ensure that collectively we reduce the risk of modern slavery. The focus for the year was in sharing and signposting an SME Toolkit, which has since been widely communicated and distributed.

Amey also participates in the Supply Chain Sustainability School Built Environment Against Slavery Working Group, with the aim to collectively consider how as an industry, with our supply chains, we can reduce the risk of modern slavery.

In 2024 for the first time Amey supported, through fundraising activity, Ride for Freedom – a charity that harnesses cycling to raise awareness, educate and forge partnerships to end modern slavery, and to provide remedy to survivors.

We also actively take part in roundtables and webinars hosted by Government and the Business Services Association.

Political donations

No contributions were made to any political parties.

Statement of Directors as to disclosure of information to auditor

In accordance with the provisions of s418 of the Companies Act 2006, each of the Directors at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all of the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Forvis Mazars LLP has been appointed as auditor and has expressed its willingness to continue in office as auditor. In accordance with s487 of the Companies Act 2006, Forvis Mazars LLP will be reappointed as auditor to the Company.

Approval

This report was approved and authorised for issue by the Board of Directors on 30 May 2025 and signed on behalf of the Board by:

Jayne Bowie
Company Secretary
30 May 2025

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 (Reduced Disclosure Framework).

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 Company and of the profit or loss of the Company for that period.

In preparing parent company financial statements Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

In preparing Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Amey UK Limited

We have audited the financial statements of Amey UK Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise of the Group income statement, Group statement of comprehensive income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement, the Company balance sheet, the Company statement of changes in equity and notes to the financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards, IFRS and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRS as issued by the IASB

As explained in note 1 to the Group financial statements, the Group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion, the Group financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

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 the 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, 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.

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 audit procedures to evaluate the Directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the Directors' going concern assessment;
- Evaluating the Directors' method to assess the Group's and the parent company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

Independent Auditor's Report to the Members of Amey UK Limited continued

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 light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 87, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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.

Based on our understanding of the Group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, the Bribery Act, the Finance Act, climate change regulations on financial reporting, the Modern Slavery Act and environmental laws.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Independent Auditor's Report to the Members of Amey UK Limited continued

- Enquiring of management and, where appropriate, those charged with governance, as to whether the Group and the parent company are in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Climate Change Act 2008.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to: posting manual journal entries to manipulate financial performance; overstatement of assets; understatement of expenses/liabilities; management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the fraud risk related to revenue recognition which we pinpointed to the valuation and cut-off of year-end work in progress (WIP) balances, and whether the amounts recognised are recoverable from customers; and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of the audit report

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

Claire Larquetoux (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
30 May 2025

Financial Statements

Group Income Statement

for the year ended 31 December 2024

	Note	Before exceptional items 2024 £'000	Exceptional items[2] 2024 £'000	Total 2024 £'000	Before exceptional items 2023 £'000	Exceptional items[2] 2023 £'000	Total 2023 £'000
Continuing operations:							
Group revenue	2	**1,850,556**	**26,280**	**1,876,836**	1,832,911	—	1,832,911
Other income[3]		**12,100**	**—**	**12,100**	3,278	—	3,278
Staff costs	4	**(608,187)**	**—**	**(608,187)**	(571,445)	—	(571,445)
Other costs		**(1,115,710)**	**(2,630)**	**(1,118,340)**	(1,157,612)	—	(1,157,612)
Operating costs		**(1,723,897)**	**(2,630)**	**(1,726,527)**	(1,729,057)	—	(1,729,057)
EBITDA[1]		**138,759**	**23,650**	**162,409**	107,132	—	107,132
Depreciation and amortisation	9,10	**(22,514)**	**—**	**(22,514)**	(20,109)	—	(20,109)
Operating profit	2	**116,245**	**23,650**	**139,895**	87,023	—	87,023
Share of profit after tax of joint ventures	11	**5,541**	**—**	**5,541**	4,903	—	4,903
(Impairment)/reversal of impairment of financial asset	3	**—**	**(2,843)**	**(2,843)**	—	8,039	8,039
Profit before net finance expense and tax		**121,786**	**20,807**	**142,593**	91,926	8,039	99,965
Finance income		**8,773**	**—**	**8,773**	8,463	—	8,463
Finance costs		**(24,706)**	**—**	**(24,706)**	(11,443)	—	(11,443)
Net finance expense	6	**(15,933)**	**—**	**(15,933)**	(2,980)	—	(2,980)
Profit before tax		**105,853**	**20,807**	**126,660**	88,946	8,039	96,985
Tax	7	**(19,902)**	**3,901**	**(16,001)**	(12,537)	—	(12,537)
Profit after tax from continuing operations		**85,951**	**24,708**	**110,659**	76,409	8,039	84,448
Attributable to:							
Equity holders of the Company				**110,659**			84,447
Non-controlling interests				**—**			1
				110,659			84,448

1 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is operating profit before depreciation and amortisation
2 Exceptional items note 3
3 Other income consists of Research and Development Expenditure Credits received

The notes on pages 97 to 150 form part of these Group financial statements.

Group Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit after tax for the year		**110,659**	84,448
Other comprehensive expense			
Items not subject to recycling:			
Actuarial losses and adjustments on pension schemes	19	**(50,661)**	(15,915)
Deferred tax on pension schemes	7	**(417)**	(567)
Items subject to recycling:			
Share of joint ventures' other comprehensive (expense) income			
– gain/(loss) on change in fair value of cash flow hedge derivatives	12	**1,191**	(775)
– deferred tax on cash flow hedge derivatives		**(298)**	194
Other comprehensive expense for the year after tax		**(50,185)**	(17,063)
Total comprehensive income for the year		**60,474**	67,385
Attributable to:			
Equity holders of the Company		**60,474**	67,384
Non-controlling interests		**—**	1
		60,474	67,385

The notes on pages 97 to 150 form part of these Group financial statements.

Group Balance Sheet

at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill on acquisition of subsidiary undertakings	8	**305,319**	305,319
Other intangible assets	9	**1,864**	2,092
Property, plant and equipment	10	**78,492**	68,447
Investments in joint ventures	11	**32,283**	30,735
Retirement benefit assets	19	**6,072**	20,185
Deferred tax assets	7	**44,356**	39,982
Trade and other receivables	14	**5,979**	50,268
Total non-current assets		**474,365**	517,028
Current assets			
Inventories	15	**10,302**	11,589
Trade and other receivables	14	**194,811**	302,074
Current tax assets		**32**	1,471
Cash and cash equivalents	16	**74,204**	115,923
Total current assets		**279,349**	431,057
Total assets		**753,714**	948,085
Current liabilities			
Trade and other payables	17	**(411,813)**	(444,317)
Provisions for other liabilities and charges	20	**(31,250)**	(30,413)
External borrowings	18	**(22,045)**	(18,928)
Total current liabilities		**(465,108)**	(493,658)
Non-current liabilities			
Trade and other payables	17	**(11,096)**	(11,457)
Deferred tax liabilities	7	**(75)**	(102)
Retirement benefit obligations	19	**—**	(1,666)
Provisions for other liabilities and charges	20	**(81,452)**	(150,356)
External borrowings	18	**(54,075)**	(50,412)
Total non-current liabilities		**(146,698)**	(213,993)
Total liabilities		**(611,806)**	(707,651)
Net assets		**141,908**	240,434
Capital and reserves			
Share capital	21	**203,677**	203,677
Share premium		**153,134**	153,134
Other reserve		**—**	—
Other equity instrument	22	**136,060**	287,425
Hedge reserve		**2,962**	2,069
Retained earnings		**(354,012)**	(405,958)
Equity attributable to equity holders of the Company		**141,821**	240,347
Minority interests	23	**87**	87
Total equity		**141,908**	240,434

The notes on pages 97 to 150 form part of these Group financial statements. The financial statements on pages 92 to 150 were approved and authorised for issue by the Board of Directors on 30 May 2025 and signed on its behalf by:

Andrew Nelson
Director
30 May 2025

Group Statement of Changes in Equity

for the year ended 31 December 2024

	Note	Share capital £'000	Share premium account £'000	Other reserve £'000	Other equity instrument £'000	Hedge reserve £'000	Retained deficit £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2023		203,677	153,134	61,887	276,688	2,650	(525,073)	86	173,049
Profit after tax for the year		—	—	—	—	—	84,447	1	84,448
Other comprehensive expense		—	—	—	—	(581)	(16,482)	—	(17,063)
Total comprehensive income for the year		—	—	—	—	(581)	67,965	1	67,385
Reserves transfer in respect of Other reserve		—	—	(61,887)	—	—	61,887	—	—
Reserves transfer in respect of Other equity instruments	22	—	—	—	10,737	—	(10,737)	—	—
At 31 December 2023		203,677	153,134	—	287,425	2,069	(405,958)	87	240,434
At 1 January 2024		**203,677**	**153,134**	**—**	**287,425**	**2,069**	**(405,958)**	**87**	**240,434**
Profit after tax for the year		**—**	**—**	**—**	**—**	**—**	**110,659**	**—**	**110,659**
Other comprehensive expense		**—**	**—**	**—**	**—**	**893**	**(51,078)**	**—**	**(50,185)**
Total comprehensive income for the year		**—**	**—**	**—**	**—**	**893**	**59,581**	**—**	**60,474**
Repayment of Other equity instrument	**22**	**—**	**—**	**—**	**(159,000)**	**—**	**—**	**—**	**(159,000)**
Reserves transfer in respect of Other equity instruments	**22**	**—**	**—**	**—**	**7,635**	**—**	**(7,635)**	**—**	**—**
At 31 December 2024		**203,677**	**153,134**	**—**	**136,060**	**2,962**	**(354,012)**	**87**	**141,908**

The Other reserve related to a capital contribution made by Group's immediate parent company in 2003. The Directors reviewed the status of this reserve in 2023 and considered this reserve to be distributable in nature and accordingly reclassified the balance as part of retained deficit.

The notes on pages 97 to 150 form part of these Group financial statements.

Group Cash Flow Statement

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Operating activities			
Cash flows generated by operating activities	24	**100,545**	79,914
Net income tax paid		**(3,401)**	(1,031)
		97,144	78,883
Cash flows from investing activities			
Additions of property, plant and equipment		**(5,160)**	(1,593)
Addition of other long-term assets		**(6,626)**	—
Disposal of property, plant and equipment and other intangible assets	14	**144**	818
Acquisition of equity in and loan advances made to joint ventures		**(22)**	—
Repayment of loan advances made to joint ventures	11	**351**	10,406
Interest received		**1,513**	1,097
Dividends received from joint ventures	11	**4,368**	3,804
		(5,432)	14,532
Cash flows from financing activities			
Repayment of lease principal		**(19,428)**	(16,675)
Loan received from parent undertaking		**59,584**	—
Repayment of other equity instruments		**(159,000)**	—
Interest received		**5,313**	4,969
Interest paid		**(19,900)**	(7,694)
		(133,431)	(19,400)
Net (decrease)/increase in cash and cash equivalents		**(41,719)**	74,015
Cash and cash equivalents held in remainder of the Group at 1 January		**115,923**	41,908
Cash and cash equivalents at 31 December		**74,204**	115,923

The notes on pages 97 to 150 form part of these Group financial statements.

Notes forming part of the Group Financial Statements

for the year ended 31 December 2024

1. Accounting policy

These consolidated financial statements have been prepared on a going concern basis using the historical cost convention as modified for the fair value of non-current assets held for sale, pension liabilities and financial instruments. The suitability of the going concern basis is considered in the Report of the Directors and in paragraph 1.2 below.

The significant accounting policies applied in preparing the consolidated financial statements are set out below:

1.1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in conformity with the requirements of the Companies Act 2006. The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC), in conformity with the requirements of the Companies Act 2006, relevant to its operations and effective for accounting periods beginning 1 January 2024.

1.2. Going concern

The Group is financed through a mixture of shareholder equity, bank loans, overdrafts and leases. Details of all bank loans, leases and their maturity are set out in note 18 to the financial statements whilst details of finance risks are set out in note 12.

On 29 October 2024, the Group completed a refinancing of its external borrowing facilities. The existing £235 million Term Loan and Revolving Credit Facility (RCF) which was agreed on 4 April 2024 was replaced with a £125 million committed, syndicated RCF with a tenor of 6.5 years. Up to £75 million of the RCF is available for loans and the remainder available for ancillary facilities, primarily bonding requirements. The RCF is provided by JPMorgan Chase Bank, N.A., London Branch, National Westminster Bank PLC, and HSBC UK Bank plc acting as lenders and with HSBC UK Bank plc acting as agent.

Under the same financing agreement, the Group's immediate parent, Project Ardent Bidco Limited, secured funding of £280 million through a Term Loan facility with a tenor of seven years. The facility is provided by a syndicate of lenders arranged by Apollo and with HSBC UK Bank plc acting as agent. Security is limited to each of Project Ardent Bidco Limited, Amey UK Limited and Amey Holdings Limited providing security over their shares in their respective direct subsidiary and, in the case of Amey Limited, providing security over its shares in certain other Group companies that are Guarantors under the facilities (being: Amey Community Limited, Amey Defence Services Limited, Amey Defence Services (Housing) Limited, Amey Fleet Services Limited, Amey OWR Limited and Amey Rail Limited).

On 1 May 2025, the Group's RCF was extended with the addition of ING Bank N.V., London Branch, to the lending group. This amendment increased the RCF overall limit by £25 million to £150 million and the borrowing limit from £75 million to £100 million.

As of 31 December 2024, no borrowings were drawn against the RCF and the Group also held £63.5 million of unrestricted cash on the Group balance sheet.

Notwithstanding this continuity of available financing, the Directors of the Group have reviewed several factors including:

- The future business plans of the Group including the current year results and cash flows up to the date of these accounts, the current forecast for 2025 and the strategic plan for 2026 to 2029
- The availability of core and ancillary financing facilities
- Compliance with banking covenants regarding net leverage, minimum liquidity and net interest cover
- The projected drawn positions and headroom available on the core committed financing facilities
- The projected future cash flows of the Group comprising:
  - A Base Case forecast built up from the budget and strategic plan for 2025–2029
  - A Reasonable Worst Case (RWC) forecast which applies sensitivities against the Base Case
  - Reverse stress testing Group liquidity resilience against extreme events

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.2. Going concern continued

The sensitivities applied to the RWC include specific, unbudgeted cash flows in 2025 and cash flow stress cases in 2026 ranging from 60% to 100%. The Group's cash flow forecasts show that there is sufficient liquidity to enable it to continue trading should these scenarios materialise. In addition, management has considered significant additional reductions in headroom due to unforeseen events such as supply shocks and widespread client defaults, along with potential mitigations. Inflation is not considered a significant risk to the Group's liquidity as the majority of its revenues are index-linked and so are naturally hedged against inflationary pressures.

Reverse stress testing showed that the Group would have sufficient liquidity in all but the most extreme case, where 100% of local government clients and 15% of central government and agency clients default. The impact of this scenario could be offset by increased liquidity from mitigating actions and is, in any case, considered an extremely remote possibility. Furthermore, the Group's operations and suppliers are primarily in the United Kingdom and the majority of its clients are government or government-backed and so the Group is not considered to be exposed to vulnerable markets or sectors or from global geopolitical impacts such as armed conflicts or trade tariffs and barriers. The Group's financial position is not expected to be significantly impacted by US tariffs on imported goods since it primarily provides services within the UK and any US activities will remain service focused.

The Directors have considered the pension risks and sensitivities in note 19. The Directors consider the exposure to be adequately mitigated by strong governance, de-risked scheme assets (including insurance policies), various contingent assets and committed payments for the benefit of the schemes.

The Directors are satisfied that the Group has adequate resources to meet its obligations as they fall due for a period of at least 12 months from the date of approving these financial statements and, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3. New accounting standards

(i) Other new standards, amendments and interpretations adopted by the United Kingdom and mandatorily applicable for the first time in 2024

During the year ended 31 December 2024, the following additional standards which might have had an impact on the consolidated financial statements came into force in the United Kingdom:

Amendment to IFRS 16	Lease Liability in a Sale and Leaseback
Amendment to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendment to IAS 7	Statement of Cash Flows
Amendment to IFRS 17	Supplier Finance Arrangements

No significant impact on the Group's consolidated financial statements has been identified because of these additional standards and amendments.

(ii) New standards, amendments and interpretations mandatorily applicable in annual reporting periods after 2024

The other new standards, amendments and interpretations approved by the IASB and for use in the United Kingdom at 31 December 2024 but which are not applicable at this date are as follows.

New standards, amendments and interpretations		Date applicable from
IFRS 7	Financial Instruments: Disclosures	1 January 2026
IFRS 9	Financial Instruments	1 January 2026
IFRS 10	Consolidated Financial Statements	1 January 2026
Amendment to IAS 1	Lack of Exchangeability	1 January 2025
IFRS 1	First time adoption of International Financial Reporting Standards	1 January 2026
IAS 7	Statement of Cash Flows	1 January 2026

The Group has not adopted these new standards, amendments and interpretations early for the year ended 31 December 2024 but will adopt them in line with the commencement date stated above. They are not expected to have a significant impact on the Group.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.4. Basis of consolidation

The Group financial statements include the financial statements of Amey UK Limited and its subsidiary undertakings using uniform accounting policies and exclude all intra-group transactions and balances. The results of subsidiary undertakings acquired during the year are consolidated from the date on which control in the subsidiary undertaking passed to the Group. The results and cash flows of subsidiary undertakings which have been disposed of are consolidated up to the date control was lost. Where subsidiary undertakings do not adopt accounting periods that are coterminous with the Group's, their results and net assets are based on interim financial statements drawn up to the Group's accounting reference date. The profit attributable to members of the Company is stated after deducting the proportion attributable to non-controlling shareholders.

1.5. Critical accounting estimates and judgements

Accounting estimates

In the consolidated financial statements for 2024, estimates have been made to measure certain assets, liabilities, income, expenses and obligations reported herein. These estimates relate to the following:

(i) Estimates taken into consideration for the purpose of recognising revenue from contracts with customers including most notably those associated with:

- Determining whether enforceable rights exist, in order to recognise revenue
- Determining whether a contract modification has been approved
- Establishing whether the conditions for recognising revenue for variable consideration are met
- Recognising revenue in relation to a claim or a dispute
- Establishing whether the contract includes one or several performance obligations, and determining the price allocable to each of them
- Defining for each performance obligation the applicable method for recognising revenue over time, taking into account that, based on the accounting policy established by the Group, the preferred method is the 'survey of performance completed to date' output method (units of production or based on time elapsed), and the 'stage of completion measured in terms of costs incurred' input model is applied in those cases in which the services provided are not routine and recurring services, and in which the unit price of the units of work to be performed cannot be determined
- In the case of contracts recognised using the survey of performance completed to date method, measuring the units completed and the price that can be allocated thereto
- In the case of contracts recognised using the 'percentage of completion method' input method, defining the costs incurred relative to total contract costs, and the expected profit margin for the contract
- Determining whether to capitalise bidding costs and mobilisation costs
- Making estimates relating to the calculation of the provision for expected losses and deferred expenses including the level of discount rate to be applied when calculating the provision
- The aim of the criterion described above is to provide the most faithful depiction of the transfer of performance obligations

(ii) The assessment of possible legal contingencies

(iii) Estimates regarding the valuation of cash flow hedge derivatives and the expected flows associated with them in order to determine the existence of hedging relationships

(iv) The assessment of possible impairment losses on certain assets

(v) Business performance projections that affect the estimates of the recoverability of tax assets and the expected period over which it is probable such assets can be recovered

(vi) The assumptions used in the actuarial calculation of pension and other obligations to employees and inherent estimation uncertainty arising from predicting levels of mortality and inflation/discounting assumptions

(vii) The recognition for accounting purposes of the subordinated guaranteed hybrid loan as an other equity instrument (see note 22)

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.5. Critical accounting estimates and judgements continued

Accounting estimates continued

Although these estimates were made on the basis of the best information available at 31 December 2024 on the events analysed, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates are applied prospectively in accordance with the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).

The assessment of key accounting estimates and judgements includes the impact of macro-economic factors which are outside the influence of the Group such as armed conflicts, climate change, excess inflationary pressures and the overall political landscape.

The key accounting estimates and judgements are further considered below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Intangible asset impairments

The Directors consider the recoverable amount of goodwill allocated to individual CGUs to be most sensitive to the level of gross margin that can be achieved on existing and new contracts within these CGUs. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board.

Management have considered the order book, historical bid success rate, the volume of work and associated margins in previous Control Periods and Contract Delivery Scores in developing and challenging the budget and strategic plan for the CGUs. The Directors enter 2025 with a high degree of confidence in future revenues due to the Group's presence in several key frameworks where revenue growth has already been committed. This will continue to lessen the Group's reliance on individual one-off projects and improve the quality of gross margins going forward.

Within the rail sector, in particular, outcomes are often dependent on the assumptions made in respect of final accounting at the end of the contract. In line with the revenue policy below on contract modifications, claims and disputes, certain revenues will not be recognised but the estimation of the final contract outcome remains an uncertainty impacting on the level of profit recognised.

Management have also assessed the long term growth rate (LTGR) and weighted average cost of capital (WACC) applicable to the CGUs. Further information on sensitivities applied to the estimation is given in note 8.

Measurement of amounts recoverable on contracts

The measurement of amounts recoverable on contracts is performed on an individual contract basis based on the performance of the contract, the contract terms and the work completed to date.

In 2024, during the annual assessment of a specific Highways contract's asset conditions, management identified that the circumstances of the project had changed. As a result, the measure of progress has been updated and reflected as a change in accounting estimate. This change in accounting estimate has resulted in the reassessment of revenue and the amounts recoverable on contracts in respect of this Highways contract, impact in the current period of £64.2 million. As at 31 December 2024 the remaining carrying value of amounts recoverable on contracts subject to this estimation method is £5.2 million. The nature of the estimation is based on knowledge at the time and outcomes in following periods could differ from the current position. Refer to note 3 for further information.

Key judgements

Contract loss provisioning assessment

The assessment of future contract profitability especially for contracts within the Group is a key judgement when considering if contract loss provisions should be established. On a number of contracts, the level of profitability is marginal meaning a small change in future performance could trigger the need for the recognition of a future contract loss.

Future loss provisions of £48.7 million are held at 31 December 2024. Refer to note 20 for further information.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies

Alternative performance measures (APMs)

The Group uses EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) as an APM. EBITDA represents operating profit before depreciation, amortisation and impairment of assets other than investments and is presented on the face of the income statement.

The Group also uses operating profit as an APM. Operating profit is profit before net finance costs and taxation and excludes the impact of gains and losses on disposal of investments, adjustments in respect of the impairment of investments and the share of joint venture profit after tax. Operating profit is also presented on the face of the income statement.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the target and the equity interest issued by the Group in exchange for control of the target. Acquisition-related costs are recognised in the income statement when incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 (Income Taxes) and IAS 19 (Employee Benefits) respectively
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) are measured in accordance with that standard
- Right of use assets and related lease liabilities are measured in accordance with IFRS 16 (Leases)

Goodwill

Goodwill, being the excess of the fair value of the purchase consideration over the fair value of the identifiable net assets of a subsidiary undertaking, is capitalised on the date that control is acquired. Goodwill is not amortised but is tested for impairment at least annually with goodwill allocated against each of the Group's cash-generating units (CGU). If the recoverable amount of a CGU is less than the carrying amount, the impairment loss is allocated first to the allocated goodwill and then to other assets pro-rata to the carrying amount of each asset in the CGU. Any impairment loss recognised is not reversed in a subsequent period.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Other intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less amortisation on a straight-line basis and less accumulated impairment losses. Other acquired intangible fixed assets are included in the balance sheet at cost less accumulated impairment losses and amortised over their useful economic finite lives on a straight-line basis.

Amortisation is included in depreciation and amortisation in the income statement. Details of the amortisation rates used are included in note 9.

Joint ventures where the Group exercises joint control

In accordance with IFRS 11 (Joint Arrangements), joint ventures are included in the financial statements under the equity method of accounting. The results of stakes in joint ventures acquired are included from the date on which the Group acquires joint control in the joint venture, or until the date on which the Group disposes of its joint control in the joint venture.

In accordance with IAS 28 (Investments in Associates), the Group limits the recognition of share of joint venture losses where those losses exceed the investment made in those joint ventures and no obligation arises on the investor to make good those losses. Any losses recognised are held as a provision on the balance sheet.

The results, assets and liabilities of joint ventures are stated in accordance with Group accounting policies. Where joint ventures do not adopt Group accounting policies, their reported results, assets and liabilities are restated to comply with Group accounting policies. Where joint ventures do not adopt accounting periods that are coterminous with the Group's, their results and net assets are based on interim financial statements drawn up to the Group's accounting reference date.

Jointly controlled operations

Where the Group executes contracts through jointly controlled operations, the Group accounts for its share of the results, assets, liabilities and cash flows using the proportional consolidation method.

Revenue

All revenue is accounted for under the requirements of IFRS 15 (Revenue from Contracts with Customers). Set out below are specific details of the methods applied as part of this policy.

(i) General revenue recognition criterion

The first step for revenue recognition purposes is to identify the contracts and the performance obligations contained therein. The number of performance obligations that a contract has will depend on the type of contract and the activity. In general, the performance obligations that the Group engages in are satisfied over time and not at a specific point in time, since the customer simultaneously receives and consumes the benefits provided by the entity's performance as the service is performed.

With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Group has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Group to measure the value of goods or services for which control is transferred to the customer over time is the output method; this method is applied provided that the progress of the work performed can be measured on the basis of the contract and during its performance.

In contracts to provide different highly interrelated goods or services in order to produce a combined output, which is habitually the case in contracts with a construction activity, the applicable output method is that of surveys of performance completed to date (or measured unit of work), according to which revenue is recognised corresponding to the units of work performed and on the basis of the price allocated thereto. Under this method, on a regular basis, the units of work completed under each contract are measured and the corresponding output is recognised as revenue. Costs of work or services projects performed are recognised on an accrual basis, and the costs actually incurred in completing the units performed are recognised as an expense, together with those which, even though they are expected to be incurred in the future, have to be allocated to the units of work completed to date.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Revenue continued

(i) General revenue recognition criterion continued

Also, in routine or recurring service contracts (in which the services are substantially the same), such as maintenance and cleaning services, which are transferred with the same pattern of consumption over time and whose remuneration consists of a recurring fixed amount over the term of the contract (e.g. monthly or annual payment), in such a way that the customer receives and consumes the benefits of the services as the entity provides them, the method selected by the Group to recognise revenue is the time elapsed output method. Under this method, revenue is recognised on a straight-line basis over the term of the contract and costs are recognised on an accrual basis.

Lastly, only in those contracts that are not for routine or recurring services and for which the unitary price of the units to be performed cannot be determined, use of the stage of completion measured in terms of the costs incurred (input method) is permitted. Under this method, the entity recognises revenue based on the proportion that costs incurred to date bear to the total costs expected to be incurred to complete the work, taking into account the expected margins of the whole project per the latest updated budget. This method involves measuring the proportion of the costs incurred in the work completed to date to the total costs envisaged and recognising revenue in proportion to total expected revenue. Under this method, the proportion that contract costs incurred bear to the estimated total contract costs is used to determine the revenue to be recognised, by reference to the estimated margin for the entire term of the contract. As indicated above, this method is only applied to complex construction or service contracts with a fixed price (lump sum) in which it is not possible to break down the units produced and measure them.

The aim of the basis described above is to provide the most faithful depiction of the transfer of performance obligations.

(ii) Recognition of revenue from contract modifications, claims and disputes

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to the initial contract require the customer's technical and financial approval before billings can be issued and the amounts relating to the additional work can be collected. The Group does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

A claim is a request for payment or compensation from the customer (for example, for compensation, reimbursement of costs, or a legally compulsory inflation review) that is made directly to the customer. The method followed by the Group with respect to claims is to apply the method described above for modifications, when the claims are not covered by the contract, or the method used for variable consideration, when the claims are covered by the contract but need to be quantified.

A dispute is the result of a disconformity or rejection following a claim made to the customer under the contract, the resolution of which is dependent on a procedure conducted directly with the customer or a court or arbitration proceeding. Per the criteria followed by the Group, revenue relating to disputes in which the enforceability of the amount claimed is questioned is not recognised, and previously recognised revenue is de-recognised, since the dispute demonstrates the absence of the customer's approval of the work completed. If the customer only questions the price, revenue recognition is based on the criterion applied in cases of variable consideration discussed below.

Only in those cases in which there is a legal opinion confirming that the rights under dispute are clearly due and enforceable and that, therefore, at least the costs directly associated with the related service will be recovered, may revenue be recognised up to the limit of the amount of the costs incurred.

(iii) Variable consideration

If the consideration promised in a contract includes a variable amount, this amount is recognised only to the extent that it is highly probable that a significant reversal in the amount recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Revenue continued

(iv) Balance sheet items relating to revenue recognition

Amounts recoverable on contracts/payments received on account

Unlike the method used to recognise contract revenue, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer, which takes the form of a contractual document called 'certificate of completion' or 'work order'. Thus, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed or certified, the difference is recognised (as a contract asset) in an asset account called 'Amounts recoverable on contracts' under 'Trade and other receivables', whereas in contracts in which the goods or services transferred are lower than the amount billed to or certified by the customer, the difference is recognised (as a contract liability) in a liability account called 'Deferred income' under 'Trade and other payables'.

Bidding costs and mobilisation costs

Bidding costs and costs required to set up the contract, mobilisation costs, are taken directly to profit and loss.

(v) Provisions relating to contracts with customers

The main provisions relating to contracts with customers are provisions for deferred expenses and for budgeted losses.

- Provisions for deferred expenses. These provisions cover the expenses that will foreseeably arise on completion of a contract as well as the estimated repairs to be carried out within the guarantee period. These provisions relate to a present obligation stipulated in the contract that is based on the fact that in order to settle the obligation there will probably be an outflow of resources from the Group, the amount of which can be estimated reliably. Provisions are recognised on the basis of the best possible estimates of the total expenditure required to settle the obligations. They can be determined as a percentage of the total expected revenue from the contract if historical information on similar contracts is available.

  The guarantee obligations included in this type of provision are not considered to be a separate performance obligation unless the customer has the option of arranging the guarantee separately, and, accordingly, they are recognised as indicated in IAS 37 on provisions and contingent assets and liabilities.

- Provisions for budgeted losses. These provisions are recognised as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract. For the purpose of determining, if appropriate, the amount of the related provision, the criterion established in IAS 37.14 (c) is applied. Thus, the estimate of the total budget for the contract includes the expected revenue that is considered to be probable. This criterion is different from that established in IFRS 15, discussed above, on the basis of which such revenue is only recognised to the extent that it is deemed to be highly probable. Also, if the total expected profit on a contract is less than that recognised under the aforementioned revenue recognition rules, the difference is recognised as a provision for budgeted losses.

(vi) Financing component

In general, in order to calculate the price of a performance obligation, an implicit financing component is calculated in those cases in which the period between when the entity transfers a promised good or service to a customer and when the customer will foreseeably pay for that good or service is more than one year. This component is accounted for as finance income.

With respect to performance obligations for which the period between when the entity transfers a promised good or service to the customer and when the customer pays for that good or service is less than one year, the Group applies the practical expedient permitted by IFRS 15 and does not adjust the promised amount of consideration for the effects of a significant financing component.

In those cases in which there is a contractual or legal right to charge late-payment interest owing to the delay in collection with respect to the contractually established periods, such interest is only recognised when it is highly probable that it will actually be collected.

(vii) Sales taxes

All revenue excludes valued added tax.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. The cost of property, plant and equipment is determined in accordance with IAS 16 (Property, Plant and Equipment) and includes only those costs that are directly attributable to bringing the asset into working condition for its intended use. Other than on freehold land and on assets under construction, depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset, less its estimated residual value, evenly over its expected useful life, as follows:

Long leasehold and short leasehold property	Lease term
Plant and machinery	5% to 33% per annum

The Group reviews the carrying value of property, plant and equipment in light of developments in its business and makes provision for any impairment in value as the need arises.

Finance costs have not been capitalised as the Group does not have any qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using either the weighted average method or the first-in, first-out method, as appropriate.

Service concession arrangements

PFI/PPP contracts are accounted for using the financial asset model, where it has been determined that the Group has an unconditional right to receive cash for the construction or upgrade service. Revenue is determined by the fair value of consideration received or receivable in respect of goods and services provided in the same way as for other long-term contracts.

Current and deferred tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised on all temporary differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised when it is more likely than not that they will be recovered in the foreseeable future. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period when the liability is settled or the asset realised.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Trade payables

Amounts owing under supply chain finance arrangements are included within trade payables rather than bank debt. The purpose of supply chain finance is purely to grant subcontractors and suppliers access to credit and improve their cash flows. The designation in trade payables is due to the assignment of invoice rather than a novation, with the Group acting as an agent with fees related to supply chain finance being borne by the supplier and the final payment date to the bank being set by the Group with interest accrued for any late payments.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less than £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the net present value of the future lease payments at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The Group has taken advantage of the practical expedients available in IFRS 16 to apply a single discount rate to a portfolio of leases.

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 lease asset is initially measured at the net present value of the future lease payments at the commencement date, discounted using the rate implicit in the lease. The asset is subsequently depreciated over the lease term.

Pension costs – defined benefit schemes

The Group accounts for pension costs in accordance with IAS 19.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return that the Directors consider would be available on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The net return on the scheme assets and the increase during the year in the present value of the scheme liabilities arising from the passage of time is included in finance costs. The Group recognises actuarial gains and losses directly in other comprehensive income and these are therefore shown in the statement of comprehensive income (SOCI).

Pension scheme deficits or surpluses, to the extent that they are considered payable or recoverable, are recognised in full and presented on the face of the balance sheet. To the extent that any withholding tax on a pensions scheme surplus arises and which is ultimately paid out of the scheme assets, then that pension surplus is measured at the net amount after accounting for that withholding tax. Movements on the withholding tax balance are accounted for through the income statement and the SOCI in line with accounting for the amounts on which withholding tax is attributable.

Pension costs – defined contribution schemes

The amount recognised in the income statement is equal to the contributions payable to the schemes during the year.

Impairment of non-current financial assets

The Group reviews the carrying value of non-current financial assets in the light of developments in its business and makes provision for any impairment in value as the need arises.

Foreign currency

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Group financial statements are also presented in pounds sterling. Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their functional currency) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement as part of finance costs.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Financial instruments

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component, and which are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for applicable transaction costs. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: amortised cost; fair value through profit or loss (FVTPL); or fair value through other comprehensive income (FVOCI). The classification is determined by both the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

(a) Financial assets at amortised cost – financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest.

(b) Financial assets at FVTPL – financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

(c) Financial assets at FVOCI – the Group accounts for financial assets at FVOCI if the assets meet the following conditions: they are held under a business model whose objective it is 'hold to collect' the associated cash flows and the contractual terms of financial assets give rise to cash flows that are solely payments of principal and interest. Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon de-recognition of the asset.

Impairment of financial assets

The impairment requirements of IFRS 9 (Financial Instruments) use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: Stage 1 – financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk; Stage 2 – financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low; and Stage 3 – financial assets that have objective evidence of impairment at the reporting date. 12-month expected credit losses are recognised for the first category while lifetime expected credit losses are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Financial instruments continued

Impairment of financial assets continued

(a) Trade and other receivables – trade receivables are originally recognised at fair value, and then subsequently measured at amortised cost less an allowance for expected credit losses. The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses historical experience, external indicators and forward-looking information to calculate the expected credit losses. The Group assesses impairment of trade receivables on a collective basis. Where they possess shared credit risk characteristics, they have been grouped based on industry sector global default rates.

(b) Intercompany loans receivable – intercompany advances to other Group companies are all held to maturity; neither party has an option to call or prepay the loan before the contracted maturity date. Such assets are held under a business model to hold and collect contractual cash flows and therefore meet the 'solely payments of principal and interest' test.

Classification and measurement of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

(a) Borrowings – borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost unless they form part of a fair value hedge relationship. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the EIR method. Borrowings being novated or cancelled and re-issued, with a substantial modification of the terms, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any resulting gain or loss recognised in the income statement.

(b) Trade and other payables – trade and other payables are non-interest bearing and are stated at their fair value and subsequently measured at amortised cost using the EIR method.

Derivative financial instruments and hedging activities

(a) Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at their fair value. Derivative financial instruments are accounted for at FVTPL except for cash flow hedge derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet the following requirements: there is an economic relationship between the hedged item and the hedging instrument; and the effect of credit risk does not dominate the value changes that result from that economic relationship. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives either as fair value hedges, where they hedge exposure to changes in the fair value of the hedged asset or liability or as cash flow hedges, where they hedge exposure to variability in cash flows that are attributable to a risk associated with any changes in the fair value of the hedged asset, liability or forecasted transaction. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents, both at hedge inception and on an ongoing basis, its assessment of whether the cash flow hedge derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair value of a derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months and as a current asset or liability where it is less than 12 months.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

1. Accounting policy continued

1.6. Other principal accounting policies continued

Financial instruments continued

Derivative financial instruments and hedging activities continued

(b) Fair value hedge – all hedging relationships that were hedging relationships under IAS 39 meet the IFRS 9 criteria for hedge accounting and are therefore regarded as continuing hedging relationships. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value gains and losses on any underlying hedged items that are part of a fair value hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the EIR method is used is amortised in the income statement over the period to maturity.

(c) Cash flow hedge – the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in OCI and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When or if a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(d) Derivatives at fair value through profit and loss – certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement. When derivatives are designated in a hedge relationship, the net interest payable or receivable on those derivatives is recorded net of the interest on the underlying hedged item in the income statement. When derivatives are not in a hedge relationship, the fair value changes on these derivatives are recognised within fair value gains or losses on financial instruments in the income statement. The interest payable and receivable on those derivatives are recorded at their net amount in finance costs in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with banks. Bank overdrafts are shown within borrowings in current liabilities.

Exceptional items

Items which are not considered to reflect the underlying trading performance or due to their size, incidence or timing are presented as exceptional items. Exceptional items are considered individually and are assessed at each reporting period.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

2. Segmental analysis

The Group's segments and their activities are described in more detail in the Strategic Report on pages 1 to 76. The primary measure of profit or loss for each segment is operating profit before exceptional items.

	Group revenue before exceptional items 2024 £'000	Operating profit before exceptional items 2024 £'000	Exceptional operating items 2024 £'000	Operating profit after exceptional items 2024 £'000	Group revenue before exceptional items 2023 £'000	Operating profit before exceptional items 2023 £'000	Exceptional operating items 2023 £'000	Operating profit after exceptional items 2023 £'000
Continuing operations:								
Transport Infrastructure	**1,040,510**	**37,240**	**—**	**37,240**	1,128,543	32,024	—	32,024
Complex Facilities	**590,080**	**30,042**	**—**	**30,042**	503,505	24,048	—	24,048
Consulting	**181,227**	**16,786**	**—**	**16,786**	203,822	22,458	—	22,458
Rest of Group and Central Services	**86,955**	**(2,346)**	**—**	**(2,346)**	78,480	(4,078)	—	(4,078)
Inter-segment revenue elimination	**(144,965)**	**—**	**—**	**—**	(188,781)	—	—	—
Non-core	**96,749**	**34,523**	**23,650**	**58,173**	107,342	12,571	—	12,571
Total Group operating items	**1,850,556**	**116,245**	**23,650**	**139,895**	1,832,911	87,023	—	87,023

	2024 £'000	2023 £'000
Revenue before exceptional items – by geographical location		
United Kingdom	**1,839,756**	1,826,690
Rest of Europe	**10,094**	9,499
North America	**706**	—
	1,850,556	1,836,189

All exceptional items arose on activities within the United Kingdom.

All of the revenue and operating profit above arises on contracts for the provision of services. The value of revenue recognised in the current year in respect of performance obligations satisfied in prior years was £0.3 million (2023: £4.6 million).

	Before exceptional items 2024 £'000	Exceptional items 2024 £'000	Total 2024 £'000	Before exceptional items 2023 £'000	Exceptional items 2023 £'000	Total 2023 £'000
Non-operating items						
Transport Infrastructure	**1,481**	**—**	**1,481**	1,520	8,039	9,559
Complex Facilities	**3,493**	**—**	**3,493**	3,089	—	3,089
Consulting	**—**	**—**	**—**	—	—	—
Rest of Group and Central Services	**567**	**(2,843)**	**(2,276)**	294	—	294
Total Group non-operating items	**5,541**	**(2,843)**	**2,698**	4,903	8,039	12,942

Non-operating items consist of share of profit after tax of joint ventures and impairments and reversal of impairment of financial assets.

2. Segmental analysis continued

	Non-current assets 2024 £'000	Current assets 2024 £'000	Total liabilities 2024 £'000	Net assets 2024 £'000	Non-current assets 2023 £'000	Current assets 2023 £'000	Total liabilities 2023 £'000	Net assets 2023 £'000
Net assets/(liabilities)								
Continuing operations:								
Transport Infrastructure	**108,151**	**115,029**	**(231,287)**	**(8,107)**	98,936	175,537	(367,903)	(93,430)
Complex Facilities	**114,011**	**48,272**	**(124,306)**	**37,977**	118,113	77,385	(93,043)	102,455
Consulting	**179,740**	**14,918**	**(19,448)**	**175,210**	179,780	15,777	(21,664)	173,893
Rest of Group and Central Services	**23,081**	**25,602**	**(91,262)**	**(42,579)**	34,852	41,429	(59,117)	17,164
Tax and net debt (excluding ringfenced cash)	**44,356**	**63,512**	**(76,120)**	**31,748**	39,982	106,688	(69,442)	77,228
Non-core	**5,026**	**12,016**	**(69,383)**	**(52,341)**	45,365	14,241	(96,482)	(36,876)
Total Group	**474,365**	**279,349**	**(611,806)**	**141,908**	517,028	431,057	(707,651)	240,434

	Capital additions 2024 £'000	Depreciation charge 2024 £'000	Amortisation of intangibles 2024 £'000	Capital additions 2023 £'000	Depreciation charge 2023 £'000	Amortisation of intangibles 2023 £'000
Other disclosures						
Continuing operations:						
Transport Infrastructure	**29,744**	**16,531**	**105**	26,045	14,626	229
Complex Facilities	**305**	**200**	**—**	532	151	—
Consulting	**377**	**415**	**—**	463	352	—
Rest of Group and Central Services	**4,893**	**4,330**	**—**	—	4,703	48
Inter-segment revenue elimination	**—**	**—**	**—**	—	—	—
Non-core	**2,068**	**810**	**123**	—	—	—
Total Group	**37,387**	**22,286**	**228**	27,040	19,832	277

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

3. Exceptional items

Items which are not considered to reflect the underlying trading performance or due to their size, incidence or timing are presented as exceptional items. Exceptional items are considered individually and are assessed at each reporting period. All of the items below for 2024 and for 2023 are considered to be exceptional due to their individual incidence, size and timing.

The following exceptional items have been credited/(charged) in the Group income statement:

		2024 £'000	2023 £'000
Continuing operations:			
Contract loss provision release	(i)	**87,852**	—
Reassessment of amounts recoverable on contracts	(ii)	**(64,202)**	—
Included in operating profits		**23,650**	—
(Impairment)/reversal of impairment of non-current asset	(iii)	**(2,843)**	8,039
Included in non-operating items		**(2,843)**	8,039
Included in profit before tax		**20,807**	8,039
Exceptional tax credit	(iv)	**3,901**	—
Total exceptional items credited on continuing operations, net of tax		**24,708**	8,039

(i) Contract loss provisions

In 2024, management reassessed the evidence supporting non-core future loss provisions and released £90.5 million where future losses were no longer considered to be probable (2023: £nil). These provisions reflected judgements made in the accounts of the Group's immediate holding company following the acquisition of the Group at 30 December 2022. Following an amendment to the contract in 2024, the likelihood of of outflow of economic benefits is no longer probable. Also in 2024, the Group incurred an exceptional charge of £2.6 million (2023: £nil) in respect of a Rail contract where future losses were considered to be highly likely and unavoidable.

(ii) Reassessment of amounts recoverable on contracts

In 2024, the Group reassessed the measure of progress in respect of a specific Highways contract. The survey and inspection data reflected that the predicted deterioration curves in relation to the lifecycle were worsening more than planned. The impact of this change in estimate resulted in contract assets being reduced by £64.2 million with a corresponding reduction in revenue. The estimate includes forecasts for the final out-turn of the contract in addition to potential costs to be incurred for maintenance and defects. No impairment of amounts recoverable on contracts arose in 2023.

(iii) (Impairment)/reversal of impairment of non-current asset

In 2024, the Group issued a loan of £7.0 million to the trustee of the Amey OS Pension Scheme. Based on the value of the scheme assets at 31 December and the impact on the recoverability of the loan, the Group has recognised an impairment of £2.8 million against the carrying value of the asset. Refer to note 14 for further detail.

In 2023, the Group received a partial payment in full and final settlement of a loan to a joint venture undertaking. This loan had previously been impaired in full and accordingly the Group was able to release £8.0 million of the impairment provision.

(iv) Tax on exceptional items

In 2024, a tax credit of £3.9 million is attributable to the exceptional items. A credit has arisen due to the utilisation of previously unrecognised tax losses across the Group. In 2023, no tax was attributable to the reversal of impairment of non-current asset.

Notes forming part of the Group Financial Statements continued

for the year ended 31 December 2024

4. Employees (including Directors)

Staff costs during the year consisted of:

	2024 £'000	2023 £'000
Wages and salaries	**460,435**	426,821
Social security costs	**48,455**	45,650
Other pension costs arising on defined benefit pension schemes	**1,070**	1,067
Other pension costs arising on defined contribution pension schemes	**38,585**	36,053
Total direct staff costs	**548,545**	509,591
Total incidental staff cost	**59,642**	61,854
Total staff costs	**608,187**	571,445

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

	2024 Number	2023 Number
Contract-based employees	**9,720**	9,572
Management and administration	**673**	697
Average number of employees	**10,393**	10,269

5. Directors and key management remuneration

Remuneration in respect of Directors of Amey UK Limited (who were the key management) was as follows:

	2024 £'000	2023 £'000
Short-term employee benefits	**2,394**	2,950
Total emoluments	**2,394**	2,950
Included above is the following amount in respect of the highest paid Director	**1,243**	1,502

During the year, one Director (2023: one) was a member of the Group's original defined benefit pension scheme (which has been closed to future accrual) and two Directors (2023: two) were members of the Group's current defined contribution pension scheme to which the Company has made no contributions (2023: none) during the year.

During 2024 certain Directors were paid directly by the Group's shareholders, One Equity Partners and Buckthorn Partners, and these costs were recharged to the Group as part of a general management charge from the immediate parent company (see note 30) which was included in net operating costs.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

6. Net finance expense

	2024 £'000	2023 £'000
Finance income		
Interest receivable from bank deposits	**3,847**	3,589
Interest receivable on loans to joint ventures	**1,511**	1,098
Other interest and similar income	**152**	852
Total finance income on financial assets at amortised cost	**5,510**	5,539
Foreign exchange gains	**1,485**	527
Finance income from defined benefit pension schemes	**1,778**	2,397
Total finance income	**8,773**	8,463
Finance costs		
Interest payable on borrowings	**(5,231)**	(199)
Interest payable on loans from parent	**(628)**	—
Interest payable on lease liabilities	**(6,365)**	(5,045)
Other interest and similar charges	**(6,225)**	(1,969)
Total finance costs on financial liabilities at amortised cost	**(18,449)**	(7,213)
Foreign exchange losses	**(1,451)**	(481)
Provision discount unwind finance expense	**(4,806)**	(3,749)
Total finance costs	**(24,706)**	(11,443)
Net finance expense	**(15,933)**	(2,980)

Finance income relates to items classified as financial assets measured at amortised cost and also relate to the net finance income arising on defined benefit pension schemes. Derivatives that are not designated in an IAS 39 compliant hedging relationship are classified as held for trading and are measured at fair value through the income statement. Finance costs relate to items classified as other financial liabilities measured at amortised cost and also relate to the unwind of interest on discounted long-term provisions.

7. Tax charge

	2024 £'000	2023 £'000
Current tax		
UK	**10,293**	2,340
Overseas	**2**	(32)
Adjustment in respect of prior years – UK	**(2,225)**	2,615
Adjustment in respect of prior years – Overseas	**7**	—
Current tax charge	**8,077**	4,923
Deferred tax		
Credit to deferred tax provision relating to the origination and reversal of temporary differences	**(27)**	(249)
(Credit)/charge to deferred tax asset relating to the origination and reversal of temporary differences	**(4,791)**	5,311
Deferred tax charge relating to employee benefit obligations relating to the origination and reversal of temporary differences	**—**	61
Deferred tax credit	**(4,818)**	5,123
Withholding tax		
Charge in respect of withholding tax on employee benefit assets	**12,742**	2,491
Total tax charge	**16,001**	12,537

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

7. Tax charge continued

	2024 £'000	2023 £'000
Reconciliation of variances from standard rate of UK corporation tax		
Profit on ordinary activities before tax on continuing operations	**126,660**	96,985
Add: Share of tax of joint ventures	**1,847**	1,506
	128,507	98,491
Profit before tax at the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	**32,127**	23,145
Adjusted for:		
Expenses not deductible for tax purposes	**1,072**	610
Foreign permanent establishment exemption	**(2)**	94
Adjustment in respect of prior years	**(2,111)**	8,876
Impact on current year of loss recognition	**(16,693)**	3,177
Impact of change in tax rate	**—**	(1,898)
Other temporary differences	**3,455**	(19,961)
	17,848	14,043
Less: Share of tax of joint ventures	**(1,847)**	(1,506)
Total tax charge	**16,001**	12,537

The weighted average applicable tax rate was 12.5% (2023: 12.9%). This is broadly consistent year on year, with the reduction due to the change in tax rate being offset by increases in other temporary differences.

Deferred tax is calculated in full on temporary differences under the liability method using an expected tax rate for the UK of 25% (2023: 23.5%) on short-term timing differences and 25% (2023: 25%) on long-term timing differences. These are the tax rates that have been substantively enacted at the balance sheet date.

Withholding tax is calculated with reference to retirement benefit assets using the rate effective for the year of 25% (2023: 35%).

The Group has benefited from the current year effect of losses and other temporary differences in certain companies which reduce the tax charge to the extent that no deferred tax asset was recognised when they arose.

Pillar Two legislation, reflecting the OECD's Base Erosion Profit Shifting (BEPS) framework, seeks to enforce a minimum tax rate on large and multinational groups in each jurisdiction in which it operates. This legislation has been enacted or substantively enacted in the UK, and many other countries, and applies to groups with revenue exceeding €750 million through the tested period. The Group is within the remit of the rules.

The legislation is effective for the financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on most recent information available regarding the financial performance of the constituent entities of the Group. Based on the assessment performed, the Group is expected to fall within the available exemptions and therefore does not expect a potential exposure to Pillar Two top-up taxes.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

7. Tax charge continued

Deferred tax summary

Deferred tax summary	2024 £'000	2023 £'000
Deferred tax assets recognised	**44,356**	39,982
Deferred tax liabilities	**(75)**	(102)
	44,281	39,880

Deferred tax assets

	Accelerated depreciation £'000	Retirement benefit obligations £'000	Tax allowable goodwill £'000	Tax losses £'000	Other temporary differences £'000	Total £'000
Cost						
At 1 January 2023	10,238	1,045	1,399	19,685	13,554	45,921
Income statement	(1,832)	(61)	(1,399)	3,585	(5,665)	(5,372)
SOCI	—	(567)	—	—	—	(567)
At 31 December 2023	**8,406**	**417**	**—**	**23,270**	**7,889**	**39,982**
Income statement	**(1,764)**	**—**	**—**	**3,375**	**3,180**	**4,791**
SOCI	**—**	**(417)**	**—**	**—**	**—**	**(417)**
At 31 December 2024	**6,642**	**—**	**—**	**26,645**	**11,069**	**44,356**

Deferred tax liabilities

	Accelerated capital allowances £'000	Intangible assets acquired £'000	Other temporary differences £'000	Total £'000
Cost				
At 1 January 2023	29	126	196	351
Income statement	(29)	(24)	(196)	(249)
At 31 December 2023	**—**	**102**	**—**	**102**
Income statement	**—**	**(27)**	**—**	**(27)**
At 31 December 2024	**—**	**75**	**—**	**75**

Unrecognised deferred tax assets

	2024 £'000	2023 £'000
Capital losses	**4,055**	3,841
Trading losses	**114,558**	130,806
Accelerated depreciation	**1,796**	1,784
Other temporary differences	**1,140**	23,119
	121,549	159,550

Deferred tax assets have been recognised in respect of timing differences where the reversal of the originating difference is certain to arise in future periods. Deferred tax assets have been recognised on trading losses carried forward to the extent that those losses are anticipated to be utilised via generation of future profits as based on the projections of the Group over a period of up to three years (2023: three years). The assumptions used for these projections are fully aligned to those used for testing the impairment of goodwill (see note 8). A deferred tax asset has not been recognised where those losses cannot be utilised under existing tax rules. Capital losses can only be realised in the event of capital gains being realised in future periods. The tax losses do not have an expiry date.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

8. Goodwill on acquisition of subsidiary undertakings

	Cost £'000	Provision for impairment £'000	Carrying value £'000
At 1 January 2023, at 31 December 2023 and at 31 December 2024	**444,033**	**(138,714)**	**305,319**

The allocation of the goodwill carrying value to groups of cash-generating units (CGU) is as follows:

	2024 £'000	2023 £'000
Current		
Consulting	**178,796**	178,796
Transport Infrastructure	**39,771**	39,771
Complex Facilities	**86,752**	86,752
	305,319	305,319

The recoverable amounts of goodwill are based on value-in-use which reflects forecast cash flows as derived from approved budgets and plans for the next five years. The future cash flows are based on the completed 2025 budget and the 2026–2029 strategic plan. Residual values have also been included which are based on the normalised activity cash flow plus a growth factor. The growth rate used is 1.9% (2023: 1.76%). The underlying assumptions of these cash flows are based on the existing contract order book, management's past experience and probability ratios for new business generation. The cash flows have been discounted using a risk-based discount rate of between 14% and 15% (2023: 16.5%). This pre-tax discount rate is a measure based on the 30-year UK bond rate adjusted for a risk premium to reflect both the increased risk of investments generally in the sector and the systematic risk of the specific CGUs.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the Group of CGUs to which goodwill is allocated. The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amounts of goodwill on Consulting, Transport Infrastructure and Complex Facilities is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

9. Other intangible assets

	Order books £'000	Customer relationships £'000	Contracts £'000	Software £'000	Total £'000
Cost					
At 1 January 2023	32,789	13,876	5,807	17,925	70,397
Additions	—	—	—	—	—
Disposals	(29,806)	(13,876)	—	(228)	(43,910)
At 31 December 2023	**2,983**	**—**	**5,807**	**17,697**	**26,487**
Additions	**—**	**—**	**—**	**—**	**—**
Disposals	**—**	**—**	**—**	**(17,697)**	**(17,697)**
At 31 December 2024	**2,983**	**—**	**5,807**	**—**	**8,790**
Amortisation					
At 1 January 2023	32,283	13,876	3,993	17,839	67,991
Charge for the year	105	—	123	49	277
Disposals	(29,806)	(13,876)	—	(191)	(43,873)
At 31 December 2023	**2,582**	**—**	**4,116**	**17,697**	**24,395**
Charge for the year	**105**	**—**	**123**	**—**	**228**
Disposals	**—**	**—**	**—**	**(17,697)**	**(17,697)**
At 31 December 2024	**2,687**	**—**	**4,239**	**—**	**6,926**
Carrying amount					
At 31 December 2024	**296**	**—**	**1,568**	**—**	**1,864**
At 31 December 2023	401	—	1,691	—	2,092

Fully amortised other intangible assets (order books and customer relationships) that arose in respect of contracts taken on following the liquidation of Carillion plc in January 2018 were included in 2023 disposals, due to those contracts ending.

The carrying amount on order books arose on the acquisition of the 10% non-controlling interest in Seilwaith Amey Cymru/Amey Infrastructure Wales Limited in January 2021.

Also included in other intangible assets on contracts are rights to third party revenue forming part of a 25-year contract which is being amortised over the remaining term.

Software is amortised over periods of up to five years.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

10. Property, plant and equipment

	Land and buildings				
	Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Asset under construction £'000	Total £'000
Cost					
At 1 January 2023	295	41,188	102,715	—	144,198
Additions	181	—	26,859	—	27,040
Disposals	—	(2,388)	(16,996)	—	(19,384)
At 31 December 2023	**476**	**38,800**	**112,578**	**—**	**151,854**
Additions	**—**	**6,462**	**29,508**	**1,417**	**37,387**
Disposals	**—**	**(10,739)**	**(40,276)**	**—**	**(51,015)**
At 31 December 2024	**476**	**34,523**	**101,810**	**1,417**	**138,226**
Depreciation					
At 1 January 2023	87	20,854	60,431	—	81,372
Charge for the year	59	4,590	15,183	—	19,832
Disposals	—	(1,440)	(16,357)	—	(17,797)
At 31 December 2023	**146**	**24,004**	**59,257**	**—**	**83,407**
Charge for the year	**59**	**4,427**	**17,800**	**—**	**22,286**
Disposals	**—**	**(8,004)**	**(37,955)**	**—**	**(45,959)**
At 31 December 2024	**205**	**20,427**	**39,102**	**—**	**59,734**
Carrying amount					
At 31 December 2024	**271**	**14,096**	**62,708**	**1,417**	**78,492**
At 31 December 2023	330	14,796	53,321	—	68,447
Carrying amount of right of use assets included above (see note 26):					
At 31 December 2024	**—**	**14,096**	**59,499**	**—**	**73,595**
At 31 December 2023	—	14,796	51,088	—	65,884

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

11. Investments in joint ventures

Investments in joint ventures comprise:

	2024 £'000	2023 £'000
Cost of shares	**695**	695
Share of post-acquisition profits	**20,542**	19,002
Loan advances	**12,224**	12,553
Total	**33,461**	32,250
Provision for impairment – shares	**(580)**	(360)
Provision for impairment – loans	**(598)**	(1,155)
Carrying value on the balance sheet	**32,283**	30,735

The movements during the year were as follows:

	Cost of shares £'000	Shares: provision for impairment £'000	Share of post-acquisition profits £'000	Loan advances £'000	Joint venture loss provision £'000	Total £'000
At 1 January 2023	695	(360)	19,655	33,308	(19,467)	33,831
Transfers	—	—	(14)	(600)	305	(309)
Share of profit after tax for the year	—	—	3,746	—	219	3,965
Share of movements in the SOCI:						
Cash flow hedge derivatives	—	—	(775)	—	—	(775)
Deferred tax there on	—	—	194	—	—	194
Dividends paid by joint ventures	—	—	(3,804)	—	—	(3,804)
Loan repayments	—	—	—	(10,406)	—	(10,406)
Provision for impairment	—	—	—	(9,749)	17,788	8,039
At 31 December 2023	**695**	**(360)**	**19,002**	**12,553**	**(1,155)**	**30,735**
Additions	**—**	**(220)**	**—**	**22**	**—**	**(198)**
Share of profit after tax for the year	**—**	**—**	**5,015**	**—**	**556**	**5,571**
Share of movements in the SOCI:						
Cash flow hedge derivatives	**—**	**—**	**1,191**	**—**	**—**	**1,191**
Deferred tax there on	**—**	**—**	**(298)**	**—**	**—**	**(298)**
Dividends paid by joint ventures	**—**	**—**	**(4,368)**	**—**	**—**	**(4,368)**
Loan repayments	**—**	**—**	**—**	**(351)**	**—**	**(351)**
Provision for impairment	**—**	**—**	**—**	**—**	**1**	**1**
At 31 December 2024	**695**	**(580)**	**20,542**	**12,224**	**(598)**	**32,283**

The transfer in 2023 arose on the acquisition of the joint venture partner's shareholding in Amey (AB) Limited (formerly AmeyBreathe Limited) resulting in that company becoming a subsidiary undertaking.

The Group's joint venture investments, including the percentage of interest held, are set out in note 27.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

11. Investments in joint ventures continued

The Group's aggregate share of the results and net assets of joint ventures was as follows:

	2024 £'000	2023 £'000
Share of revenue	**166,800**	147,250
Share of profit after tax for the year	**5,541**	4,903
Share of other comprehensive income/(expense)	**893**	(581)
Dividends received from joint ventures	**4,367**	3,804
Share of gross assets	**156,527**	157,932
Share of gross liabilities	**(135,335)**	(138,595)
Share of net assets	**21,192**	19,337
Loan advances	**12,224**	12,553
Joint venture loss provision	**(1,188)**	(1,180)
Net investment in joint ventures	**32,228**	30,710
Included in:		
Investments in joint ventures	**32,283**	30,735
Provision for joint venture losses	**(55)**	(25)
	32,228	30,710

None of the joint venture investments held by the Group are individually material to the reporting entity. The share of gross liabilities includes financial instrument cash flow hedge derivatives within joint ventures which relate to interest rate swaps entered into by the joint ventures concerned as a means of hedging interest rate risk. In accordance with IFRS 9, these cash flow hedge derivatives are accounted for as cash flow hedges by the joint ventures with the effective portion of movements in fair value each year recognised in the SOCI and in the hedge reserve.

12. Financial instruments

Financial risk

The financial risks affecting the Group are as follows:

Financial risk management – interest rate risk

The Group's main interest rate risk arises on bank borrowings where variable rate loans could expose the Group to cash flow interest rate risk. The Group has not taken out interest rate hedges in respect of borrowings with recourse to the Group's balance sheet. During the year there were borrowings incurred on which interest was charged and paid, at 31 December 2024 there were no amounts drawn down on the loans (31 December 2023: £nil).

Financial risk management – credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. The Group's principal financial assets are cash and cash equivalents, investment loans to joint ventures, trade and other receivables. The Group's objective is to reduce its exposure to counterparty default by restricting the type of counterparty it deals with and by employing an appropriate policy in relation to the collection of trade receivables.

The Group recognises lifetime expected credit losses at the point of initial recognition for trade receivables and accrued income. For other financial assets, a loss allowance is recognised for expected credit losses taking into account changes in the level of credit risk. Where credit risk is considered to be low, the loss allowance is limited to expected losses arising from default events that are possible within 12 months of the balance sheet date. There has not been a significant increase in credit risk in relation to receivables where the IFRS 9 simplified approach is followed to determine expected credit loss.

At 31 December 2024, the amount of credit risk on cash and cash equivalents totalled £74.2 million (2023: £115.9 million). Credit risk relating to investments in financial products is concentrated mainly on short-term investments. Counterparties are always financial institutions and a strict diversification policy is applied on the basis of credit ratings and maximum credit limits. The Group also actively monitors the risk that it assumes with its banks through credit quality studies for each of the financial institutions to which it is exposed. Expected credit losses over cash and cash equivalents are considered to be immaterial with no losses experienced.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

12. Financial instruments continued

Financial risk continued

Financial risk management – credit risk continued

Trade and other receivables mainly comprise amounts due from customers for services performed. The level of trade receivables is monitored on a monthly basis to assess the risk of default by any counterparty with the result that the exposure to bad debts is not significant. At 31 December 2024, the amount of credit risk on all trade and other receivables amounted to £200.8 million (2023: £352.3 million). Based on the customer profile base of the Group which are largely government based organisations, the credit risk on trade and other receivables and as well as cash and cash equivalents is minimal for the Group.

The amount of unprovided credit risk on loans to joint venture undertakings was £11.6 million (2023: £11.4 million).

All credit losses are considered on a combined 12-month and lifetime basis due to the long-term nature of the underlying contracts. There has been no change in the overall level of credit risk on financial assets since initial recognition.

The Group constantly reviews the recoverability of all financial assets and will take such enforcement action as is necessary where impaired financial assets are considered either to be partly or wholly recoverable from third parties.

Financial risk management – exchange rate risk

The Group's principal exchange rate risk is in respect of cash balances, trade receivables and trade payables denominated in foreign currency. These risks have not been hedged against as, overall, the balances held in foreign currencies are minimal.

Financial risk management – funding and liquidity risk

A key function of the Group treasury department is to ensure that the Group has sufficient cost-effective facilities to meet its obligations in the short term, medium term and long term.

Group treasury monitors the following activities:

- Regular cash flow forecasts prepared by the business units and aggregated at Group level
- Budget and forecast cash flows
- Actual trading results, debt and balance sheet positions
- Capital expenditure requests
- Forecast facility availability

Special attention is paid to the liquidity of monetary assets. Group policy is to place any cash surpluses on short-term deposits with institutions with good quality credit ratings. Each credit institution is subject to a maximum level and deposits are spread across several institutions to mitigate risk.

IFRS 13 (Fair Value Measurement) requires the Group to analyse its financial assets and liabilities held at fair value according to the valuation basis applied. Level 1 represents fair values based on quoted prices in active markets; Level 2 represents fair values where the valuation uses inputs from quoted prices in active markets; Level 3 represents fair values where any significant valuation input is not based on observable market data. The Group has no Level 1 or Level 3 financial assets or liabilities. During the year, Level 2 financial assets were held by subsidiary undertakings and Level 2 financial liabilities were held by both subsidiary undertakings and the Group's joint venture undertakings. Derivative financial instruments are determined by discounting the future cash flows using the applicable period end yield curve. There have been no changes in the current year to the Level 2 valuation techniques previously applied.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

12. Financial instruments continued

Financial risk continued

Financial risk management – funding and liquidity risk continued

Amounts recognised in respect of cash flow hedges (before related tax impact) were as follows:

	2024 £'000	2023 £'000
Gains/(losses) included in the SOCI		
in respect of share of joint ventures changes in fair value of cash flow hedge derivatives	**1,191**	(775)

Profits/(losses) included in the income statement relate to the Group's share of the ineffective portion of cash flow hedges held by the Group and joint ventures. The profit on disposal of joint venture investments and impairment of assets relates to the gain arising on part disposal or de-recognition, offset by fair value losses recycled to the income statement of losses previously charged to other comprehensive income. Gains/(losses) included in the SOCI relate to changes in the fair value of the effective portion of cash flow hedge derivatives held by the Group and joint ventures that are designated and qualify as cash flow hedges, and also in respect of fair value losses recycled to the income statement.

As a condition of lending, the PFI/PPP joint ventures are required to take out interest rate hedges to fix the interest rate to hedge effectively against the planned schedule of future interest and principal debt repayments. The hedge ratio is established by comparing actual cash flows with expected cash flows and thus remains wholly effective whilst the plan of payments (which is a condition of lending) is adhered to. The last of these hedges expires in 2039 for joint ventures.

The maturity of the notional monetary amounts of interest rate hedges held by joint venture investments is as follows:

	2024 £'000	2023 £'000
From 3 to 5 years	**514**	760
From 6 to 10 years	**59,991**	53,542
From 11 to 15 years	**22,575**	21,919
Over 15 years	**3,424**	3,424
Total	**86,504**	79,645

Interest and exchange rate risks

The Group uses a sensitivity analysis technique that measures the estimated change in fair value of the Group's financial instruments to both the income statement and equity of an instantaneous increase or decrease of 0.5% in interest rates which represents a reasonable approximation of possible change. At 31 December 2024 the Group has variable interest bearing financial liabilities of £59.4 million (2023: £nil), being a SONIA linked loan issued from the Group's immediate parent undertaking, Project Ardent Bidco Limited, to Amey UK Limited. An increase or decrease of 0.5% in SONIA would lead to an insignificant increase or decrease in the interest payable at 31 December 2024 of less than £0.1 million. The amounts generated from the sensitivity analysis are estimates of the impact of interest rate risk assuming that the specified changes occur. Clearly, developments in global markets may cause the actual changes to differ significantly from the changes specified above. Therefore, this analysis should not be considered a projection of likely future events and losses. The sensitivities above exclude any potential impact on the Group's retirement benefit obligations and in respect of cash flow hedge derivative financial instruments.

The Group has little to no risk in respect of any changes in exchange rates.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

12. Financial instruments continued

Capital structure

The Group manages its external borrowings, shareholder borrowings and equity as capital. The Group's principal objective is to ensure that the Group has sufficient capital to fund its operations. In developing business plans, management considers the likely capital requirements and how to fund these requirements. Additional capital is funded by using the least-cost source at the time of fundraising. The Group is not subject to any externally imposed capital requirements. At the year end, the Group's capital was as follows:

	2024 £'000	2023 £'000
Lease liabilities	**76,120**	69,340
Total external borrowings and shareholder loans	**76,120**	69,340
Total equity	**141,908**	240,434
	218,028	309,774

13. Financial assets and financial liabilities

The following financial assets and financial liabilities are held at amortised cost:

	2024 £'000	2023 £'000
Financial assets		
Loan advances to joint ventures (net of provisions)	**11,626**	11,398
Trade receivables	**40,298**	84,264
Amounts due from parent undertaking	**3**	21,311
Amounts due from joint ventures	**6,066**	7,311
Cash and cash equivalents	**74,204**	115,923
Total financial assets measured at amortised cost	**132,197**	240,207
Financial liabilities:		
Trade payables	**47,698**	42,940
Payments received on account	**1,100**	1,378
Amounts due to parent undertaking	**37,904**	1,870
Amounts due to joint ventures	**531**	506
External borrowings	**76,120**	69,340
Total financial liabilities measured at amortised cost	**163,353**	116,034

For the financial assets and liabilities stated above, the carrying value represents a fair approximation of the fair value.

The Group's principal objective is to ensure that it has sufficient capital and borrowings to fund its operations. In developing business plans, management considers the likely capital requirements and how to fund these requirements. Additional capital is funded by using the least-cost source at the time of fundraising. The Group is not subject to any externally imposed capital requirements.

The Group operates a bank balance pooling arrangement with its principal banker. As at 31 December 2024, no bank overdrafts were held within this arrangement that had been set off against cash balances in hand (2023: none).

Further consideration on credit risk arising on financial assets is detailed in note 12.

13. Financial assets and financial liabilities continued

The maturity analysis of financial liabilities is as follows:

	2024 £'000	2023 £'000
Due within one year	**73,046**	66,327
Due in one to two years	**58,702**	15,652
Due in two to five years	**35,866**	32,188
Due after more than five years	**7,898**	12,275
Total financial liabilities (undiscounted)	**175,512**	126,442
Less: impact of future finance costs	**(12,159)**	(10,408)
As reported on the balance sheet	**163,353**	116,034

14. Trade and other receivables

	2024 £'000	2023 £'000
Current		
Trade receivables	**40,298**	84,264
Amounts recoverable on contracts	**119,612**	158,829
Amounts due from joint ventures	**6,066**	7,311
Amounts due from parent undertaking	**3**	21,311
Other debtors	**9,682**	9,934
Prepayments and accrued income	**19,150**	20,425
Total current trade receivables	**194,811**	302,074
Non-current		
Derivatives	**28**	—
Other long-term assets	**3,783**	—
Amounts recoverable on contracts	**2,168**	50,268
Total non-current trade receivables	**5,979**	50,268

In addition to the amounts shown above, the Group has a non-current other debtor of £54.7 million (2023: £50.4 million) due from the Group's former joint venture, Birmingham Highways Holdings Limited (BHHL). This debtor is fully provided for in these financial statements. This debtor represents both the original loan advance and accrued interest receivable (which continues to accrue).

The Group operates a large number of contracts where the payment terms and conditions vary between those contracts. There will also be contracts starting and completing in any financial year. Significant changes in amounts recoverable on contracts and deferred income arise in the reporting period. In 2024 the largest single contract movement was due to a specific Highways contract, whereby a reassessment of contract assets resulted in a reduction of £64.2 million in amounts recoverable on contracts (refer to notes 1.5 and 3).

In 2024, the Company issued a loan of £7.0 million to the Trustee of the Amey OS Pension Scheme. This loan was issued to provide the Trustee with sufficient liquidity to pay a Deferred Premium to Pension Insurance Corporation as part of an insurance buy-in policy while it awaits settlement of an illiquid asset from the HayFin Fund. The carrying value of the loan at 31 December 2024 was £3.8 million (2023: nil), disclosed as a long-term asset.

A provision for specific credit losses was included within trade receivables as follows:

	2024 £'000	2023 £'000
At 1 January	**3,596**	5,285
Charged/(credited) to the income statement	**1,131**	(810)
Utilised	**(387)**	(882)
At 31 December	**4,340**	3,593

No provision has been included in respect of the other financial assets included in trade and other receivables.

14. Trade and other receivables continued

The ageing of financial assets included in trade and other receivables that are past due but not impaired was as follows:

	2024 £'000	2023 £'000
Not past due	**41,120**	100,890
Up to two months past due	**5,030**	11,996
	46,150	112,886

The above includes trade receivables, amounts due from joint ventures and amounts due from parent undertaking.

15. Inventories

	2024 £'000	2023 £'000
Raw materials and consumable stocks	**9,771**	10,838
Bid and mobilisation costs	**531**	751
	10,302	11,589

16. Cash and cash equivalents

	2024 %	2024 £'000	2023 %	2023 £'000
Cash balances held at floating rate	**3.0**	**74,204**	1.7	115,923

Included within cash balances is £10.7 million (2023: £10.7 million) relating to jointly controlled and other operations in which the Group has restricted control. These balances may only be utilised by the Group with the consent of the partners to those operations that are jointly controlled, or with agreement of any non-controlling interest shareholder under the terms of a shareholder agreement or, in the case of a special purpose company, with the consent of the holders of any non-recourse debt held by those companies. Within the amounts held where the Group has restricted control, £3.1 million (2023: £2.6 million) has been pledged as security under a charge registered on one contract. Individual bank balances and overdrafts have been offset where cash pooling and set-off arrangements are in place.

The Group operates a bank balance pooling arrangement with its principal banker. As at 31 December 2024, no bank overdrafts were held within this arrangement that had been set off against cash balances in hand (2023: none).

17. Trade and other payables

	2024 £'000	2023 £'000
Current		
Trade payables	**47,698**	42,940
Payments received on account	**1,100**	1,378
Amounts due to parent undertaking	**37,904**	1,870
Amounts due to joint ventures	**531**	506
Tax creditor	**2,457**	—
Other creditors	**58,081**	57,103
Deferred income	**63,530**	99,872
Accruals	**200,512**	240,648
	411,813	444,317
Non-current		
Deferred income		
– in more than one year but not more than two years	**755**	608
– in more than two years but not more than five years	**9,965**	10,499
– in more than five years	**376**	350
	11,096	11,457

The Group operates a large number of contracts where the payment terms and conditions vary between those contracts. There will also be contracts starting and completing in any financial year. Significant changes in amounts recoverable on contracts and deferred income arise in the reporting period, no single contract is individually significant enough to explain year on year changes in the balance sheet amounts reported.

18. External borrowings

	Current 2024 £'000	Non-current 2024 £'000	Current 2023 £'000	Non-current 2023 £'000
Lease liabilities	**22,045**	**54,075**	18,928	50,412

Lease liabilities are secured on the specific item which is provided to the Group under the terms of the lease.

Borrowing facilities

At 31 December 2024, the Group had a £125.0 million syndicated Revolving Credit Facility (2023: £150.0 million) which was undrawn at that date (2023: undrawn). Up to £75 million of the syndicated facility was available for loans and the remainder available for ancillary facilities, primarily bonding requirements. The facility was committed for a remaining tenure of six years and four months and was provided by JPMorgan Chase Bank, N.A., HSBC UK Bank plc and National Westminster Bank PLC, with HSBC UK Bank plc acting as agent. The facility was secured on the assets of the Group and hence had recourse to the Group balance sheet.

The Group held £63.5 million (2023: £105.2 million) of unrestricted cash on the Group balance sheet.

On 29 October 2024, the Group completed a refinancing of its external borrowing facilities. The existing £235 million Term Loan and Revolving Credit Facility (RCF) was replaced with a £125 million committed, syndicated RCF with a tenor of 6.5 years. Up to £75 million of the RCF is available for loans and the remainder for ancillary facilities, primarily bonding requirements.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

18. External borrowings continued

External borrowings, which arise solely in respect of lease liabilities, mature as follows:

	2024 £'000	2023 £'000
Due within one year	**22,045**	18,928
Due within one to two years	**18,239**	13,934
Due within two to five years	**29,702**	26,679
Due after more than five years	**6,134**	9,799
	76,120	69,340

The weighted average interest rate on bank loans drawn down during the year was 7.87% (2023: 6.26%). The interest rate on the lease liabilities are fixed at a weighted average rate of 4.8% (2023: 4.9%).

There was no difference between the external borrowings shown above and their equivalent fair values for 2024 and 2023. Fair value has been based on carrying amount.

Liquidity risk

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price. Group treasury is responsible for liquidity, funding and settlement management. In addition, liquidity and funding risks, as well as related processes and policies, are overseen by management. The Group manages its liquidity risk on a Group basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

At 31 December 2024, the Group had not drawn down any funds under its £125.0 million syndicated Revolving Credit Facility (2023: undrawn). Bank loans with recourse are drawn down periodically in accordance with business requirements under this facility that is due to expire in 2031.

In accordance with IFRS 7, the table below contains both the repayment of principal and associated interest payments for Group borrowings. These arise solely on lease liabilities at 31 December 2024 and at 31 December 2023.

	2024 £'000	2023 £'000
Due within one year	**23,192**	19,633
Due within one to two years	**20,760**	15,652
Due within two to five years	**35,261**	32,188
Due after more than five years	**7,998**	12,275
Total	**87,211**	79,748
Less: impact of future finance costs	**(11,091)**	(10,408)
As reported on the balance sheet	**76,120**	69,340

Leases relate to many small agreements throughout the Group, none of which are deemed significant enough for separate disclosure.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

19. Retirement benefit schemes

The Group operates a number of pension schemes for the benefit of employees and Directors. Trustees or product providers administer the assets of the funded schemes in funds independent from those of the Group. Pension costs in respect of schemes offering defined benefits are assessed in accordance with the advice of independent, qualified actuaries. External professional pension administrators normally conduct the administration of these schemes.

Defined contribution schemes

The principal defined contribution schemes are as follows:

- Amey Group Flexible Retirement Plan, offered to new employees at Amey and for current employees previously in various legacy defined contribution schemes which have now closed
- The People's Pension, a workplace pension utilised as Amey's primary automatic enrolment solution

The pension expense recognised in the income statement in respect of defined contribution schemes was £38.6 million (2023: £36.1 million).

Defined benefit schemes

The Group sponsors a number of defined benefit pension schemes, offering benefits based on an employee's final salary. The assets for these schemes are held in separate, trustee administered funds. The principal defined benefit schemes are as follows:

- Amey OS Pension Scheme:
  - APS section – previously offered to eligible staff that had not been transferred into the Group via acquisition or outsourcing. However, this scheme does include staff that transferred out of the Ministry of Defence at the time the Comax business separated from the Defence Evaluation and Research Agency. Future accrual ceased for existing members with effect from 5 April 2012
  - Amey section – offered historically to former public sector employees who transferred into the Group under a variety of public sector outsourcing contracts. As of September 2024 there are no actives remaining
  - Accord section – offered historically for those eligible employees who worked principally within Accord Limited, a subsidiary of Enterprise plc (now Enterprise Limited) acquired in 2013. As of September 2024 there are no actives remaining
- Railways Pension Scheme – this is an industry-wide pension scheme for railways employees and provides benefits for those eligible employees who are working within Amey Rail Limited, Amey OWR Limited or elsewhere in the Group. Amey has two shared-cost sections: the Amey Rail section and Owen Williams section. The Group accounts for its share of the separately identified assets and liabilities of these sections and the Group cannot be held liable for the obligations of other entities that participate in this scheme and as such only makes contributions in respect of its sections
- Citrus Pension Scheme – this scheme is now closed to new entrants and future accrual ceased for existing members with effect from 31 October 2016. The Group accounts for its share of the separately identified assets and liabilities of its section of this industry-wide scheme
- West Yorkshire Pension Fund – the Group has a liability to this scheme for former eligible Wakefield Council employees who transferred into the Group under TUPE transfer arrangements
- West Midlands Pension Fund – the Group has a liability to this scheme for former eligible Walsall Council employees who transferred into the Group under TUPE transfer arrangements

Given the similar characteristics of the principal defined benefit schemes, the schemes have been combined in these disclosures for presentational purposes.

For schemes that are closed to new entrants but open for future accrual, the current service costs as a percentage of pay are expected to rise significantly as active members approach retirement. All of the schemes are now essentially closed to new members.

19. Retirement benefit schemes continued

Defined benefit schemes continued

The Group's various defined benefit pension schemes are regulated by The Pensions Regulator under the UK regulatory framework. The corporate trustees of the schemes are responsible for carrying out triennial funding valuations, with the advice of an independent, qualified actuary, in order to set the contributions due to the schemes. The trustees are also responsible for ensuring that the schemes are appropriately managed and that members' benefit entitlements are secure. The trustees' other duties include administration of scheme benefits and investment of scheme assets (subject to appropriate consultation with the Group). The Group works closely with the trustees to manage the pension schemes but has no representation on the trustee boards.

No past service costs/credits have been recognised in respect of plan amendments during 2024 or 2023.

The Group has determined that it has a right to the refund of surplus on wind-up from each of the principal defined benefit pension schemes and has therefore recognised any balance sheet surpluses that have emerged at the balance sheet date.

The Group is also a participating employer in the Local Government Pension Scheme (LGPS). The Group accounts for its share of the separately identified assets and liabilities of the LGPS and the Group cannot be held liable for the obligations of other entities that participate in this scheme and as such only makes contributions in respect of its sections. The Group's share of the liabilities in these LGPS Funds is immaterial compared to the overall liabilities of the principal defined benefit pension schemes and therefore this has been aggregated with the principal schemes. The Company does not have a unilateral right to the return of any LGPS surplus which is therefore restricted to nil.

The latest actuarial funding valuations of the Group's principal defined benefit schemes have been updated by the actuaries to 31 December 2024 on a basis consistent with the requirements of IAS 19. In particular, scheme liabilities have been discounted using the rate of return on high quality bonds rather than the expected rate of return on the assets used in the scheme funding valuations. The latest scheme funding valuations were carried out on the dates indicated below.

	Date of latest valuation
Amey OS Pension Scheme – all sections	30 September 2023
Railways Pension Scheme	30 December 2022
Citrus Pension Scheme	31 March 2021
West Yorkshire Pension Fund	31 March 2022
West Midlands Pension Fund	31 March 2022

The principal actuarial assumptions used are as follows:

	2024 %	2023 %
Rate of increase in salaries	**0.45 – 3.40**	0.45 – 3.35
Rate of increase in pensions in payment	**1.75 – 3.70**	1.65 – 3.65
Discount rate	**5.45 – 5.50**	4.55
Inflation assumption – RPI	**3.10 – 3.15**	3.00 – 3.05
Inflation assumption – CPI – pre-2030	**2.10 – 2.15**	2.00 – 2.05
Inflation assumption – CPI – post-2030	**3.00 – 3.05**	2.90 – 2.95

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

19. Retirement benefit schemes continued

Defined benefit schemes continued

The mortality assumptions have been updated in the year and life expectancies are as follows:

	2024 Years	2023 Years
Remaining life of members aged 65		
Men	**19.6 – 23.6**	19.7 – 23.6
Women	**22.5 – 25.2**	22.3 – 25.2
Remaining life of members aged 45		
Men	**20.8 – 26.4**	20.9 – 26.4
Women	**23.8 – 26.9**	23.8 – 26.9

The duration of a scheme is an indicator of the weighted average time until benefit payment will be made. For the schemes in aggregate, the weighted average duration is 13.0 years reflecting the appropriate split and maturity of the defined benefit obligation between current employees, deferred members and pensioners.

The amount recognised in the balance sheet was as follows:

	2024 £'000	2023 £'000
Present value of funded obligations	**(615,437)**	(682,991)
Fair value of plan assets	**626,691**	708,238
Net pension scheme asset before withholding taxes	**11,254**	25,247
Adjustment in respect of asset ceiling and minimum funding	**(3,155)**	—
Withholding taxes	**(2,027)**	(6,728)
Net pension scheme asset after withholding taxes	**6,072**	18,519
As presented on the balance sheet:		
Retirement benefit assets	**6,072**	20,185
Retirement benefit obligations	**—**	(1,666)
	6,072	18,519

Any surpluses in the schemes have been recognised only where the Group has determined that it has a right to a refund of a surplus under IFRIC 14. Where surpluses have been recognised, the Group has also recognised the corresponding withholding tax applicable to that surplus at the expected tax rate at the balance sheet date of 25% (2023: 35%).

The amount recognised in the income statement was as follows:

	Note	2024 £'000	2023 £'000
Current service cost	4	**1,070**	1,067
Total included under staff costs		**1,070**	1,067
Pension scheme administration costs		**1,129**	1,313
Finance income	6	**(1,778)**	(2,397)
Withholding tax charge on pension scheme surpluses	7	**12,742**	2,491
Total income statement charge		**13,163**	2,474

Pension expense, excluding interest, is charged to contracts or overhead based on a share of scheme members and is included in operating costs. The best estimate of the contributions expected to be paid to the defined benefit schemes for the next financial year is £0.4 million for regular payments and £0.5 million for additional top-up payments.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

19. Retirement benefit schemes continued

Defined benefit schemes continued

The amount recognised in other comprehensive expense net of the withholding tax was as follows:

	2024 £'000	2023 £'000
Actuarial losses	**50,661**	15,915
Total expense recognised in the SOCI	**50,661**	15,915

Actuarial gains and losses have been reported in the SOCI. The Group's share of the actual performance of fund assets was a decrease of £96.5 million (2023: £18.0 million increase).

The movements in the net pension scheme sheet asset after withholding taxes were as follows:

	2024 £'000	2023 £'000
At 1 January	**18,519**	29,346
Service cost, including employees' share	**(13,163)**	(2,474)
Total expense recognised in the SOCI	**(50,661)**	(15,915)
Employer contributions – regular payments	**801**	1,196
Employer contributions – additional top-up payments	**50,576**	6,366
At 31 December	**6,072**	18,519

The movements in the present value of fund obligations were as follows:

	2024 £'000	2023 £'000
At 1 January	**682,991**	682,124
Service cost, including employees' share	**1,098**	1,108
Interest cost	**30,305**	32,135
Actuarial (gain)/loss due to changes in financial assumptions	**(62,200)**	17,079
Actuarial gain due to changes in demographic assumptions	**(2,596)**	(7,730)
Experience loss on defined benefit obligations	**752**	4,076
Deferred buy-in premium	**(10,351)**	(18,848)
Outstanding company loan	**6,899**	—
Benefits paid	**(31,461)**	(26,953)
At 31 December	**615,437**	682,991

The movements in the fair value of fund assets were as follows:

	2024 £'000	2023 £'000
At 1 January	**708,238**	729,523
Interest on assets	**32,406**	34,532
Actuarial loss	**(128,879)**	(16,569)
Assets contributed to deferred buy-in premium	**(10,465)**	(18,585)
Administration expenses	**(1,129)**	(1,313)
Contributions from employees	**28**	41
Employer contributions – regular payments	**801**	1,196
Employer contributions – additional top-up payments	**50,576**	6,366
Company loan payment	**6,576**	—
Benefits paid	**(31,461)**	(26,953)
At 31 December	**626,691**	708,238

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

19. Retirement benefit schemes continued

Defined benefit schemes continued

The movements in the withholding taxes on the pension scheme surpluses were as follows:

	2024 £'000	2023 £'000
At 1 January	**6,728**	18,053
Expense included in income statement	**12,742**	2,491
Included in the statement of other comprehensive income:		
– withholding tax arising on movements in the year	**(17,443)**	(11,124)
– withholding tax rate change impact	**—**	(2,692)
Total income included in statement of other comprehensive income	**(17,443)**	(13,816)
At 31 December	**2,027**	6,728

The fair values of the assets held by the various schemes were as follows:

	2024 £'000	2023 £'000
Equities	**5,482**	5,029
Fixed income	**10,673**	196,480
Property	**701**	70,219
Buy-in policies	**575,303**	405,615
Cash and cash equivalents	**34,532**	30,895
	626,691	708,238

The assets held by the various schemes do not directly include any of the Group's own financial instruments, nor any property occupied by, nor any other assets used by the Group.

All of the schemes hold a proportion of their assets in liability-matching asset classes in order to either partially or fully hedge for movements in interest rates and inflation. The asset-liability matching strategies are not measured against the accounting position and as such the changes in assets to market movements may not match the movement in accounting liability.

The sensitivity of the balance sheet position to changes in the key assumptions based on a reasonable approximation of possible changes is set out below. The sensitivities have been calculated using the same approach at the previous year end, which involves calculating new values for the liabilities and assets under the scenarios set out below, whilst keeping all other assumptions constant.

Assumption	(Increase)/reduction in asset on the balance sheet (before taxes) £'000
+0.5% change to the RPI assumption	(1,100)
+0.5% change to discount rate assumed	1,900
-0.5% change to discount rate assumed	(2,100)
Members' life expectancy increases by one year	(800)

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

19. Retirement benefit schemes continued

Defined benefit schemes continued

Since 2022, the Group has purchased multiple insurance policies covering the vast majority of benefits in respect of the deferred and remaining uninsured pensioner members for the schemes. The valuation of the insurance policies as an asset has been derived in a way that exactly matches the valuation of the corresponding liability. This significantly reduces the risk the Group is exposed to through the schemes, and in particular removes investment, bond yield, inflation, and life expectancy risks in respect of the insured benefits. There is some residual risk from the remaining non-insured members of the schemes and remaining invested assets. The insurance policies also introduce some residual risks such as counterparty risk.

The key risks impacting the Group's pension schemes are set out below:

Counterparty risk: The valuation approach assumes that the risk of any insurer failing is negligible. In practice there is a risk of any insurer failing and the corresponding policy proceeds not being paid in full. However, this risk is not considered to be significant due to the strength of individual insurer reserving requirements, diversification between the multiple insurance providers across the schemes, the wider regulatory regime and the additional protections provided by the Financial Services Compensation Scheme.

Data quality risk: The schemes have provided data to the insurance companies and actuary to value the insurance policies. If the underlying data quality supplied to insurers contains any missing information or errors this could result in an increase in liabilities and a corresponding true-up premium to be paid to fully insure the schemes' benefits. The extent of this true-up premium will not be known until the final data work has been conducted by the schemes.

Member benefits risk: The schemes have provided membership benefit specifications to the insurance companies to price the insurance policies based on their understanding of the schemes' rules and documentation. This was provided based on a legal review using information provided at the time. There is a risk that the member benefits (or their interaction with statutory requirements) have not been interpreted correctly and this could result in an increase in liabilities and a corresponding true-up premium to be paid to fully insure the schemes' benefits. The extent of this true-up premium will not be known until the schemes are fully bought out.

Investment risk: The schemes' accounting liabilities are calculated using a discount rate set with reference to the yield available on high quality corporate bonds as required by the standard. If the schemes' remaining non-insured assets underperform this yield, this may cause a deficit to emerge in the schemes over time. Some of the schemes' remaining invested assets are held in growth assets, such as equities, property, and private equity funds. These asset classes are expected to outperform corporate bonds over the long term but are more volatile and generate risk for the schemes in the short term, which could lead to some volatility in the balance sheet position. However, the schemes also hold a diversified portfolio of assets to minimise this risk. Some of the schemes' invested assets held are matching assets, including illiquid funds and derivatives, which introduce liquidity and counterparty risks, including the potential requirement to post collateral. These risks are managed through limits on leverage and cash buffers. Currency risks in relation to overseas investments are managed through diversification and use of currency hedging.

The Group is consulted on investment matters and has ensured that a robust investment management framework is in place to mitigate as much as possible the risks associated with the investment strategy.

Changes in bond yields: A decrease in corporate bond yields will increase the value placed on the schemes' liabilities; however, this will be offset by an increase in the value placed on the insurance policies. Any increase in non-insured liabilities will be partially offset by an increase in the value of the schemes' holdings in gilts and corporate bonds, which the schemes hold to match some of the movement in the remaining non-insured liabilities. However, any gilt assets held will match movement in the accounting non-insured liabilities to the extent that the corporate bond yields move alongside gilt yields. As such the schemes are exposed to movement in the spread between gilt yield and corporate bond yields.

19. Retirement benefit schemes continued

Defined benefit schemes continued

Inflation risk: Many of the schemes' benefits are linked to inflation so higher expectations of future inflation lead to a higher value being placed on the liabilities (and corresponding insurance policies). However, there are caps on the level of inflationary increases which protect the schemes in the extent of extreme inflation. The extent to which the schemes' liabilities move due to inflation varies on a scheme-by-scheme basis, influenced by the benefits provided by the individual pension schemes. Liabilities (and corresponding insurance policies) will also increase should actual inflation be higher than assumed in the liability valuation. For the non-insured liabilities, the schemes hold some assets to match a specified proportion of movements in inflation. The remainder of the invested assets are unaffected by (i.e. fixed interest bonds) or loosely correlated with (i.e. equities and property) inflation. Where movements due to inflation expectations in the non-insured liabilities are not fully matched, any increase in inflation will worsen the funding position of the schemes.

Following the Government's announcement in November 2020 that RPI would be aligned with CPIH from 2030, the approach for deriving the inflation assumptions has changed. There is a different approach to pre- and post-2030 assumptions with a term-dependent approach for deriving the CPI assumption and the inflation risk premium was decreased from 0.4% in 2022 to 0.3% for 2022 and onwards.

Life expectancy: The schemes' obligations are to provide benefits for the life of the member after retirement and their spouse following the member's death. As a result, higher life expectancies will lead to a higher value being placed on the liabilities (and corresponding insurance policies). This is particularly relevant where the schemes have significant inflationary increases, as this results in a higher sensitivity to changes in life expectancy. There remains some risk in respect of schemes' non-insured members whose obligations are sensitive to increases in future improvements in life expectancies.

Legislative risk: Legislative changes and Court decisions could lead to increases in the schemes' obligations. The Group takes external legal and actuarial advice to understand the implications of changes in legislation and case law. The Group makes a provisional charge once the effect on reported pension obligations can be determined, as was the case with GMP equalisation in 2018 and 2020.

The Court of Appeal judgement handed down on 25 July 2024 that upheld the High Court ruling on 16 June 2023 in the case of Virgin Media v NTL Pension Trustees II Limited (and others), potentially affects the schemes that were contracted-out on a reference scheme basis between 6 April 1997 and 5 April 2016 and could lead to increases in the schemes' obligations. Whilst there is the prospect of further legal challenges and intervention by the Secretary of State for the Department for Work & Pensions, the trustee of the Amey OS Pension scheme has commenced a high level review of deeds of amendment to identify whether there are any that might be considered to be invalid. Any increase in the obligations will not be known until after the final data work for the insurance companies has been conducted by the scheme. The Group has obtained legal advice that the Railways Pension scheme deeds are either compliant or out of scope of the ruling, and therefore there is no impact on the balance sheet position. The LGPS and Citrus schemes may be in scope but any increase in obligations is expected to be trivial.

Climate risk: The schemes' obligations could increase due to changing patterns of weather, temperature or disease. Such issues represent a risk to long-term economic stability, with potentially wide-ranging impacts on environmental, societal and governance issues. These risks could emerge within the schemes as lower asset values or improved life expectancy but holding insurance policies significantly reduces any effects.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

20. Provisions for other liabilities and charges

	Onerous lease provision £'000	Insurance reserve £'000	Contract loss and claim provision £'000	Other provision £'000	Joint venture loss provision £'000	Total £'000
At 1 January 2023	1,716	16,442	149,976	24,570	963	193,667
Income statement – operating costs	—	3,832	10,699	666	—	15,197
Income statement – finance costs (discount unwind)	—	—	3,749	—	—	3,749
Share of profit after tax of joint ventures	—	—	—	—	(938)	(938)
Utilisation	(6)	(3,312)	(27,588)	—	—	(30,906)
At 31 December 2023	**1,710**	**16,962**	**136,836**	**25,236**	**25**	**180,769**
Reclassification from trade and other payables	**—**	**—**	**—**	**16,938**	**—**	**16,938**
Income statement – operating costs	**508**	**4,266**	**6,602**	**2,843**	**—**	**14,219**
Income statement – finance costs (discount unwind)	**—**	**—**	**4,105**	**701**	**—**	**4,806**
Income statement – released unused	**—**	**—**	**(90,482)**	**—**	**—**	**(90,482)**
Utilisation	**(1,547)**	**(3,062)**	**(8,353)**	**(616)**	**—**	**(13,578)**
Share of profit after tax of joint ventures	**—**	**—**	**—**	**—**	**30**	**30**
At 31 December 2024	**671**	**18,166**	**48,708**	**45,102**	**55**	**112,702**
As presented on the balance sheet:						
Current liabilities	**111**	**5,134**	**19,785**	**6,220**	**—**	**31,250**
Non-current liabilities	**560**	**13,032**	**28,923**	**38,882**	**55**	**81,452**
At 31 December 2024	**671**	**18,166**	**48,708**	**45,102**	**55**	**112,702**
Current liabilities	342	4,972	18,733	6,366	—	30,413
Non-current liabilities	1,368	11,990	118,103	18,870	25	150,356
At 31 December 2023	1,710	16,962	136,836	25,236	25	180,769

Following review of the contract liabilities held at 31 December 2024, a number of balances were reclassified from trade and other payables to provisions in order to better reflect the underlying nature of the balance.

The onerous lease provision is in respect of property leases and also includes provision for dilapidations. This is expected to be utilised over and at the end of the remaining lease terms.

The insurance reserve represents claims made for which the Group is considered liable and will be utilised as the claims are settled.

The contract loss and claims provision represent settlement agreements, deferred expenses and estimated future losses arising from disputes and contract obligations. Future loss provisions of £48.7 million are held at 31 December 2024. Further information in relation to individual contracts has not been disclosed due to the commercial sensitivity of these matters. Further detail on the exceptional release and charge in relation to contract loss provisions has been included in note 3.

The other provision arises in respect of hand back obligations arising on contracts where there is a contractual requirement to deliver assets to customers before the end of a contract.

The joint venture loss provision represents the Group's share of losses recognised which the Group is committed to funding.

The timing of future utilisation of provisions can be uncertain, particularly regarding insurance claims, but there is more certainty with regards to the timing of utilisation on the other categories of provisions. The contract loss provision will be utilised over a period of up to 15 years. The other provision will be utilised over a period of up to eight years. Contract loss and other provisions have been discounted at a rate of 3% per annum (2023: 3%).

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

21. Share capital

Ordinary shares of £1 each	Number	£'000
Authorised		
At 1 January 2023, 31 December 2023 and at 31 December 2024	**204,000,000**	**204,000**
Issued, allotted, called up and fully paid		
At 1 January 2023, 31 December 2023 and at 31 December 2024	**203,676,768**	**203,677**

22. Other equity instruments

	£'000
At 1 January 2023	276,688
Accrued dividend for the year	10,737
At 31 December 2023	**287,425**
Accrued dividend for the year	**7,635**
Repayment	**(159,000)**
At 31 December 2024	**136,060**

At 31 December 2023, Amey UK Limited had issued subordinated hybrid loans of £138.1 million and £25.0 million which were held by the immediate parent undertaking, Project Ardent Bidco Limited. These subordinated hybrid loans are classed as other equity instruments and are perpetual loans with an applicable interest rate of 12-month LIBOR plus 200 basis points which rises to 12-month LIBOR plus 500 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation are above a set threshold.

At 31 December 2023, a subsidiary undertaking of Amey UK Limited, Amey Limited, had issued a subordinated hybrid loan of £100.6 million which was also held by Project Ardent Bidco Limited. This subordinated hybrid loan is classed as other equity instrument and is a perpetual loan that is initially interest free but bears interest at 12-month LIBOR plus 700 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation are above a set threshold.

On 5 April 2024, the Group repaid £159.0 million of the subordinated hybrid loans issued by the Group and classified as other equity instruments. The subordinated hybrid loans of £100.6 million and £25.0 million were paid in full, with the balance being applied against the £138.1 million subordinated hybrid loan. All of these subordinated hybrid loans are held by the Company's immediate parent company, Project Ardent Bidco Limited.

All of the hybrid loans in issue at 31 December 2024 have no specified maturity date but can be redeemed by the Group at any time. The Group also has the power to delay timing of the interest payments at its sole discretion which cannot be claimed by the lender.

As it is at the Group's discretion to decide both the repayment of the principal and the possibility of deferring the payment of interest, the loans do not satisfy the condition to be accounted for as financial liabilities since they do not include a contractual obligation to pay cash or other financial assets to discharge the liability. Accordingly, they are classified as equity instruments and are recognised as 'other equity instruments'. The accrued interest is recognised in reserves and treated in the same way as dividends. The total interest accrued on all subordinated hybrid loans at 31 December 2024 was £31.4 million (2023: £23.7 million).

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

23. Non-controlling interests

The aggregate share of non-controlling interests in the results and net assets of the Group was as follows:

	Total 2024	Total 2023
Share of revenue	6,362	7,173
Share of profit after tax	—	1
Share of other comprehensive income	—	—
Share of gross assets	533	1,145
Share of gross liabilities	(446)	(1,058)
Share of net assets	87	87

Detail of all subsidiary companies, and the percentage interest held in those subsidiaries, is shown in note 27.

24. Cash flow generated from operating activities

	2024 £'000	2023 £'000
EBITDA	162,409	107,132
Movement in pensions and provisions with cash impact		
Employer contributions to pension schemes	(51,377)	(7,562)
Utilisation of provisions	13,578	(30,906)
	(37,799)	(38,468)
Movement in working capital		
Decrease in inventories	1,287	1,439
Decrease in receivables	134,197	32,961
Decrease in payables	(74,081)	(40,214)
	61,403	(5,814)
Adjustment for non-cash movements		
Non-cash pension credit	2,201	2,380
Non-cash provisions movement	(86,555)	15,197
Gain on disposal of property, plant and equipment	(1,114)	(513)
	(85,468)	17,064
Cash flow generated by operating activities	100,545	79,914

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

25. Changes in financial liabilities arising from financing activities

The following financial liabilities form part of the overall financing of the Group.

	2024 £'000	2023 £'000
Lease liabilities	76,120	69,340
Total finance liabilities forming part of financing	76,120	69,340

The changes in financial liabilities arising from financial activities are set out below:

	2024 £'000	2023 £'000
Total financial liabilities forming part of financing at the start of the year	69,340	61,887
Cash movements on financial liabilities:		
Repayment of leases	(19,428)	(16,675)
Lease interest paid	(6,365)	(5,045)
	(25,793)	(21,720)
Non-cash movements on financial liabilities:		
Inception of new leases	32,230	25,447
Early release from existing leases	(6,022)	(1,319)
Lease interest expense	6,365	5,045
	32,573	29,173
Total increase in financial liabilities arising from financial activities	6,780	7,453
Total financial liabilities forming part of financing at the end of the year	76,120	69,340

26. Leases – additional disclosures

The changes in lease liabilities are set out below:

	2024 £'000	2023 £'000
At 1 January	69,340	61,887
Inception of new leases	32,230	25,447
Interest payable on leases	6,365	5,045
Early release from existing leases	(6,022)	(1,319)
Total leases before payments	101,913	91,060
Repayment of leases principal	(19,428)	(16,675)
Payment of leases interest	(6,365)	(5,045)
Total payments in respect of leases	(25,793)	(21,720)
At 31 December	76,120	69,340

The Group has leases for properties, plant and machinery, IT equipment and some vehicles. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right of use assets in a consistent manner to its property, plant and equipment (see note 10).

The weighted average interest rate applied on leases during the year was 4.5% (2023: 4.1%) for leasehold property and 5.6% (2023: 5.2%) for plant and machinery. The Group took advantage of the practical expedients available in IFRS 16 to apply a single discount rate to a portfolio of leases and to apply accounting for short-term leases for leases where the lease term ends within 12 months of the date of inception.

The total cash outflow for leases, including short term and low value leases, during the year was £181.5 million (2023: £132.9 million).

26. Leases – additional disclosures continued

Leases of vehicles and IT equipment are generally limited to a lease term of three years. Leases of property generally have a lease term ranging from 1 year to 30 years. The Group's leasing arrangements do not have any variable payment mechanisms and no residual values have been ascribed to the leases. The Group has not entered into any sale or leaseback type of transaction.

The table below describes the nature of the Group's leasing activities by type of right of use asset recognised on balance sheet:

Right of use asset	Number of right of use assets leased	Range of remaining term
Land and buildings	62	1 month to 14 years
Plant and machinery	2,346	1 month to 9 years

Right of use assets

Additional information on the right of use assets by class of assets is as follows:

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
Carrying value at 1 January 2023	20,334	40,509	60,843
Additions	—	25,447	25,447
Disposals	(948)	(382)	(1,330)
Depreciation charge for the year	(4,590)	(14,486)	(19,076)
Carrying value at 31 December 2023	**14,796**	**51,088**	**65,884**
Additions	**6,462**	**27,551**	**34,013**
Disposals	**(2,735)**	**(2,305)**	**(5,040)**
Depreciation charge for the year	**(4,427)**	**(16,835)**	**(21,262)**
Carrying value at 31 December 2024	**14,096**	**59,499**	**73,595**

The right of use assets are included in the statement of financial position as part of property, plant and equipment and in the same category as where the corresponding underlying assets would be presented if they were owned.

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2024 £'000	2023 £'000
Borrowings – current	22,045	18,928
Borrowings – non-current	54,075	50,412
Total	76,120	69,340

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations

Subsidiary undertakings

All subsidiary undertakings are incorporated in England and Wales and operate principally in the UK (unless otherwise indicated). Amey Power Services Limited has a branch in the Republic of Ireland. The Group's voting rights and the interest in their equity shares are 100% (unless otherwise indicated). Where the Group does not hold 100%, then the Group accounts for the corresponding non-controlling interest (see note 23). All interests in subsidiary undertakings are held indirectly with the exception of Amey Holdings Limited, which is held directly by Amey UK Limited. All subsidiary undertakings have been consolidated.

Active subsidiary undertakings	Nature of business
Amey Holdings Limited	Holding company
Amey Limited	Holding company
Accord Limited	Holding company
Amey (AB) Limited	Energy efficiency design and installation
Amey Community Limited	Building support services
Amey Construction Limited	Highway management and maintenance
Amey Consulting Australia Pty Limited (Australia)	Highway management and maintenance (Australia)
Amey Consulting USA, Inc. (USA)	Highway management and maintenance (USA)
Amey Defence Services Limited	Facilities management and buildings maintenance
Amey Defence Services (Housing) Limited	Housing maintenance on behalf of the MOD
Amey Environmental Services Limited	Waste management Group insurance activities
Amey Finance Services Limited	Insurance and pension funding
Amey Fleet Services Limited	Specialist fleet support services
Amey Group Information Services Limited	Group IT services
Amey Group Services Limited	Group central services
Amey Highways Limited	Highway management and maintenance
Amey Investments Limited	Investment holdings
Amey LG Limited	Highway management and maintenance
Amey LUL 2 Limited	Sub-surface rail management services
Amey Metering Limited	Metering services
Amey OW Bahamas Limited	Professional services to highways market
Amey OW Limited	Professional services to highways market
Amey OW Group Limited	Holding company
Amey OW Ireland Limited (Republic of Ireland)	Professional services to highways market
Amey OWR Limited	Professional services to rail market
Amey OWR Ireland Limited (Republic of Ireland)	Professional services to rail market
Amey Power Services Limited	Power network maintenance
Amey Public Services LLP (67%)	Highway management and maintenance
Amey Rail Limited	Rail services, management and maintenance
Amey Services Limited	Payroll services
Amey TPT Limited	Professional services to rail market
Amey Ventures Limited	Bid management
Amey Ventures Asset Holdings Limited	Investment holdings

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Subsidiary undertakings continued

Active subsidiary undertakings	Nature of business
A.R.M. Services Group Limited	Holding company
Byzak Limited	Water systems maintenance
Enterprise Limited	Holding company
Enterprise (AOL) Limited	Environmental services and highways maintenance
Enterprise (Venture Partner) Limited	Investment holdings
Enterprise Holding Company No.1 Limited	Holding company
Enterprise Managed Services Limited	Utilities network maintenance and environmental services
Fleet and Plant Hire Limited	Specialist fleet support services
Globemile Limited	Holding company
Seilwaith Amey Cymru/Amey Infrastructure Wales Limited	Rail services, management and maintenance
Sherard Secretariat Services Limited	Company secretarial services
Slough Enterprise Limited	Environmental services

Dormant subsidiary undertakings	
Access Hire Services Limited	Enterprise Lighting Services Limited
Accord Environmental Services Limited	Enterprise Managed Services (BPS) Limited
Amey (JJMG) Limited	Enterprise Public Services Limited
Amey IT Services Limited	Haringey Enterprise Limited
Amey Roads (North Lanarkshire) Limited (67%)	JNP Ventures Limited
Amey Technologies Limited (previously Amey VTOL Limited)^	MRS St Albans Limited
CRW Maintenance Limited	Novo Community Limited
Enterprise Business Solutions 2000 Limited	TPI (Holdings) Limited
Enterprise Fleet Limited	Transportation Planning (International) Limited
Brophy Grounds Maintenance Limited	Heating and Building Maintenance Company Limited
Nationwide Distribution Services Limited	Amey Programme Management Limited
C.F.M. Building Services Limited (Scotland)	Amey Wye Valley Limited (80%)
EnterpriseManchester Partnership Limited (80%)	Amey Mechanical and Electrical Services Limited
MRS Environmental Services Limited	Enterprise Foundation (ETR) Limited
Enterprise Utility Services Limited (DCE) Limited*	Brophy Enterprise Limited

^ Amey Technologies Limited was previously a 60% joint venture, with the remaining interest obtained in May 2024

* Enterprise Utility Services Limited (DCE) Limited was dissolved on 11 February 2025

EnterpriseManchester Partnership Limited and Enterprise Foundation (ETR) Limited both have financial periods ending on 31 March. All other subsidiary undertakings have financial periods ending on 31 December. Where a subsidiary undertaking does not have a coterminous year end, interim financial statements have been prepared.

Dormant subsidiary undertakings are exempt from audit under Section 480 of the Companies Act 2006.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Joint ventures

The Group's joint venture undertakings, which are registered in England and Wales (unless otherwise indicated), and the proportion of equity held directly or indirectly are as follows:

Joint venture undertakings	Nature of business	Class of share held	2024 % held	2023 % held
ALC (FMC) Limited+	PFI asset management concession for the MOD	Ordinary	—	50
AmeyBriggs Fleet and Equipment Limited	Secure infrastructure	Ordinary	**50**	—
AmeyBriggs Asset Holdings Limited	Complex Facilities	Ordinary	**50**	50
AmeyBriggs Assets Limited	Complex Facilities	Ordinary	**50**	50
AmeyBriggs Services Holdings Limited	Complex Facilities	Ordinary	**50**	50
AmeyBriggs Services Limited	Complex Facilities	Ordinary	**50**	50
Amey FMP Belfast Strategic Partnership Hold Co Limited	Managing development of schools and libraries in Northern Ireland	Ordinary	**70**	70
Amey FMP Belfast Strategic Partnership SP Co Limited	Managing development of schools and libraries in Northern Ireland	Ordinary	**70**	70
Amey Hallam Highways Holdings Limited	PFI highways concession in Sheffield	See note	**3.3**	3.3
Amey Hallam Highways Limited	PFI highways concession in Sheffield	See note	**3.3**	3.3
Amey Infrastructure Management (1) Limited	Investment holdings	See note	**10**	10
Amey Infrastructure Management (3) Limited	Investment holdings	See note	**10**	10
Amey Ventures Investments Limited	Investment holdings	Ordinary	**5**	5
Amey-Webber LLC (USA)	Highways maintenance	Ordinary	**51**	51
GEO Amey Limited	Prisoner escort and custody services	Ordinary	**50**	50
Integrated Bradford Hold Co Two Limited	PFI schools concession in Bradford	See note	**0.6**	0.6
Integrated Bradford LEP Limited	PFI schools concession in Bradford	See note	**4**	4
Integrated Bradford LEP Fin Co One Limited	PFI schools concession in Bradford	See note	**4**	4
Integrated Bradford PSP Limited	PFI schools concession in Bradford	See note	**5**	5
Integrated Bradford SPV Two Limited	PFI schools concession in Bradford	See note	**0.6**	0.6
Keolis Amey Consulting Limited	Railways maintenance	Ordinary	**36**	36
Keolis Amey Docklands Limited	Railways maintenance	Ordinary	**30**	30
Keolis Amey Metrolink Limited	Railways maintenance	Ordinary	**40**	40
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited	Railways maintenance	Ordinary	**36**	36
Keolis Amey Rail Limited	Railways maintenance	Ordinary	**40**	40
Keolis Amey Docklands 2025 Limited	Railways maintenance	Ordinary	**30**	—
Scot Roads Partnership Holdings Limited (Scotland)	Highways maintenance	Ordinary	**20**	20
Scot Roads Partnership Project Limited (Scotland)	Highways maintenance	Ordinary	**20**	20
Scot Roads Partnership Finance Limited (Scotland)	Highways maintenance	Ordinary	**20**	20
TfW Innovation Services Limited	Railways maintenance	Ordinary	**17.6**	17.6

+ Companies dissolved in 2024

Note – the class of share held by the Group for each of the Companies here noted is 50.1% of Ordinary shares and 10.0% of Preference shares.

Percent held represents the overall economic interest in the joint venture undertaking.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Joint ventures continued

The following joint venture undertakings, and the Group proportion of equity held, are held indirectly through Amey Ventures Investments Limited:

Joint venture undertakings	Nature of business	Class of share held	2024 % held	2023 % held
AHL Holdings (Manchester) Limited	PFI street lighting concession	Ordinary	**2.5**	2.5
Amey Highways Lighting (Manchester) Limited	PFI street lighting concession	Ordinary	**2.5**	2.5
AHL Holdings (Wakefield) Limited	PFI street lighting concession	Ordinary	**2.5**	2.5
Amey Highways Lighting (Wakefield) Limited	PFI street lighting concession	Ordinary	**2.5**	2.5
ALC (Superholdco) Limited+	PFI asset management concession for the MOD	Ordinary	**—**	2.5
ALC (Holdco) Limited+	PFI asset management concession for the MOD	Ordinary	**—**	2.5
ALC (SPC) Limited (in voluntary liquidation)	PFI asset management concession for the MOD	Ordinary	**2.5**	2.5
Amey Belfast Schools Partnership Hold Co Limited	PFI schools concession	Ordinary	**5**	5
Amey Belfast Schools Partnership PFI Co Limited	PFI schools concession	Ordinary	**5**	5
Amey Lighting (Norfolk) Holdings Limited	PFI street lighting concession	Ordinary	**5**	5
Amey Lighting (Norfolk) Limited	PFI street lighting concession	Ordinary	**5**	5
Amey Roads NI Holdings Limited (Northern Ireland)	PFI highways concession in Northern Ireland	Ordinary	**2.5**	2.5
Amey Roads NI Limited (Northern Ireland)	PFI highways concession in Northern Ireland	Ordinary	**2.5**	2.5
Amey Roads NI Financial plc (Northern Ireland)	PFI highways concession in Northern Ireland	Ordinary	**2.5**	2.5
E4D&G Holdco Limited	PFI schools concession in Dumfries & Galloway	Ordinary	**4.3**	4.3
E4D&G Project Co Limited	PFI schools concession in Dumfries & Galloway	Ordinary	**4.3**	4.3
Integrated Bradford Hold Co One Limited	PFI schools concession in Bradford	Ordinary	**1.7**	1.7
Integrated Bradford SPV One Limited	PFI schools concession in Bradford	Ordinary	**1.7**	1.7
RSP (Holdings) Limited (Scotland)	PFI schools concession in Renfrewshire	Ordinary	**1.8**	1.8
The Renfrewshire Schools Partnership Limited (Scotland)	PFI schools concession in Renfrewshire	Ordinary	**1.8**	1.8
Services Support (Avon and Somerset) Holdings Limited	PFI courts concession in Bristol	Ordinary	**1**	1
Services Support (Avon and Somerset) Limited	PFI courts concession in Bristol	Ordinary	**1**	1

+ Companies dissolved in 2024

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Joint ventures continued

The Group also has an interest in the following jointly controlled operations:

Jointly controlled operation	Participating subsidiary	Nature of business	2024 % held	2023 % held
Amey Black and Veatch	Byzak Limited	Water systems maintenance	**50**	50
AmeyColas++	Amey Rail Limited	Rail track maintenance and renewal	**50**	50
AmeyInabensa++	Amey Rail Limited	Rail track maintenance and renewal	**50**	50
Amey Lafarge++	Amey LG Limited	Highways management and maintenance	**70**	70
Amey-Miller Glasgow Schools	Amey Construction Limited	Building support services	**50**	50
AmeyMouchel++	Amey LG Limited	Highways management and maintenance	**75**	75
AmeySersa++	Amey Rail Limited	Rail track maintenance and renewal	**70**	70
Amey SRM	Amey OW Limited	Highways management and maintenance	**50**	50
KeolisAmey	Amey Rail Limited	Rail track maintenance and renewal	**70**	70

++ Jointly controlled operations were no longer active in 2024

The jointly controlled operations represent activities where assets have been pooled with other operators within the contract as part of the overall venture. They do not have registered offices other than the registered office of the participating subsidiaries. The principal place of business is Chancery Exchange, 10 Furnival Street, London EC4A 1AB.

All incorporated joint venture undertakings operate in the UK, with the exception of Amey-Webber LLC (USA). All joint venture undertakings and jointly controlled operations are not held directly but are held through subsidiary undertakings.

All joint venture undertakings and jointly controlled operations have financial periods ending on 31 December, with the exception of: Amey Roads NI Holdings Limited, Amey Roads NI Limited, Amey Roads NI Financial plc, Keolis Amey Metrolink Limited, Keolis Amey Rail Limited, Keolis Amey Operations/Gweithrediadau Keolis Amey Limited, Scot Roads Partnership Holdings Limited, Scot Roads Partnership Project Limited, Scot Roads Partnership Finance Limited, and TfW Innovation Services Limited (all 31 March); and ALC (FMC) Limited, ALC (Superholdco) Limited, ALC (Holdco) Limited, ALC (SPC) Limited, Amey FMP Belfast Strategic Partnership Hold Co Limited, and Amey FMP Belfast Strategic Partnership SP Co Limited (all 30 June). Where a joint venture undertaking does not have a coterminous year end, interim financial statements have been prepared.

27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Registered offices

The registered office of subsidiary and joint venture undertakings is Chancery Exchange, 10 Furnival Street, London EC4A 1AB, United Kingdom. The exceptions to this are set out in the table below:

Undertaking	Registered office (United Kingdom, unless otherwise indicated)
AHL Holdings (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent BR8 7AG
AHL Holdings (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent BR8 7AG
ALC (FMC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester M2 5WA
ALC (Superholdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester M2 5WA
ALC (Holdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester M2 5WA
ALC (SPC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester M2 5WA
Amey Belfast Schools Partnership Hold Co Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Belfast Schools Partnership PFI Co Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Consulting Australia Pty Limited	Level 26, 181 William Street, Melbourne, VIC 3000, Australia
Amey Consulting USA, Inc.	1130 Post Oak Boulevard, Suite 1250, Houston, Texas 77056, USA
Amey FMP Belfast Strategic Partnership Hold Co Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey FMP Belfast Strategic Partnership SP Co Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Hallam Highways Holdings Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Hallam Highways Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Highways Lighting (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent BR8 7AG
Amey Highways Lighting (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent BR8 7AG
Amey Infrastructure Management (1) Limited	1 Park Row, Leeds LS1 5AB
Amey Infrastructure Management (3) Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Lighting (Norfolk) Holdings Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey Lighting (Norfolk) Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey OW Ireland Limited	1st Floor, The Liffey Trust Centre, 117-126 Sheriff Street Upper, Dublin 1 D01 YC43, Republic of Ireland
Amey OWR Ireland Limited	1st Floor, The Liffey Trust Centre, 117-126 Sheriff Street Upper, Dublin 1 D01 YC43, Republic of Ireland

Notes forming part of the Group financial statements continued

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27. Subsidiary undertakings, joint venture undertakings and jointly controlled operations continued

Registered offices continued

Undertaking	Registered office (United Kingdom, unless otherwise indicated)
Amey Roads NI Limited	Murray House, Murray Street, Belfast BT1 6DN
Amey Roads NI Holdings Limited	Murray House, Murray Street, Belfast BT1 6DN
Amey Roads NI Financial plc	Murray House, Murray Street, Belfast BT1 6DN
Amey Ventures Investments Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Amey-Webber LLC	1999, Bryan Street, Suite 900, Dallas, Texas 75201-3136, USA
C.F.M. Building Services Limited	Precision House, McNeil Drive, Motherwell, Scotland ML1 4UR
E4D&G Holdco Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
E4D&G Project Co Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Fleet and Plant Hire Limited	The Matchworks, Pavilions 3 and 4, Garston, Liverpool L19 2PH
GEO Amey Limited	Unit A, Redwing Centre, Mosley Road, Trafford Park, Manchester M17 1RJ
Integrated Bradford Hold Co One Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford Hold Co Two Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford LEP Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford LEP Fin Co One Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford PSP Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford SPV One Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Integrated Bradford SPV Two Limited	3rd Floor, 3-5 Charlotte Street, Manchester M1 4HB
Keolis Amey Consulting Limited	19-21 Hatton Gardens, London EC1M 8BA
Keolis Amey Docklands Limited	19-21 Hatton Gardens, London EC1M 8BA
Keolis Amey Metrolink Limited	19-21 Hatton Gardens, London EC1M 8BA
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited	19-21 Hatton Gardens, London EC1M 8BA
Keolis Amey Rail Limited	19-21 Hatton Gardens, London EC1M 8BA
RSP (Holdings) Limited	Precision House, McNeil Drive, Motherwell ML1 4UR
Scot Roads Partnership Finance Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill ML4 3PB
Scot Roads Partnership Holdings Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill ML4 3PB
Scot Roads Partnership Project Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill ML4 3PB
Seilwaith Amey Cymru/Amey Infrastructure Wales Limited	Cvl Infrastructure Depot Ty Trafnidiaeth, Treforest Industrial Estate, Gwent Road, Pontypridd CF37 5UT
Services Support (Avon & Somerset) Limited	1 Park Row, Leeds LS1 5AB
Services Support (Avon & Somerset) Holdings Limited	1 Park Row, Leeds LS1 5AB
TfW Innovation Services Limited	3 Llys Cadwyn, Taff Street, Pontypridd, Rhondda Cynon Taf CF37 4TH
The Renfrewshire Schools Partnership Limited	Precision House, McNeil Drive, Motherwell ML1 4UR
Keolis Amey Docklands 2025 Limited	Milton Gate 60 Chiswell Street, London EC1Y 4AG
Amey OW Bahamas Limited	3 Bayside Executive Park, West Bay Street & Blake Road, N-4875, Nassau, The Bahamas

Notes forming part of the Group financial statements continued

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28. Financial and capital commitments

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets of less than £5,000. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The committed future payments in relation to these are:

	Low value leases 2024 £'000	Low value leases 2023 £'000
Within one year	**2**	223
In two to five years inclusive	**—**	—
	2	223

Lease commitments relate to many small agreements throughout the Group, mainly in respect of IT equipment. None of these are deemed significant enough for separate disclosure. The commitment above relates to short-term and low value rentals only that are not accounted for as leases in accordance with IFRS 16. Payments in respect of short term and low value leases during the year totalled £155.7 million (2023: £111.2 million).

Other financial commitments

The Group had no other financial commitments at 31 December 2024 or at 31 December 2023.

29. Contingent liabilities

As part of its activities, the Group is subject to contingent liabilities arising from the performance of certain contracts. At 31 December 2024, the Group has provided bank collateral totalling £64.5 million (2023: £53.0 million). In some cases, liabilities not covered by bank guarantees are covered by guarantees granted by fellow Group members, though these do not impact the overall Group. A portion of the risk associated with guarantees has been mitigated through third party liability or construction defect insurance policies. The Directors consider the likelihood of a claim arising under these performance bonds, indemnities or guarantees to be remote.

Losses, for which no provision has been made in these financial statements and which might arise from litigation in the normal course of business, are not expected to be material in the context of these financial statements.

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

30. Related party transactions

Joint venture undertakings

Certain Group subsidiary undertakings hold contracts to design, build and in certain instances maintain and supply other services in relation to PFI projects for the joint ventures. The Group also receives interest income on loans to joint ventures. The Group had the following trading balances with joint ventures at 31 December 2024:

	Revenue		Interest receivable on loans with joint ventures	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Amey FMP Belfast Strategic Partnership SP Co Limited	**8**	8	**—**	—
Amey Hallam Highways Limited	**56,556**	51,307	**—**	—
Amey Infrastructure Management (1) Limited	**—**	—	**85**	234
Amey Infrastructure Management (3) Limited	**—**	—	**176**	73
Amey Ventures Investments Limited	**46,823**	47,388	**149**	127
AmeyBriggs Asset Holdings Limited	**—**	—	**1,101**	664
AmeyBriggs Services Limited	**40**	1,540	**—**	—
GEO Amey Limited	**147**	190	**—**	—
Integrated Bradford SPV Two Limited	**10,240**	9,466	**—**	—
Keolis Amey Docklands Limited	**154**	1,529	**—**	—
Keolis Amey Metrolink Limited	**1,099**	1,025	**—**	—
Keolis Amey Operations Limited	**1,080**	—	**—**	—
	116,147	112,453	**1,511**	1,098

	Loan amounts outstanding with joint ventures		Net trading balance owed to/(by) the Group	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Amey FMP Belfast Strategic Partnership Hold Co Limited	**—**	—	**9**	2
Amey Infrastructure Management (1) Limited	**1,346**	1,412	**47**	40
Amey Infrastructure Management (3) Limited	**2,615**	2,720	**(512)**	(366)
Amey Ventures Investments Limited	**1,013**	1,171	**4,245**	4,751
AmeyBriggs Asset Holdings Limited	**7,250**	7,250	**663**	663
AmeyBriggs Services Limited	**—**	—	**100**	464
GEO Amey Limited	**—**	—	**58**	151
Integrated Bradford LEP Limited	**—**	—	**15**	15
Integrated Bradford SPV Two Limited	**—**	—	**681**	769
Keolis Amey Consulting Limited	**—**	—	**—**	154
Keolis Amey Docklands Limited	**—**	—	**127**	93
Keolis Amey Metrolink Limited	**—**	—	**81**	32
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited	**—**	—	**20**	39
Carillion Amey Limited	**—**	—	**3**	—
	12,224	12,553	**5,537**	6,807
Less: provision for Impairment	**(598)**	(1,155)	**(2)**	(2)
	11,626	11,398	**5,535**	6,805

Notes forming part of the Group financial statements continued

for the year ended 31 December 2024

30. Related party transactions continued

Immediate parent company and its subsidiary undertakings

The ultimate parent undertaking is Project Ardent Bidco Limited, a company controlled by One Equity Partners and Buckthorn Partners.

Transactions with current ultimate parent undertaking

	2024 £'000	2023 £'000
Income statement		
Net operating expenses	**2,020**	2,020
Tax – current tax	**(3,065)**	2,343
	(1,045)	4,363
Balance sheet		
Trade receivables and other debtors	**3**	21,311
Trade payables and other creditors	**(37,904)**	(1,870)
	(37,901)	19,441

During 2024, the Group incurred management fees of £2.0 million (2023: £2.0 million) from Project Ardent Bidco Limited (the ultimate parent undertaking). These fees included a recharge for the remuneration of the Chairman. The unpaid portion of the management fees of £nil is reported in trade payables (2023: £1.9 million). This payable is interest free and payable on demand.

The Group also received £3.1 million (2023: paid £2.3 million) in respect of the surrender of tax losses by Project Ardent Bidco Limited which has been used to reduce the trade receivable balance to £3.0 million (2023: £21.3 million). This receivable is interest free and payable on demand.

Following the refinancing activity undertaken by Project Ardent Bidco Limited in November 2024, there has been a change in the operational funding across the Group. As a result, the receivable of £21.3 million was repaid and the Group had a creditor at 31 December 2024 of £37.9 million.

31. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Project Ardent Bidco Limited, a company incorporated in England and Wales.

The Group's immediate parent undertaking is a company controlled by One Equity Partners and Buckthorn Partners.

Company Balance Sheet

at 31 December 2024

Company number 04736639	Note	2024 £'000	2023 £'000
Fixed assets			
Investment in subsidiary undertakings	35	**557,867**	557,867
Total fixed assets		**557,867**	557,867
Current assets			
Trade and other receivables			
Due after more than one year	36	**129,665**	169,000
Due within one year	36	**3,405**	35,005
Cash and cash equivalents		**1,183**	355
Total current assets		**134,253**	204,360
Creditors – amounts falling due within one year	37	**(4,032)**	(212)
Net current assets		**130,221**	204,148
Total assets less current liabilities		**688,088**	762,015
Provisions for other liabilities and charges	38	**—**	(90,523)
Net assets		**688,088**	671,492
Equity			
Share capital	39	**203,677**	203,677
Share premium		**153,134**	153,134
Revaluation reserve		**—**	—
Other equity instrument	40	**136,059**	186,785
Retained earnings		**195,218**	127,896
Equity shareholders' funds		**688,088**	671,492

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own income statement or statement of Comprehensive Income. The Company reported a profit for the year of £75.0 million (2023: £183.8 million).

The notes on pages 153 to 159 form part of these Company financial statements. The financial statements on pages 151 to 152 were approved and authorised for issue by the Board of Directors on 30 May 2025 and signed on its behalf by:

Andrew Nelson
Director
30 May 2025

Company Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Other reserve £'000	Other equity instrument £'000	Retained deficit £'000	Total equity £'000
At 1 January 2023	203,677	153,134	61,887	176,048	(107,081)	487,665
Reserves transfer in respect of Other equity instrument	—	—	—	10,737	(10,737)	—
Reserves transfer in respect of Other reserve	—	—	(61,887)	—	61,887	—
Profit after tax and total comprehensive income for the year	—	—	—	—	183,827	183,827
At 31 December 2023	**203,677**	**153,134**	**—**	**186,785**	**127,896**	**671,492**
Reserves transfer in respect of Other equity instrument	**—**	**—**	**—**	**7,634**	**(7,634)**	**—**
Repayment	**—**	**—**	**—**	**(58,360)**	**—**	**(58,360)**
Profit after tax and total comprehensive income for the year	**—**	**—**	**—**	**—**	**74,956**	**74,956**
At 31 December 2024	**203,677**	**153,134**	**—**	**136,059**	**195,218**	**688,088**

The Other reserve related to a capital contribution made by Group's immediate parent company in 2003. The Directors' reviewed the status of this reserve in 2023 and considered this reserve to be distributable in nature and accordingly reclassified the balance as part of retained deficit.

The notes on pages 153 to 159 form part of these Company financial statements.

Notes forming part of the Company Financial Statements

for the year ended 31 December 2024

32. General information

The principal activity of Amey UK Limited (the Company) is that of a holding company. The Company is limited by share capital, is incorporated in the United Kingdom (registered in England and Wales) and is domiciled in the United Kingdom. The Company is privately owned.

The Company Secretary and the address of the registered office and principal place of business is as follows: Jayne Bowie, Chancery Exchange, 10 Furnival Street, London EC4A 1AB.

33. Accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with FRS 101 and the historical cost convention and in conformity with the requirements of the Companies Act 2006.

b. Going concern

The financial statements of the Company have been prepared on a going concern basis, further details of which are detailed in note 1.2 of the Group financial statements.

c. New accounting standards

Details of new accounting standards applicable to the Company both for the current and future financial years are detailed in note 1.3 of the Group financial statements. The adoption of these new accounting standards does not have any impact on the Company.

d. FRS 101 exemptions applied

The following exemptions from the requirements of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 (Financial Instruments: Disclosures)
- Paragraphs 91 to 99 of IFRS 13 (Fair Value Measurement): disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
- Paragraph 38 of IAS 1 (Presentation of Financial Statements): comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1
- The following paragraphs of IAS 1:
  - 10(d): statement of cash flows
  - 10(f): a statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
  - 16: statement of compliance with all IFRS
  - 38A: requirement for minimum of two primary statements, including cash flow statements
  - 38B-D: additional comparative information
  - 40A-D: requirements for a third statement of financial position
  - 111: cash flow information
  - 134-136: capital management disclosures

Notes forming part of the Company Financial Statements continued

for the year ended 31 December 2024

33. Accounting policies continued

d. FRS 101 exemptions applied continued

- IAS 7 (Statement of Cash Flows)
- Paragraph 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 is not yet effective
- The requirements of IAS 24 (Related Party Disclosures): disclosure of related party transactions entered into between two or more members of a group
- IFRS 2 (Share-based Payments)
- IAS 36 (Impairment of Assets): paragraphs 134 and 135
- IFRS 15 (Revenue from Contracts with Customers): second sentence of paragraph 110, and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129
- IFRS 16 (Leases): paragraph 52, the second sentence of paragraph 89 and paragraphs 90, 91 and 93. Paragraph 58, provided that the disclosure of details of indebtedness required by paragraph 61(c) of Schedule 1 of the Regulations is presented separately for lease liabilities and other liabilities in total

e. Other principal accounting policies

The significant accounting policies applied in preparing the Company financial statements, which have been applied consistently, are set out below:

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less any provision where, in the opinion of the Directors, there has been a permanent impairment in the value of any such investment.

Deferred tax

Deferred tax is recognised on all temporary differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised when it is more likely than not that they will be recovered in the foreseeable future. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currency

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (its functional currency) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit and loss account.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's existing accounting policies. In preparing the financial statements for the financial year, the Directors have considered these requirements, and concluded that no such estimates or judgements have been necessary other than using estimates (which inherently involves the use of management judgement) in respect of the carrying value of the investment in subsidiary undertaking (see note 35 for further information), the judgement made in recognition for accounting purposes of the subordinated guaranteed hybrid loan as an other equity instrument (see note 40) and the estimation of the amounts provided in respect of parent company guarantees issued by the Company which will ultimately result in a loss for the Company (see note 42).

Notes forming part of the Company Financial Statements
continued

for the year ended 31 December 2024

34. Directors and employees

Details of the remuneration of the Company's Directors and of the highest paid Director are outlined in note 5 of the Group's financial statements. The Directors were not remunerated by the Company. The Company had a monthly average number of employees of none (2023: none) at a total staff cost of £nil (2023: £nil).

35. Investment in subsidiary undertakings

	Cost of shares £'000	Subordinated loans £'000	Carrying value £'000
Cost			
At 1 January 2023 and at 31 December 2023	**497,867**	**60,000**	**557,867**
Addition	**60,000**	**—**	**60,000**
Repayment	**—**	**(60,000)**	**(60,000)**
At 31 December 2024	**557,867**	**—**	**557,867**
Carrying amount			
At 31 December 2024	**557,867**	**—**	**557,867**
At 31 December 2023	497,867	60,000	557,867

On 30 April 2018, the Company granted a subordinated hybrid loan facility to its subsidiary undertaking, Amey Holdings Limited, for an amount of £60.0 million. This is a perpetual loan with an applicable interest rate of 12-month LIBOR plus 200 basis points which rises to 12-month LIBOR plus 500 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation (EBITDA) is above a set threshold. On 28 March 2024, the £60.0 million subordinated hybrid loan was fully repaid with no interest income arising from the loan. The loan facility was also cancelled.

On 28 March 2024, the Company subscribed to one additional Ordinary share of £1 in its only direct subsidiary undertaking, Amey Holdings Limited, for a total value of £60 million.

The subsidiary undertakings of the Company are disclosed in note 27 of the Group financial statements. Except for Amey Holdings Limited, all subsidiary undertakings are held through other subsidiary undertakings. Their activities are described in the Report of the Directors and in the Strategic Report.

The recoverable amounts of investments is based on value-in-use which reflects forecast cash flows as derived from approved budgets and plans for the next five years. The future cash flows are based on the completed 2025 Budget and the 2026–2029 strategic plan. Residual values have also been included which are based on the normalised activity cash flow plus a growth factor. The growth rate used was 1.9%. The underlying assumptions of these cash flows are based on the existing contract order book, management's past experience and probability ratios for new business generation. The cash flows have been discounted using risk-based discount rates of 14.0% to 15.0%. This pre-tax discount rate is a measure based on the 30-year UK bond rate adjusted for a risk premium to reflect both the increased risk of investments generally in the sector and the systematic risk of the specific CGUs.

Notes forming part of the Company Financial Statements
continued

for the year ended 31 December 2024

36. Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year		
Amounts due from subsidiary undertakings	**—**	9,784
Amounts due from parent undertaking	**3**	23,595
VAT debtor	**103**	70
Prepayments and deferred expenditure	**3,299**	1,556
	3,405	35,005
Amounts falling due after more than one year		
Amounts due from subsidiary undertakings	**129,665**	169,000
	129,665	169,000
	133,070	204,005

37. Creditors – amounts falling due within one year

	2024 £'000	2023 £'000
Creditors – amounts falling due within one year		
Other creditors	**3,927**	58
Accruals	**105**	154
	4,032	212

At 31 December 2024, the Company had a £125.0 million syndicated Revolving Credit Facility (2023: £150.0 million) which was undrawn at that date (2023: undrawn). Up to £75 million of the syndicated facility was available for loans and the remainder available for ancillary facilities, primarily bonding requirements. The facility was committed for a remaining tenure of six years and four months and was provided by JPMorgan Chase Bank, N.A., HSBC UK Bank plc and National Westminster Bank PLC, with HSBC UK Bank plc acting as agent.

Notes forming part of the Company Financial Statements
continued

for the year ended 31 December 2024

38. Provisions for liabilities

	Contract loss and claim provision £'000	Other provision £'000	Total £'000
At 1 January 2023	—	—	—
Charged to the income statement	87,915	2,608	90,523
At 31 December 2023	**87,915**	**2,608**	**90,523**
Discount unwind	**2,567**	**—**	**2,567**
Credited to the income statement	**(90,482)**	**(2,608)**	**(93,090)**
Utilisation	**—**	**—**	**—**
At 31 December 2024	**—**	**—**	**—**

During the year, the Company has released the contract loss provision of £87.9 million in respect of parent company guarantees issued by the Company to its subsidiary undertakings, and the other provision of £2.6 million, in respect of potential claims being made against the Company on certain transactions. Following contractual activity during the year, it was resolved that these provisions were no longer required and therefore were released in full.

The timing of future utilisation of provisions can be uncertain. Contract loss provisions were discounted at a rate of 3% per annum (2023: 3%).

39. Share capital

Ordinary shares of £1 each	Number	£'000
Authorised		
At 1 January 2023, 31 December 2023 and at 31 December 2024	**204,000,000**	**204,000**
Issued, allotted, called up and fully paid		
At 1 January 2023, 31 December 2023 and at 31 December 2024	**203,676,768**	**203,677**

Notes forming part of the Company Financial Statements
continued

for the year ended 31 December 2024

40. Other equity instruments

	£'000
At 1 January 2023	176,048
Accrued dividend for the year	10,737
At 31 December 2023	186,785
Accrued dividend for the year	7,634
Repayment	(58,360)
At 31 December 2024	136,059

At 31 December 2024 and 31 December 2023, Amey UK Limited had issued subordinated hybrid loans of £138.1 million and £25.0 million which are held by the immediate parent undertaking, Project Ardent Bidco Limited. These subordinated hybrid loans are classed as other equity instruments and are perpetual loans with an applicable interest rate of 12-month LIBOR plus 200 basis points which rises to 12-month LIBOR plus 500 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation are above a set threshold.

On 5 April 2024, the Group repaid £58.4 million of the subordinated hybrid loans issued by the Company and classified as Other equity instruments. The subordinated hybrid loan of £25.0 million was paid in full, with the balance being applied against the £138.1 million subordinated hybrid loan.

The hybrid loans in issue at 31 December 2024 have no specified maturity date but can be redeemed by the Company at any time. The Company also has the power to delay timing of the interest payments at its sole discretion which cannot be claimed by the lender.

As it is at the Company's discretion to decide both the repayment of the principal and the possibility of deferring the payment of interest, the loans do not satisfy the condition to be accounted for as financial liabilities since they do not include a contractual obligation to pay cash or other financial assets to discharge the liability. Accordingly, they are classified as equity instruments and are recognised as 'other equity instruments'. The accrued interest is recognised in reserves and treated in the same way as dividends. The total interest accrued on all subordinated hybrid loans at 31 December 2024 was £31.4 million (2023: £23.7 million).

41. Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2024 or at 31 December 2023.

42. Contingent liabilities

At 31 December 2024, the Company has provided bank collateral totalling £65 million (2023: £53 million). A portion of the risk associated with guarantees has been mitigated through third party liability or construction defect insurance policies. The Directors consider the likelihood of a claim arising under these performance bonds or borrowings to be remote.

Losses, for which no provision has been made in these financial statements and which might arise from litigation in the normal course of business, are not expected to be material in the context of these financial statements.

Notes forming part of the Company Financial Statements
continued

for the year ended 31 December 2024

43. Controlling parties

The immediate parent undertaking is Project Ardent Bidco Limited, a company incorporated in England and Wales.

The Company's immediate parent undertaking is a company controlled by One Equity Partners and Buckthorn Partners.

Project Ardent Bidco Limited is the ultimate holding company in the UK and is registered in England and Wales. It is the parent of the smallest group for which consolidated financial statements are prepared and of which the Company is a member. Copies of the consolidated financial statements can be obtained from the registered office of Project Ardent Bidco Limited at the address below:

The Company Secretary
Project Ardent Bidco Limited
Chancery Exchange
10 Furnival Street
London EC4A 1AB
United Kingdom

Amey

We are a leading provider of full life-cycle engineering, operations and decarbonisation solutions, for transport infrastructure and complex facilities.

Our purpose is to deliver sustainable infrastructure that enhances life and protects our shared future.

We combine exceptional expertise in Consulting & Design, Advisory & Analytics, Transport Infrastructure and Complex Facilities to design, manage, and maintain clients' assets throughout their lifetime.

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