



Making
Possible

BAM Construct & Ventures UK Limited

Annual Report and Accounts 2024

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Contents

**An overview of our 2024 performance, our future direction,
and a review of the strategy underpinning our businesses.**

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We are BAM

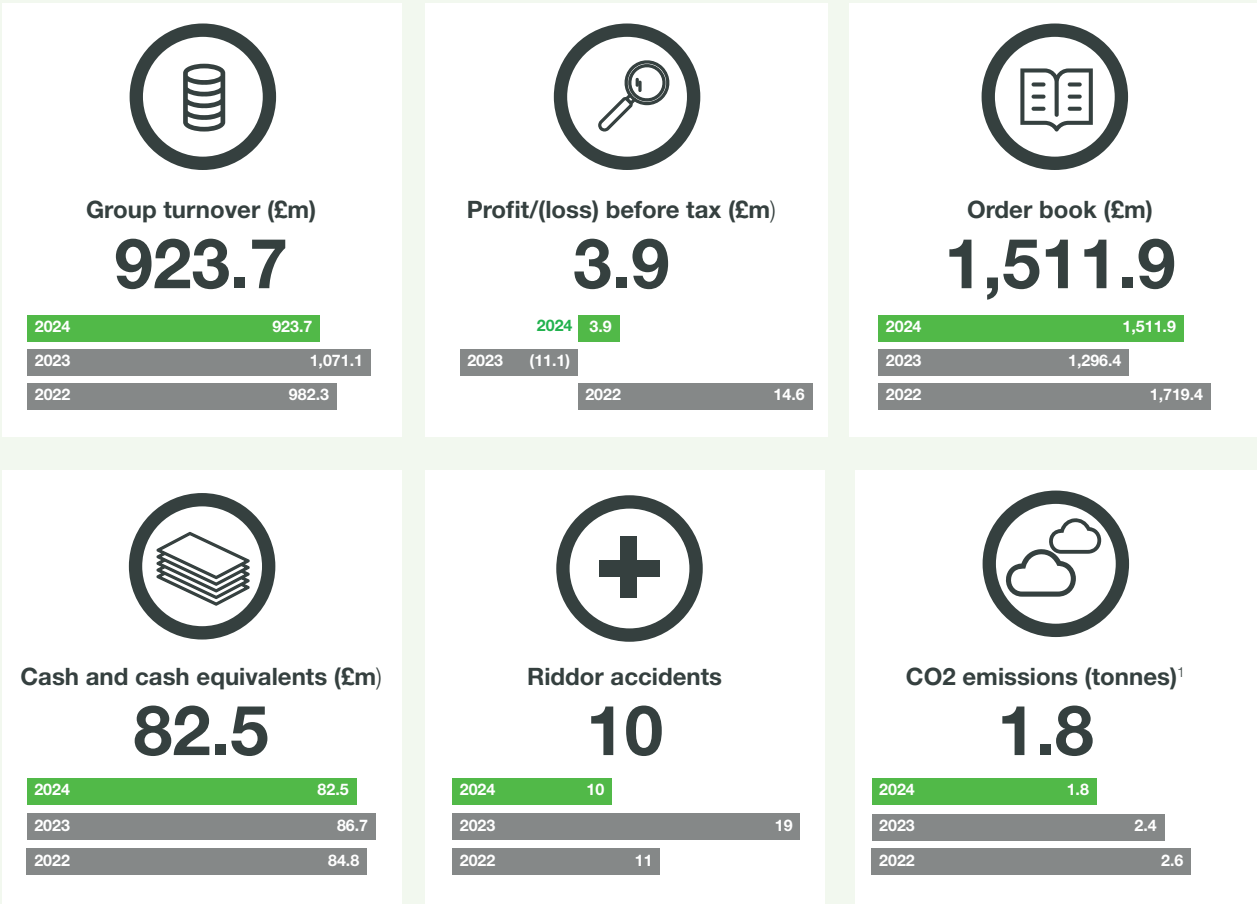
BAM Construct & Ventures UK Limited is a leading property development, design, construction and facilities management group, creating sustainable environments that enhance people’s lives.

We are working towards a 90 per cent relative reduction of own carbon emissions by 2030 (Scope 1 & 2), against a 2015 baseline and diversion of waste from landfill by 75 per cent by 2026. From offices around the country, our teams collaborate with public and private sector clients to create and maintain sustainable buildings at the same time as delivering long-lasting social value for the communities we live and work in.

To help us to deliver projects and services in a lean and more efficient way we use the latest digital technologies and modern construction methods, and are supported by expert partners and a highly-valued supply chain of specialist sub-contractors.

We are constantly striving to improve the built environment by attracting and developing a more diverse workforce, and reducing the carbon emissions associated with how buildings are designed, built, and managed over their lifetimes.

Year in review



¹CO2 emissions Scope 1 & 2 (market-based) only

Strategic report

The directors present their strategic report for the year ended 31 December 2024 which outlines BAM Construct & Ventures UK Limited strategy and financial results, the progress of its operating companies and performance on sustainability.

Current strategy – Building a sustainable tomorrow 2024 - 2026

Koninklijke BAM Groep n.v. ('Royal BAM Group'), the ultimate parent company, started the second phase (2024 – 2026) of its strategy: 'Building a sustainable tomorrow'. This phase has three pillars: 'Focus, Transform, Expand' and has been launched to embed achievements over the prior strategy period and drive growth aligned to the Group's sustainability values. BAM Construct & Ventures UK Limited ('the Group' or 'BAM Construct & Ventures UK'), as a cornerstone of Royal BAM Group, is now part of the UK & Ireland Division ('UK&I Division') playing a significant part in this strategy.

We continue to adopt new and flexible ways of working, to create a safer, healthier, more diverse and engaging organisation. Delivery of growth and improved business performance is dependent on the Group being at the forefront of digital construction and data management techniques. These platforms and tools have unlocked new opportunities for our people, whether working on sites, at home or in offices, to continue connecting and collaborating.

As part of the strategy, all operating companies are supporting and participating in the alignment of Royal BAM Group policies, processes and procedures for core enabling services including Information Security, Human Resources, Finance, Legal and Procurement. This alignment will support individuals, teams and operating companies to leverage their combined capabilities and improve productivity and performance.

Organisational entity overview

BAM Construct & Ventures UK provides construction, design, services engineering, plant services, facilities management, and property development in the UK through its principal subsidiary operating companies BAM Construction Limited, BAM FM Limited, BAM Properties Limited and BAM Site Solutions Limited. It is the holding company for these activities in the UK of its ultimate parent undertaking Koninklijke BAM Groep n.v.

Value creation

We create value for shareholders and for wider society by designing, building and managing facilities that support the delivery of essential services for people's lives. We operate in five core markets, schools, commercial offices, university buildings, health, and leisure facilities. Our work also enables other businesses to create value, with the building of transport and manufacturing facilities.

We also create value by operating ethically and sustainably, and by creating employment, apprenticeship and training opportunities and by supporting local and national charities. The key features of our sustainability strategy are to work towards being carbon positive and resource positive and to enhance people's lives by creating positive impacts in the communities where we work.

Strategic report

Business performance

Profit and revenue

The profit before tax for the year ended 31 December 2024 for the Group was £3.9m (2023: £11.1m loss). After taxation the profit attributable to the shareholder was £3.2m (2023: £9.7m loss). During the year dividends of £3.7m were declared and paid (2023: £12.5m) and pension deficit repair contributions of £5.5m were made (2023: £5.5m).

During the year, BAM Construct & Ventures UK delivered revenue of £923.7m (2023: £1,071.1m) and an operating loss of £3.9m (2023: £21.1m loss).

Revenue expectedly fell in the year due to two key drivers. Construction Management's newly implemented strategy of delivering the "right work, with the right client at the right price" continued to rationalise the project portfolio ensuring it is aligned with the required risk profile, whilst Property did not see a material sale in the year unlike 2023.

Whilst Revenue fell, work in hand significantly improved in the year as the newly implemented tender process, coupled with a history of delivering what the client wants, at the right price, to a high level of quality meant the Business moved towards becoming our key client's partner of choice. The value of our forward order book stands at £1,511.9m (2023: £1,296.4m). The Management considers the current orderbook, strong pipeline and focus on driving quality of revenue will provide opportunity for profitable growth in the future.

Cash and equivalents

Managing cashflow effectively is a key objective. Cash and short-term deposits continue to show a healthy position at £82.5m (2023: £86.7m). Further funds of £81.2m (2023: £140.7m) are held within a treasury account with Group and are identified in Note 16 which fell in the year due to closing legacy projects.

During the year payment performance with BAM Construct & Ventures UK has remained consistent with prior year holding an average of 32 days to pay an invoice and with 95% of all invoices paid within 60 days. In line with Government requirements, further information can be found regarding our payment term performance on the website: www.gov.uk/check-when-businesses-pay-invoices.

Working capital

Working capital performance continues to be strong, as the Group works to ensure payments are received on time and overdue debtors and retentions are kept at a minimum.

Principal risks and uncertainties

BAM Construct & Ventures UK regularly reviews the risks and uncertainties within the business, however the principal risks and uncertainties have not materially changed from previous years. Via robust procedures the Group, is able to identify, manage and mitigate risks, as well as assessing trends. The current principal risks and uncertainties are identified as follows:

1. Health, safety and environmental
2. Market
3. Supply chain
4. Project development and tendering
5. Project and contract execution
6. Human resources and capabilities
7. Cyber
8. Climate Change
9. Building Safety

Strategic report

	Risk – description	Controls / mitigation strategy
1 Health, safety and environmental	<p>The Group's activities are inherently complex and potentially hazardous and require the continuous monitoring and management of health, safety and environmental risks. Failure to meet safety standards or ineffective management of safety requirements could result in the injury or death of employees, members of the public or third parties.</p>	<p>The Group sets out clear policies and procedures that are regularly reviewed and updated. These set out a set of minimum standards, that we expect our teams and supply chain to follow. As part of our assurance process, we conduct regular internal audits to ensure that the agreed policies and procedures are adhered to.</p> <p>We ensure our teams and supply chain are suitably trained in process, have sufficient technical understanding and demonstrate the appropriate behaviours.</p> <p>We look to ensure that there is a positive safety leadership culture within the business and senior staff members demonstrate correct behaviours.</p>
2 Market	<p>The construction industry is exposed to a number of economic and political risks that impact the market in which we wish to operate. Senior management need to understand the level of suitable work and ensure the business is capable of reacting to the market. A key element of market risk, is the availability of work through both the private and public sector.</p>	<p>BAM Construct & Ventures UK consistently reviews the markets it operates in. This is done via our in-house Frameworks team, which allows us to have good visibility of the public sector and good local market intelligence at an operating business unit level. In addition, the business leverages expertise from Group companies.</p>
3 Supply chain	<p>As a result of the uncertain political and economic environment in which we and our supply chain operate, we are seeing a significant change in the supply chain's ability to manage these risks. These risks include significant material inflation and the impact of energy costs. Added to that are the constraints placed on the provision of labour.</p>	<p>By fostering collaborative relationships with the supply chain we are able to stay informed about their challenges and to work together on identifying and implementing mitigation strategies. By building strong relationships we are able to address supply chain issues proactively.</p> <p>We reduce the dependency on any one supplier by identifying and qualifying alternative suppliers who can provide similar materials or services if necessary. This helps mitigate the risk of disruptions specific to a particular supplier. Risk is managed through contract conditions, regular monitoring (operational and financial) of performance and internal briefings.</p>
4 Project development and tendering	<p>Ensuring that BAM Construct & Ventures UK tenders for the right projects, where risks are understood and can be managed successfully, is a key risk for the business. The failure to manage this process and consequently the risk associated with it, potentially exposes the Group to losses.</p>	<p>With a robust tendering process, which is structured and well-documented, we are able to select and tender for projects that align with our strategic objects. The process has a well-defined criteria for evaluating opportunities, which ensures factors such as financial viability, market conditions, and risk exposure are understood and can be managed successfully.</p>
5 Project and contract execution	<p>Ensuring that projects are managed successfully is key to the Group's performance and long term future. Poor execution not only leads to additional cost, but also reputational damage with our clients, where we are unable to deliver against their needs and requirements, potentially curtailing our ability to secure future work.</p>	<p>To mitigate against this risk we look to:</p> <ul style="list-style-type: none"> Assign competent project teams, with the necessary skills and expertise for the particular project. Ensure a robust project governance framework is in place, with clear escalation procedures, and regular reporting mechanisms established. Standardised risk management process aligned to Royal BAM Group is followed including regular reviews from internal audit. A well-established quality control process, with defined quality standards and regular independent inspections conducted.

Strategic report

	Risk – description	Controls / mitigation strategy
6 Human resource and capabilities	<p>There remains the need to train and maintain a skilled workforce. With a retiring workforce, exacerbated as a result of Covid19 and Brexit, we are experiencing a skills shortage and new talent is needed.</p> <p>More diversity is needed to boost creativity and innovation, fill the skills gap and lift productivity. The Group makes a significant investment in skills and training and supports the CITB and the Apprentice levy.</p>	<p>BAM Construct & Ventures UK clearly understands the importance of this risk and thus undertakes many schemes to overcome this. For example we continue to invest in apprenticeships, which enables great new talent to be brought in at an early stage and grown, with both direct work experience but also an academic qualification, through one of the universities that BAM Construct & Ventures UK is aligned with. In addition, the Business looks for greater diversity in recruitment through ex-armed forces and returning to work parents as examples.</p>
7 Cyber	<p>BAM Construct & Ventures UK faces several key cyber-security risks that can significantly impact our operations. Ransomware attacks and Phishing scams can trick employees into revealing sensitive information or lead to unauthorised access to data systems. Data breaches could lead to exposure of confidential project plans and client information causing reputational and financial damage. The supply chain is vulnerable to attacks too.</p>	<p>BAM Construct & Ventures UK recognises that managing cyber-security risk is crucial for the protection of our operations, reputation and client trust. Cyber-security is treated as a business-wide issue, not just an IT concern and the Board is engaged in regular discussions about these risks. Employees are encouraged to prioritize security in their daily activities and there are regular communications and training available. There is a comprehensive framework aligned with international standards like ISO 27000 including policies and procedures and since human error is a leading cause of breaches, there is investment in continuous training and tools to empower employees as the first line of defence through documents such as the Acceptable User Policy. Consideration is given to legal implications (e.g. EU AI Act) and insurance where appropriate with the IT team continuously assessing and updating cybersecurity measures to address evolving threats.</p>
8 Climate Change	<p>The risks have been considered on a short (2026), medium (2030) and long (2050) term basis, recognising that the principal risks to BAM Construct & Ventures UK are managing domestic, European and international legislative changes, transitioning to emissions free energy sources and resources, increasing sustainability requirements from clients and stakeholders, the potential for extreme weather events and the long term impacts of climate change on both BAM Construct & Ventures UK directly and our supply chain.</p>	<p>Our strategic planning and operational delivery include measures to mitigate the impact of these risks throughout the life cycle of the projects that we are engaged in for our clients and their customers and the environments in which we work. Our commitment to reducing scope 1, 2 and 3 emissions aligns with government initiatives and we have invested in the use and potential use of alternative fuels and materials. We are engaged with our clients to align their sustainability ambitions with our own and we design and plan operational delivery using weather risk assessment and management technology and by reference to publicly available weather forecasting data.</p>
9 Building Safety	<p>Building fire safety in the UK is governed by a comprehensive set of regulations aimed at ensuring the safety of occupants and the integrity of structures. The Building Safety Act 2022 introduced a range of regulations covering the UK including the Fire Safety (England) Regulations 2022 and the Housing (Cladding Remediation)(Scotland) Act 2024. The Act and the Regulations impose duties for building owners, managers and contractors especially for those that involve high-rise residential buildings. They also have a 30 year retrospective effect for buildings constructed before 2022 and as such BAM Construct & Ventures UK has exposure to a claim under the Acts as a result of its legacy portfolio. The Group will continue to bid for and deliver buildings that that are required to meet the requirements of the Act which include new responsibilities of Principal Designer and Principal Contractor.</p>	<p>BAM Construct & Ventures UK recognises the risks from both its legacy and future portfolio and has put in place measures to monitor and manage risks to the former and procedures and training to manage the risks to the latter at bid stage and throughout project delivery, especially the selection and appointment of the Principal Designer and Principal Contractor roles.</p>

Strategic report

Divisional review

BAM Construction

BAM Construction Limited ('BAM Construction') delivered a loss before taxation of £9.1m (2023: £31.4m loss) on a revenue of £778.9m in 2024 (2023: £897.6m). The value of forward orders at year-end was £878.5m (2023: £606.0m). Whilst Revenue fell, work in hand significantly improved in the year, as the Business successfully signed contracts worth nearly £1bn. The newly implemented tender process, coupled with a strategy of delivering what the client wants, at the right price, to a high level of quality meant the Business moved towards becoming our key client's partner of choice. Profitability in year was impacted by closing out of legacy projects which have now been either completed or a provision has been made for future periods.

Projects completed by BAM Construction during the year include: Whiteheads Primary School (Western), Health & Wellbeing Academy Daphne Steele Building for the University of Huddersfield (Northern), Southam College (Central) and W Hotel Fit out (Scotland).

BAM Construction secured a number of exciting projects during the year across its core sectors, Plot 1 Brent Cross (Offices), Our Cultural Heart Phase 1 (Health, Leisure & Wellbeing), Luton Airport (Aviation Infrastructure). Plus Education projects for New South West Fife School, St Leonards Catholic School, Cornwall College, Lyde Green School and Seaton Valley School.

We maintain our strategy of forming long-term strategic alliances with clients who share our values of collaboration and interest in leveraging the benefits of digital construction and new methods such as off-site fabrication and sustainability. BAM Construction aims to maintain a balanced portfolio of work, across both the public and private sector, as well as market sectors e.g. commercial, education and health.

BAM FM

In 2024 BAM FM's turnover was £119.7m (2023: £96.6m). Profit before taxation was £22.0m (2023: £10.8m), which was predominately related to a revaluation of revenue recognition on major contracts under IFRS 15.

BAM FM delivers sustainable support services to our customers in the education, healthcare and commercial sectors.

Understanding how a building is managed and operated in practice informs our understanding of design, construction, sustainability and clients' requirements. Our energy services capability is central to our sustainability proposition. BAM Energy promotes energy efficiency and energy generation from renewable sources. This includes designing, installing, operating and financing of demand reduction and renewable energy systems for new and existing buildings. BAM FM therefore extends BAM Construct & Ventures UK's capabilities across the lifecycle of a building.

BAM Properties

BAM Properties Limited's ('BAM Properties') turnover was £nil (2023: £64.6m). Loss before taxation was £3.3m (2023: £8.4m profit).

BAM Design

BAM Design Limited ('BAM Design') offers a full architectural and design service in our business and has team members co-located in two of our five regional construction divisions.

In addition, BAM Design's expertise helps us to improve our design management and co-ordination on projects, and to design for safety and sustainability. The team also works closely with BAM Properties and BAM FM.

BAM Design leads our work in developing our digital construction capabilities and pioneering innovative methods to improve quality and speed of project delivery.

BAM Site Solutions

BAM Site Solutions Limited ('BAM Site Solutions') provides site accommodation, communications installation, mechanical & electrical services, personal protective equipment, site direct services, EV charging, fire protection & security, drone services, plant & equipment hire and energy management for our site operations as well as managing BAM's fleet of vehicles.

As part of the Company's strategy to embrace new technologies and develop sustainable working solutions, further investment has been made in eco modular cabin offices, as well as developing an electric vehicle policy.

In 2024 BAM Site Solutions turnover was £25.2m (2023: £12.3m). Profit before taxation was £2.2m (2023: £2.6m).

Strategic report

Corporate responsibility

Ethics and standards

The Board recognises that the ability of the Group to generate value relies on harnessing our intellectual, human, social and relationship capital. We aim to do this by being a responsible employer, conducting our business ethically, operating in an environmentally sustainable way and enhancing the lives of the people in the communities where we work. The Group maintains a number of robust internal mechanisms to ensure that we conduct our business to high ethical standards.

During the year the Group has ensured that all staff have undertaken BAM Code of Conduct training.

Employees can raise any concerns about unethical activities through the Group's anonymous third-party reporting mechanism. The Group encourages everyone to "speak up" in order to make the workplace a healthier, happier, productive, and therefore safer place. Employees and anyone working on our sites can also raise observation cards to report ethical breaches or other concerns.

The prevalence of fraud within the industry continues to be an area of risk in the Group. As a consequence, we communicate and work closely with our clients and suppliers to highlight the risk of third-party fraud. Ensuring our employees remain vigilant about the risk of fraud is an important mitigation strategy and we encourage them to raise any issues of concern through management channels. The Group makes use of the Compliance Officer UK & Ireland Division and the policies and procedures that have been developed and implemented during the year. As part of this training the Group is well on its way to ensure that all staff have undertaken Anti-bribery and Corruption training.

People

The Board recognise, celebrate and thank our people for the outstanding qualities they bring. The positive, supportive culture created throughout our business is a competitive advantage.

All employees have the opportunity to participate in the Glint employee engagement survey, which is confidential and completed on a quarterly basis in 2024. Findings from this are used to continuously develop and improve our BAM experience. Where we identify areas for improvement, we set realistic actions ensuring that we consult with our colleagues throughout.

The survey has highlighted that our employees are generally very engaged and they feel the Group allows collaboration, communicates well and has a strong safety culture. Areas of opportunity include better action taking and career opportunities.

In 2024 BAM has focused further on culture to support our strategic goals, our people and our clients, this work will continue throughout 2025 and beyond.

BAM Construct & Ventures UK directly employed 2,043 people at 31 December 2024 (2,247 in 2023).

Diversity & inclusion

BAM Construct & Ventures UK is committed to achieving a balance in our employee population, that better reflects society, benefits the business, and enhances people's lives. Aiming to increase the attraction of the industry as a destination for diverse talent we continued to partner cross industry organisations including 'Women In Science and Engineering' (WISE). We also regularly hold events and network meetings which strive to raise awareness on subjects and allow people to explore the subjects in Safe Space calls, as well as celebrating events such as International Women's Day, Black History Month and International Men's Day.

Our engagement groups represent and amplify the voices of minorities and allies, who share their experiences and ideas to improve policies and procedures. Networks are open to all colleagues, regardless of lived experience, joining executive sponsors who take feedback and learning into the boardroom when making decisions. We have representation from our senior leadership team on all of these groups to ensure that feedback is received and acted upon. The four engagement groups that have been established to promote inclusion are gender, gender identity and sexuality, ethnicity, and disability and caring.

Working better for health, safety and well being

We continue with our goal to have completely safe operations so that BAM employees, and everyone who works with BAM suffer no injury or ill health as a result of our activities. In order to achieve this we have been focusing particular attention on the following areas:

- Continued focus on high-risk incidents and significant near misses, allowing for lessons to be learnt and fed back into the business.
- The digitisation of our process, to enable our staff to have the tools easily available to mitigate risks.
- Implementation of our 'Safe & Well' leadership programme with adoption of the vision for Everyone Safe and Well Everyday.
- Adoption of a suite of Leading Indicators for Senior Management.
- Campaign on safe lifting operations with a revised lifting policy on load handling.

Strategic report

As well as extensive training and monitoring of health and safety, we continue to promote wellbeing across the Group and its subsidiaries and our supply chain through activities such as talks about detecting cancers, nurses attending sites to undertake health checks and offer advice. We also look to promote good practice and this was celebrated during the year, when BAM Construct & Ventures UK held our Health and Safety awards ceremony, where eight areas of good practice were recognised.

We have seen a decrease to RIDDOR's reported in the year down from 19 in the previous year to 10 in 2024. An analysis of these showed that half (5) were within our FM business and like 'all industry' the main trend was from slipping or tripping which we have addressed by implementing a Common Standard on the subject across the business.

BAM's safety management system is audited by the British Standards Institute to meet ISO 45001.

Sustainability

Our sustainability strategy 'Building a sustainable tomorrow' is developed in conjunction with all Group Operating Companies. The strategy comprises 6 themes:

- Decarbonisation
- Circularity
- Climate Adaptation
- Biodiversity
- Safety, Health and Inclusion
- Social Value

The strategy is delivered through dedicated Environmental and Social Sustainability enabling services and is linked to select United Nations Sustainable Development Goals (UN SDGs).

Climate-related financial disclosure

We are committed to providing climate-related financial disclosures based on the guidance in the Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs. It is structured across each of the eight elements of the guidance.

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

The processes for identifying, considering and managing climate-related risks and opportunities in BAM Construct & Ventures UK take place at three levels within our governance structure: Group level, Divisional level and subsidiary.

At the Royal BAM Group level, responsibility for climate-related risks lies with the Executive Committee (ExCo) that reports to the Supervisory Board. The ExCo defines the strategy which is translated into Strategic and Operational plans for its subsidiaries. Each subsidiary has a management team member with responsibility for sustainability who reports progress quarterly to the ExCo and the Group Director Strategy via the Sustainability Community Table. The Risk and Control Committee advises the Executive Committee on the main risks in the context of Royal BAM Group's risk appetite, with risk assessments carried out on a quarterly basis which require input and involvement from its subsidiaries.

At a Divisional level, the UK&I Division Leadership Team (DLT) meets to discuss topics related to the assessment and management of climate-related risks and opportunities. The UK&I Division Operations Committee, consists of four Executive Directors from the subsidiaries in the United Kingdom and Ireland (of which BAM Construct & Ventures UK is one). This committee discusses climate-related matters, receiving information from the Environmental Sustainability Director, supported by the Sustainability Controller who is focused on assurance of climate-related data. The Operations Committee plays a role in supporting climate-related initiatives needed within the operational business and has strategic level responsibilities in identifying, monitoring, considering and managing climate-related risks and opportunities in strategic planning. These responsibilities result in the ability to mandate business change, as well as ensure business alignment to climate-related initiatives.

The Operations Committee oversees climate-related matters, including risks and opportunities. The Environmental Sustainability Leadership (ESL) team regularly report to the Operations Committee to provide updates on the defining and delivering of the ESG strategy for the UK and Ireland, including cross functional alignment on climate-related topics.

The main strategic focus with regards to climate-related matters has been on decarbonisation. A Carbon Reduction Plan has been reviewed and signed off by the DLT, with the Transformation Director having responsibility for monitoring, delivering and reporting progress against this plan.

At the subsidiary level, BAM Construct & Ventures UK is represented on the Operations Committee by both the Executive Director of BAM Construction and the Executive Director covering BAM Properties, BAM FM and BAM Site Solutions.

Strategic report

Identifying, assessing and managing climate-related risks and opportunities

The governance arrangements identify, assess and manage climate-related risks and opportunities at three levels: at Group level, as part of the integrated enterprise risk management (ERM) process, within its subsidiaries and as part of the Tender Stage Gate process. BAM Construct & Ventures UK has future plans to include a climate risk screening in the evaluation process for tenders where climate risks are considered a material part of the design and delivery of the tender.

BAM Construct & Ventures UK's process for identifying, assessing and managing climate-related risks and opportunities related to BAM Construct & Ventures UK's operations across three steps: risk identification, risk assessment and risk management.

As part of risk identification, cross-functional stakeholders and the ESL team provided their inputs on relevant physical and transition risks and opportunities across our value chain (not just our own actions, but with our clients and supply chain) captured in a long-list. This was completed in 2023 and will be reviewed as required on the findings of our overall risk management process.

As part of this process, we assessed our exposure to each risk and opportunity in terms relevant to BAM Construct & Ventures UK and our high impact areas in our value chain stage. Interviews with key internal stakeholders were held to assess perceived vulnerability (in terms of potential impact) - low, medium or high and ultimately to prioritise a short-list of the five most relevant transition risks and opportunities for BAM Construct & Ventures UK and our impact on our value chain, which are currently being further assessed via climate scenario analysis.

We used climate scenario analysis to evaluate and prioritise transition risks and opportunities across the value chain, as well as site and region-level physical risks under different future time horizons. The eleven physical hazards considered include: heatwaves and heat stress; drought, water scarcity, heavy precipitation, riverine and coastal flooding, tropical cyclones, windstorms, heavy snowfall, and cold waves. We are using a 'rapid transition' scenario (aligned with 1.5°C) for transition risks and opportunities and a 'high impact' scenario (aligned with 4°C) for physical risks. Three-time horizons were considered in this analysis: baseline or short-term (2026), medium-term (2030), and long-term (2050).

Based on this assessment, the most material climate risks or opportunities will then be integrated into Royal BAM Group's ERM process and managed accordingly. The process of identifying climate-related risks and opportunities will be an ongoing activity, with the risk identification being reviewed on an annual basis.

The Executive Director and SLT for BAM Construct & Ventures UK will ensure this process captures specific requirements for the Group, and reported up through to ExCo with oversight from DLT for all subsidiaries within the UK&I Division.

The processes for identifying, assessing, and managing climate-related risks are now integrated into the overall risk management process and governance, yet this is subject to review; separate processes and procedures may need to be developed.

Our Biodiversity Strategy and Nature Positive Plan address the key drivers of nature loss—land-use change, overexploitation of natural resources, climate change, pollution, and invasive non-native species—across our value chain. Aligned with the Global Biodiversity Framework, we focus on reducing our most significant impacts while enhancing opportunities to benefit nature at every stage of construction. This includes addressing high-impact construction materials in our supply chain, improving our construction practices, and integrating nature-positive approaches at our depots and client projects. To ensure a structured transition and make these themes actionable and monitored, BAM has developed its own Biodiversity approach: BAM Biodiversity+. As we strengthen our approach, we are also preparing for the Taskforce on Nature-related Financial Disclosures (TNFD), ensuring transparency and accountability in our biodiversity commitments.

Strategic report

Principal climate-related risks and opportunities arising in connection with operations

The principal transition risks and opportunities we identified and are currently assessing are highlighted below.

Risk/opportunity	Risks			Opportunities	
Risk/opportunity title	Limited availability of low-carbon raw materials	Carbon pricing mechanisms	Customer requirements for low-carbon developments	More efficient / low-carbon construction processes	Demand for low-carbon energy technologies and lower-carbon, resilient developments
Category	Technology	Policy	Market / reputation	Resource efficiency / energy source	Products and services
Exposure area	Upstream supply chain	Own operations and upstream supply chain	Downstream supply chain	Own operations	Downstream supply chain
Time horizons	Short to medium term	Medium term	Short term	Short to medium term	Medium term
Primary potential business impact	Increased direct costs	Increased direct and indirect costs	Reduced / increased revenue	Reduced costs	Increased revenue

The physical risks were similarly considered, with ongoing focus in this area to gain further insights.

We will annually review the resilience of our strategy on the basis of our climate scenario analysis and intend to build on this assessment to continue our work towards better managing our climate risks and opportunities through improving granularity, continuing to monitor and assess progress, and better integrating climate risks into our overall risk management processes.

Targets used to manage climate-related risks and to realise climate-related opportunities

Further to our net zero carbon target, in 2019 Royal BAM Group ratified its carbon reduction targets with the Science Based Targets Initiative and was one of the first companies in the construction sector to do so. Our reduction pathway is in line with the 1.5°C scenario and demonstrates our carbon reduction efforts are sufficient to meet this key objective. A Carbon Reduction Plan has been developed to align with and form part of the broader Group decarbonisation strategy.

We are committed to reducing our direct carbon emissions intensity (Scope 1 & 2) by 80% by 2026 from 2015 levels and by 90% by 2030. We will continue to invest in carbon removal schemes and have set a UK&I

stretch target to become net zero for these emissions by the end of 2030. Additionally, BAM Construct & Ventures UK, as part of the wider BAM targets aims to reduce absolute scope 3 emissions by 50% by 2030 from 2019 levels. We do not yet disclose our full scope 3 footprint, however Royal BAM Group have made a full scope 3 assessment covering all divisions based on financial analysis and this is disclosed in their integrated report. This shows good progress to meeting the overarching scope 3 target to reduce these absolute emissions.

Furthermore in 2024 we became members of the Concrete Zero initiative which aims to accelerate the decarbonization of this most impactful construction materials.

Delivering low carbon solutions not only helps us reduce our clients carbon footprint, it generates cost benefits for them and our own business as well as helping to build our brand and reputation. It also helps us meet Government and legal requirements, such as the Energy Savings and Opportunities Scheme (ESOS), the Energy Efficiency Directive (EED), Streamlined Energy and Carbon Reporting (SECR) and the drive globally to become net zero carbon.

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The key metrics that we use to track our decarbonisation journey are below.

Target	Baseline emissions	2024 emissions	% change
Reduce Scope 1 and 2* GHG emissions intensity** by 80% by 2026	9.82	1.91	-81%
Reduce Scope 1 and 2* GHG emissions intensity** by 90% by 2030			
Reduce absolute (kt) Scope 3*** GHG emissions by 50% by 2030	20.0	13.9	-30%
Reduce GHG emissions intensity** from commercial fleet and staff transport by 90% by 2030	4.90	2.00	-59%

*We report market-based carbon emissions for our electricity use in line with our parent company and ISO14064.
**Not corrected for inflation. 2015 used for baseline emissions.
*** Scope 3 disclosure doesn't yet include purchased goods and services, use of sold product, capital goods, investments, remote working or cloud computing due to data uncertainties. 2019 used for baseline emissions.

Table 1 - Key carbon reduction targets

Key performance indicators

The key performance indicators (KPIs) that we use to assess progress against our stated climate targets above are calculated in tonnes of carbon dioxide equivalent (tCO2e) for our Scope 1, Scope 2 (location- based and market-based), and selected Scope 3 emissions. We monitor these both as absolute emissions and in terms of emissions intensity relative to revenue (tCO2e/£M).

Each year, we measure our carbon footprint across Scope 1, 2 and 3 emissions, following the Greenhouse Gas Protocol, ISO14064 and the UK Government's environmental reporting guidelines, including the Streamlined Energy and Carbon Reporting (SECR) framework.

Additional KPIs may be introduced related to the introduction of the climate risk screening in the evaluation process for tenders above a certain value. This KPI will be defined following the implementation of the process for climate risk screening.

SECR

2024 summary

Since 2008 BAM Construct & Ventures UK has reported its direct carbon emissions footprint in order to meet customer, legislative and parent company requirements and we have mature energy and carbon measurement systems which have continually improved over time.

We measure our carbon emissions according to the Green House Gas Protocol - Corporate Standard and ISO 14064-1:2018 as part of our Carbon Reduce certification for the management and reduction of greenhouse gas emissions.

BAM Construct & Ventures UK total reported Scope 1,2 & selected 3 carbon emissions in 2024 were 15.7kt resulting in an intensity of 17.0tCO2e/£m revenue (2023 restated: 17.0kt, 15.9tCO2e/£m). Our carbon emissions inventory showing 2023 and 2024 data is shown in table 2.

Note that our headline direct carbon emissions disclosures for Scope 1 & 2 use the market-based methodology for calculating emissions from grid electricity usage. The location-based emissions are disclosed in table 4.

Strategic report

2024				2023 restated	
Emissions Source	Unit of measure	tCO2e	Quantity	tCO2e	Quantity
Company car	Miles	110	548,230	67	675,821
Gas	kWh	252	1,377,296	178	973,346
Gas Oil	Ltr	-	-	-	-
HVO (Biodiesel)	Ltr	25	716,214	15	405,965
Diesel	Ltr	807	321,369	1,412	561,437
Petrol	Ltr	9	4,183	14	6,488
Hydrogen	Kg	-	-	-	-
Kerosene	Ltr	24	9,440	7	2,795
Total Scope 1		1,227		1,693	
Electric Vehicles	Miles	230	2,861,749	156	1,939,164
Electricity	kWh	310	7,904,865	536	9,694,447
Total Scope 2 (market based)		540		692	
Electricity (T&D)	kWh	162	9,026,900	187	10,454,755
Waste	tonnes	1,993	287,446	622	165,418
Hotel Stays	Nights	61	5,869	42	3,997
Train Travel	Miles	88	1,547,245	103	1,801,422
Upstream transportation	n/a	7,362	n/a	8,899	n/a
Air travel	Miles	173	442,858	209	549,172
Private Car	Miles	1,011	4,521,063	1,201	5,384,756
Well to Tank for Scope 1&2	N/A	1,505	n/a	1,278	n/a
Water	M3	38	99,946	20	51,737
Third Party procured fuel	Ltr	1,532	694,303	2,087	868,301
Total Scope 3		13,925		14,648	
Total Scope 1,2 & 3		15,692		17,033	

Table 2 – carbon emissions inventory 2024 & 2023 (2023 previously reported emissions from Electricity have been restated reflecting the adoption of market-based accounting in 2024. Emissions from Kerosene are also now included)

2024				2023	
Biogenic Emissions	Unit of measure	tCO2e	Quantity	tCO2e	Quantity
HVO biodiesel	Ltr	1,740	716,214	986	405,965
Total 'Out of Scopes'		1,740		986	

Table 3 – biogenic carbon emissions inventory 2024

Strategic report

2024				2023	
Location-based emissions source	Unit of measure	tCO2e	Quantity	tCO2e	Quantity
Electric Vehicles	Miles	230	2,861,749	156	1,939,164
Electricity	kWh	1,637	7,904,865	1,974	9,694,447
Total Scope 2 'Location-based'		1,867		2,130	

Table 4 – Scope 2 ‘Location-based’ carbon emissions inventory 2024 & 2023

In 2024, absolute emissions have decreased owing to the implementation of the biodiesel known as Hydrotreated Vegetable Oil (HVO) across the entire business, and the rapidly increasing number of pure battery electric vehicles.

Fuel consumption has increased by 7% compared to 2023 and is not due to any specific activity besides a general increase in activity level.

However, absolute emissions have decreased due to the significantly increased proportion of HVO use. We also continue to implement energy efficiency measures on our construction sites and have invested in hybrid power solutions both through hired services and by equipping our site accommodation with solar panels.

The biogenic ‘out of scopes’ emissions associated with HVO are disclosed separately as shown in table 3 and by definition are not considered a net contribution to carbon emissions as defined by the GHG protocol.

In 2024 we switched to reporting emissions from grid electricity using the ‘market-based’ methodology bringing us in to line with our parent company. This means we report electricity emissions as zero where the procurement of that energy is made using renewable energy backed by renewable energy guarantee of origin certificates known as REGO’s. To maintain full disclosure of the real emissions from electricity, we have disclosed the ‘location-based’ (actual) emissions in table 4.

Electricity consumption has reduced by 18% compared to 2023. Energy consumption can be quite volatile year to year depending on the mix of work being undertaken although the proportion of electricity being used in electric vehicles has increased by over 48% which is contributing to a reduction in diesel use.

The increase in scope 3 waste is a result of demobilisation works on completing projects. To help drive a reduction in

our waste emissions, BAM Construct & Ventures UK have signed up as partners to an ‘excess materials’ exchange platform.

The following points highlight key areas where we’ve made carbon emissions reductions:

- Through our HVO mandate we’ve avoided 1,774tCO2e of direct emissions. HVO is a diesel alternative with a 99% lower intensity as it is made from waste vegetable oils.
- Business travel has marginally reduced by 4% compared to 2023 although there is a notable reduction in private car mileage and the associated emissions thanks to the transition towards full electric company cars, which now make up over 86% of the fleet. By 2026 all company cars will have moved to full electric and by 2030 all commercial fleet vehicles will also be fully electric. Remote working continues to be adopted for most office-based functions.
- Depot improvements continued throughout 2024 including building fabric improvements to workshops at Wellingborough. This will yield significant savings in natural gas and liquid fuel use in 2025.

BAM Construct & Ventures UK performance in 2024 has contributed to Royal BAM Group maintaining its ‘A’ listing on the CDP leadership index for the 6th consecutive year and is a key part of the Group’s overall sustainability strategy.

Strategic report

Emissions reduction targets

In 2019 Royal BAM Group formally ratified its Science Based Target (SBT), a global initiative operated by the CDP and IPCC which seeks to harmonise organisations emissions reduction strategies with global climate science. As part of this target, The BAM Group has committed to reduce its emissions intensity by 2030 for Scope 1 and 2 emissions by 90% against a 2015 baseline.

Furthermore, a target for all indirect scope 3 emissions has been included within our Science Based Targets and is set at a 50% absolute carbon reduction by 2030 against a 2019 baseline.

In addition to the group-level targets, within BAM Construct & Ventures UK we have introduced a net zero target pertaining to our direct scope 1 & 2 emissions by 2030. Details of this target and others can be found in our carbon reduction plan on our website.

Emissions accounting methodology

Our emissions measurement is undertaken by consolidating supplier reports, project data submissions and smart metering into a central database from which the business can report to any interested party. Preference is given to obtaining measured data from already digitised formats to help avoid human error associated with manual processing. We employ a dedicated reporting analyst team who undertake this work which has greatly improved the efficiency and robustness of our reported emissions. We report on a wide variety of emissions sources inclusive of scope 1 & 2 emissions and the sub-set of scope 3 indirect emissions.

In 2024 we have continued to align our carbon reporting to fulfil the requirements of our parent company, SECR, Carbon Reduce and PPN06/21. As a result of this, we have continued to include additional scope 3 categories in this year's SECR disclosure; Waste, Upstream transportation and well to tank emissions associated with scope 1 and 2 emissions. The scope of our reported emissions will change over time owing to increased reporting requirements and associated disclosures.

The methodology for calculating and disclosing electricity emissions was updated in 2024 to bring it in to line with our parent company whereby our headline Scope 2 emissions disclosures use the market-based methodology. Our inventory continues to be certified to ISO14064 by Achilles as part of the 'Carbon Reduce' programme.

As we continue to implement our carbon reduction plan, we anticipate our scope 1 and 2 emissions will continue to fall as we procure a greater percentage of HVO compared to diesel, transition our Group vehicle fleet away from combustion only models and begin utilising electric and/or hydrogen powered plant and equipment.

Improvements in scope 3 emissions reductions and disclosures

Throughout 2024 we have been refining our approach to measuring scope 3 emissions in their entirety and in 2025 will be publishing our full Scope 3 emissions footprint. This will be undertaken in conjunction with our parent company (Royal BAM Group) and is being driven by the overarching objectives of our sustainability strategy and the incoming EU directive known as the Corporate Sustainability Reporting Directive (CSRD).

Besides the reporting and disclosure requirements, we have already taken several actions contributing to reductions across all scope 3 emissions sources including:

- We continue to proactively work with our supply chain to encourage them to take-up Action Sustainability's carbon reporting tool to assist them in measuring, reporting and reducing their emissions. To date, over 100 of our suppliers are using this tool which will not only benefit our emissions reporting but also that of the wider industry.
- We are improving the quality of our scope 3 emissions inventory and are working towards full scope 3 emissions disclosure in the 2025 published accounts as part of our sustainability strategy – our parent company (Royal BAM Group) has made a group-wide disclosure in its integrated report for 2024.
- We encouraged our clients to include reduced environmental impact materials with a longer life expectancy in their projects.
- We deliver low-carbon buildings and measured the as built embodied carbon impact against the LETI Benchmarks for an increasing number of developments.
- We are beginning to introduce low carbon concretes as part of permanent works and have undertaken a gap analysis of our management systems in order to implement PAS2080. In addition we signed up to the Concrete Zero initiative to drive adoption of low carbon concretes across the industry.
- We continue to be recognised on the Sustainable Facilities Management Index (SFMI) reflecting the efforts of our FM business in reducing scope 3 emissions.

Strategic report

Social Sustainability

Royal BAM Group aims to make a lasting societal impact by generating social value, a central theme in its goal of building a sustainable tomorrow. Social value allows for reinvestment into the communities where projects are executed. These investments include channelling wealth back into the local economy through local procurement and employment, supporting apprenticeships, and volunteering in local community projects. Activities that enhance social and local economic value are assigned a monetary value and are expressed as a percentage of social value against revenue or contract value.

Division overview

Social value is how BAM measures social sustainability activities, and is underpinned by three key strategic themes:

- **Social Mobility:** empowering individuals by providing inclusive and accessible pathways in education, employment, and training programmes.
- **Foundational Economy:** building community wealth through maximising opportunity for local procurement, invest in local charities and social businesses (VCSEs), and volunteering time, skills and expertise.
- **Social Inclusion:** fostering diversity, equality, and inclusion (DEI), actively engaging with the community, and creating lasting legacies that benefit the community long after construction is complete.

A striking example of a project in where BAM has delivered substantial Social Local Economic Value (SLEV) in 2024 is the Daphne Steel (University of Huddersfield) project. BAM created a social and local economic value of £22m which was equivalent to 39% of the project value. This was generated through local employment, over 1,000 apprentice weeks, 25 work experience weeks and 53% of construction spend with local organisations.

Some additional highlights of BAM Construction delivering social value in 2024 were:

Construction directly employed 91 apprentices. 10,320 apprenticeship and T-level weeks were delivered on BAM Construction projects in 2024. Offering work placements and T-level placements resulted in participants going on to join BAM and our supply chain in full time employment and apprenticeships. BAM is recognised among the top ten best apprenticeship employers in the United Kingdom in the construction and property sector.

Additionally, 1309 hours were spent by staff delivering schools engagement and careers activities in educational establishments and a further 16,869 hours of “support into work assistance” were provided to unemployed people

through career mentoring, including mock interviews, CV guidance and careers guidance. Staff provided 168 hours of expert advice to local voluntary, community or social enterprises. This comprised pro bono business advice for example legal, HR or health and safety.

We continued to provide opportunities and invest in the development of our workforce with Construction staff completing a total of 19,939 hours of CPD/training throughout the year.

Every year BAM offers each staff member the opportunity to spend a paid work-day volunteering with charities or community organisations. In 2024, 823 Construction staff volunteering hours supported local projects, engaging in impactful projects such as the refurbishment of community facilities. BAM Construction also supported many local community projects with an equivalent of £165,062 in donations, provided through staff fundraising efforts and in kind contributions such as materials for refurbishment projects.

One highlight example of volunteering this year was BAM Construction volunteers along with colleagues from our supplier the Cousins Group Ltd helping out the Terrance Higgins Trust by refurbishing the Trust's Pimlico shop. This high street shop “Boutique” is essential for generating revenue for the Trust for their work to end new HIV cases by 2030 and fight HIV stigma. Through this collaborative volunteering project of BAM and the Cousins Group the Boutique shop was provided with the refresh it so desperately needed.

This year we were delighted that our Social Sustainability team's work meant that BAM was highly commended in the DfE-sponsored West Midlands Regional Apprenticeship and Skills Awards for our T level support programmes in our BAM Construction projects.

Our work on supporting T levels in Department for Education construction projects in our Central Region was noted by Aston University's Engineering Academy (AUEA). BAM won Aston University's 2023/24 Employer of the year award.

Our social sustainability work demonstrates our commitment to meet our goal to foster a lasting, positive societal impact through our projects, championing social sustainability that actively involves communities and elevates people's lives.

Employee involvement

As reported in the Strategic Report (see pages 4–21) the Group engages with employees through a number of channels and activities to ensure they are aware and consulted about developments in the Group including its financial performance. This is achieved via a staff

Strategic report

intranet, discussion forums, surveys and face-to-face communication by the Board through an annual series of virtual Roadshows.

Corporate Governance Statement

Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172(1) requires directors to have regard to, amongst other matters, the:

- a) likely consequences of any decisions in the long-term,
- b) interests of the company's employees,
- c) need to foster the company's business relationships with suppliers, customers and others,
- d) impact of the company's operations on the community and environment,
- e) desirability of the company maintaining a reputation for high standards of business conduct; and
- f) need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the matters set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and predictable.

We delegate authority for day-to-day management of the Group to our senior leadership team and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held regularly where the Directors consider the Group's activities and make decisions. As a part of those meetings the Directors receive information in a range of different formats to ensure that they have regard to section 172 matters when making relevant decisions.

In addition to its shareholders, the Group's key stakeholders are its workforce, customers, suppliers and the local communities in which it operates. The views of and the impact of the Group's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. The size and spread of both the Group's stakeholders and the Group

means that generally our stakeholder engagement takes place at an operational and collective Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details of the engagement that takes place with the Group's stakeholders so as to encourage the Directors to understand the issues to which they must have regard please see the strategic report.

We set out below an example of how we have had regard to the matters set out in section 172(1)(a)–(f) when discharging our section 172 duty and the effect of that on decisions taken by us:

Investment in people is a priority for the Group, offering employees (including contractors) the opportunity to develop and learn, either within their current role or to build networks and improve collaboration. The Directors engage with employees in a number of ways throughout the year including via roadshows, webinars, vlogs and posts on the intranet, BAM Connect, and Pulse.

Employee engagement is maintained through a variety of channels including recruitment and on-boarding platforms, company-wide conferences, roadshows, development programmes and local communication events.

Royal BAM Group nv

BAM Construct & Ventures UK is a member of the BAM group of companies which is headed by Royal BAM Group N.V. ("Royal BAM"), a Dutch listed company that is subject to the Dutch Corporate Governance Code (the 'Dutch Code').

A copy of the Dutch Code which has been translated into English can be found here: <https://www.mccg.nl>

Notable features of the Dutch Code are its focus on long term value creation; provisions on enhanced risk management; rules for effective management and supervision; the introduction of culture and conduct as part of corporate governance; simple rules for remuneration; and rules regarding the relationship with shareholders.

The Dutch Code is a well-established and robust code which is applied by all listed companies in the Netherlands. The purpose of the Dutch Code is to facilitate – with or in relation to other laws and regulations – a sound and transparent system of checks and balances.

Strategic report

Royal BAM applies the Dutch Code throughout the Royal BAM group, through a detailed set of standards, policies and procedures that comply with, and seek to apply, the relevant provisions of the Dutch Code. These Group standards, policies and procedures apply to BAM Construct & Ventures UK.

Pursuant to the Dutch Code, Royal BAM has issued an extensive, detailed corporate governance statement which describes the governance of the Group, including its subsidiaries (such as BAM Construct & Ventures UK). A copy of the statement is available on the Royal BAM's website.

The Group corporate governance statement comprises a line-by-line overview indicating and describing the extent to which the Group complies with the Dutch Code and the circumstances where the Group departs from compliance, in the latter case together with an explanation for such departure. This includes BAM Construct & Ventures UK.

Corporate Governance within BAM Construct & Ventures UK

BAM Construct & Ventures UK has therefore, for the purpose of Companies (Miscellaneous Reporting) Regulations 2018, formally adopted the Dutch Code.

In the opinion of the directors of BAM Construct & Ventures UK, given that BAM Construct & Ventures UK is a member of the Royal BAM Group and is subject to, and complies with, the standards, policies and procedures of the Royal BAM Group, the adoption of the Dutch Code is in the best interests of BAM Construct & Ventures UK, its shareholders and wider stakeholders. The directors believe that they have complied with the Dutch Code to the extent that they consider it relevant to the operating subsidiary of a listed Dutch group, noting departures from the Dutch Code on page 21.

Application of the Dutch Code by BAM Construct & Ventures UK

By virtue of the fact that Royal BAM applies the Dutch Code throughout the group, its corporate governance statement also describes, generally, the corporate governance processes and procedures at BAM Construct & Ventures UK, taking into account its position as a subsidiary of the Group.

Certain parts of the Dutch Code apply to the group as a whole, including BAM Construct & Ventures UK. These principles and provisions state that certain structures, policies and procedures must be in place to meet the Dutch Code's requirements provisions, for instance relating to the Dutch Code's concept of long-term value creation and culture, and to more operational matters such as risk management, compliance and whistle-blower procedures.

Royal BAM has issued standards, policies and procedures including a code of conduct and statement of business principles (copies of which are available on the Royal BAM website) to ensure that all companies throughout the Group adhere to these elements of the Dutch Code. The board of BAM Construct & Ventures UK operates within these group-wide standards, policies and procedures and is responsible for their application within BAM Construct & Ventures UK.

In addition to following the standards, policies and procedures of Royal BAM Group as described above, BAM Construct & Ventures UK specifically applies the following elements of the Dutch Code as set out on page 20.

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Long term value creation strategy

1.1.1	We have a business strategy prepared based on past performance and future market expectation which is monitored annually through an operating plan which itself is monitored quarterly by measuring financial, health, safety and Environmental Social Governance KPIs.
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Risk management

1.2	Objectives are set as part of the business plan. The risks and opportunities associated with those objectives are monitored via a risk review process which includes monitoring of the operating plan monthly and quarterly.
1.2.1	The risk appetite that underpins the strategy and activities of the Group includes Stage Gate processes and lessons learnt.
1.2.2	Internal management and control systems are a function of the business process model referred to in a management manual.
1.2.3	There are various functions with oversight that monitor the operation of internal risk management covering all aspects of the business and report back on strengths and weaknesses in systems and, where necessary, improvements are implemented.

Risk management accountability

1.4	There are internal reviews, feedback and improvements on risk management supported by external bodies such as quality assurance and financial insurance.
1.4.2 & 1.4.3	All the above (in 1.4) are reported monthly and quarterly relative to the operating plan.

Effective management and supervision: Composition and size

2.1	The size, composition and available capabilities of the Board are evaluated annually in order to assure they are able to carry out their duties properly. This has oversight of Group.
2.1.4	Board members have specific professional and educational qualifications and maintain their knowledge on an ongoing basis.

Effective management and supervision: Risk management

2.4	The requirements of the Dutch Code are met by compliance with s172 of the Companies Act 2006.
2.4.1	Openness and accountability are stimulated across the Group through various meetings at which Board members are present.
2.4.6	The size, composition and available capabilities of the Board are evaluated annually in order to assure they are able to carry out their duties properly. This has oversight of Group.
2.4.7	We have monthly and quarterly reporting from operational business units and support functions including quarterly team meetings.

Effective management and supervision: Culture

2.5	S172 obligations are specifically evidenced through the three-year business plan and the annual operating plan.
2.5.1	The adoption of values and incorporation and maintenance of those values are aligned with the Group strategy.
2.5.2	Local policy and procedure are introduced to support the Group Code of Conduct.

Effective management and supervision: Misconduct and irregularities

2.6 & 2.6.1	We operate the procedure established by Group which is published on the Group's company homepage and on BAM Construct and Ventures UK's intranet.
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Strategic report

Effective management and supervision: Preventing conflicts of interest

2.7.1	Conflicts are managed through the Articles of Association and Code of Conduct as applicable.
2.7.6	By compliance with the Code of Conduct Board members are able to demonstrate that they can act fairly as employees of the Group.

One Tier Governance

5.1	The Group acts with a one tier governance structure without the use of non-executive directors.
5.1.1	In the absence of non-executive directors, a BAM Group director, who is governed by the Dutch Code, chairs monthly and quarterly meetings.

Departures from the Governance Code

The Dutch Code contains principles and provisions that are concerned with a listed parent company only: they relate for instance to matters relating to the parent company’s external auditor and investor relations.

BAM Construct & Ventures UK is a wholly owned subsidiary of Royal BAM Group with no external shareholders and as such there are elements of the Dutch Code that are not applicable, specifically the departures are for the following reasons:

- The principles and provisions may not be applicable to the UK
- Section 2.5.3 is not applicable in the UK (requirement for a Works Council)
- The Company is not overseen by an audit committee or a supervisory board
- The Company doesn’t have an executive committee
- The Company’s directors don’t have a maximum period of appointment
- The Company doesn’t have an appointment committee
- The Company’s Board members have other board positions
- The Company does have an external auditor but not an audit committee
- Royal BAM Group are the sole shareholder.

- Code of Conduct matters are addressed with the Group Governance Risk & Compliance Director
- The Company does not have any shares available to be bought and sold on the open market
- Group decide the remuneration policy
- The Company does not have an AGM
- The Company’s Executive Director chairs monthly meetings
- The Company does not have committees as referred to in best practice 2.3.2
- The Company does not have non-executive directors

Kim Sides
Director, BAM Construct & Ventures UK Limited
09 June 2025

Directors' report

The Directors present their report and group financial statements for the year ended 31 December 2024.

This Directors' report should be read in conjunction with the Strategic report, which is incorporated by reference in (and shall be deemed to form part of) this Directors' report to the extent required by applicable law or regulation.

Research and development

Most of BAM's research and development activity is undertaken at individual business unit level as the need arises to develop new options and solutions for particular projects and activities. For example, BAM Site Solutions Limited continuously surveys existing and emerging products to research the best options for plant and materials for our projects. The technical services department also engages in research to solve bespoke problems and advise on the best options and technical solutions for projects undertaking complex tasks.

The principal focus of research and development at the corporate level is on developing digital design, construction and facilities management. BAM currently has an Enterprise Business Agreement with Autodesk to assist us to develop software and systems that enable us to continue to innovate.

Future developments

The Directors aim to maintain the management policies which have resulted in the Company's success to date.

The Directors continue to monitor the changing UK and worldwide political and economic landscape resulting from conflicts in the Middle East and Ukraine, global impacts of a Trump Presidency as well as economic weakness resulting in unprecedented supply chain insolvencies. The Directors have put various measures in place to deal with scenarios that may arise.

Financial Instruments

Refer Note 19 of the financial statements on Director's view on financial instruments and associated risks.

S172 Statement

This Directors' report and the Strategic report confirm compliance with the obligations set out in section 172(1) of the Companies Act 2006.

Disabled employees

BAM Construct & Ventures UK is an equal opportunities employer and while applicants are asked to describe their gender, ethnicity and whether they consider they have a disability; this information is not shared with colleagues

who recruit and assess applicants' aptitudes and suitability for a given role.

Currently less than 1% of BAM Construct & Ventures UK employees describe themselves as having a disability.

BAM has income continuity policies for people who develop long-term illness and programmes for rehabilitation and assisting people to resume work. This includes making appropriate adjustments to equipment, working hours and tasks, to enable people who develop a disability to continue with their careers.

There are no specific programmes for training, career development and promotion opportunities for employees with disabilities. All employees have access to support and training to develop their careers and suitability for promotion. Our personal development review process facilitates conversations about career development between employees and their line manager.

Employee involvement

As reported in the Strategic Report (see page 17) BAM Construct & Ventures UK engages with employees through a number of channels and activities to ensure that they are aware and consulted about developments in the Group including its financial performance. This is achieved via a staff intranet, discussion forums, surveys and face-to-face communication by the Board through an annual series of roadshows around the country.

Dividends

A dividend of £3.7m was declared during the year (2023: £12.5m).

Subsidiaries

The principal activities of subsidiary undertakings are shown in Note 30 to the accounts.

Qualifying third party indemnity provisions for directors

The Company's ultimate parent undertaking, Royal BAM Group n.v., maintains liability and indemnity insurance for its directors and officers and for those of its subsidiaries. This provision has been in place throughout the year and remains in force at the date of approving the Directors' report.

Directors' report

Directors

The following served as directors of BAM Construct & Ventures UK Limited during the year ended 31 December 2024 and up to the date of the report:

- S E Finnie (resigned 31 March 2025)
- J W R Wimpenny (resigned 31 January 2024)
- A Cox (resigned 3 June 2025))
- K Sides (appointed 2 April 2024)
- David Kyriacos (appointed effective from 3 June 2025)

Consideration of going concern

The financial statements of BAM Construct & Ventures UK Limited (the Company) and of its subsidiaries (together the Group) have been prepared on a going concern basis as the Directors have concluded that the Company and Group will continue in operational existence and meet its liabilities as they fall due for the period of their assessment which is to 30 June 2026 .

The Group has net current assets of £61.3m and net assets of £116.5m. The Company meets its day to day working capital requirements through the cash retained in the Group (at year end £82.5m) and through access to its other cash pooling balances held with the Royal BAM Group (at year end £81.2m).

The Company and the Group do not have any bank debt or other external borrowings or facilities, other than leases.

The Company is a guarantor to borrowing facilities that are held by the Company's ultimate parent entity, Royal BAM Group n.v.. Please refer to Note 24 in the BAM Construct & Ventures UK consolidated financial statements for further details.

The Directors have prepared base case and severe but plausible downside financial forecasts for the review period until 30 June 2026. Taking into consideration the current environment, the forecasts show that the Group is expected to maintain positive cash flows in the base case and in the downside scenario, which models reduced productivity and increased costs across the Group.

The Directors regularly monitor the impact of the macro environment that the Group operates. This environment has created inflationary pressures, which the Group looks to manage in a proactive manner as well as added pressure on the supply change as a result of market volatility. However, despite these financial headwinds, they are not expected to have a significant impact on the Group's operations and future prospects.

However, given the Group are reliant upon cash reserves held by the Royal BAM Group and is a guarantor of borrowings of its ultimate parent company, the Company

and Group are reliant upon ongoing support of its ultimate parent. The Directors have received confirmation from the Group's ultimate parent entity that the Company and Group will be provided financial support for the period until 30 June 2026.

The Directors have assessed the ability of its ultimate parent company to provide this support, based on financial information for the Royal BAM Group that has been shared to certain members of the Board.

The Directors also attend monthly and quarterly management meetings and weekly liquidity reports are provided by Royal BAM Group's treasury function.

In view of the assessment performed, the Directors are satisfied that sufficient financial resources will be generated by the Company and the Group or received from its ultimate parent entity, Royal BAM Group n.v., to enable the Company and the Group to continue in operation and meet its liabilities as they fall due for the period to 30 June 2026. Accordingly, the Directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each Director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors for the forthcoming year in accordance with Section 485 of the Companies Act 2006 will be put to the members by way of written resolution.

Kim Sides

Director, BAM Construct & Ventures UK Limited
09 June 2025

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable law, and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard (FRS) 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 Group and the Company and the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain

the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

Independent auditor's report to the members of BAM Construct & Ventures UK Limited

Opinion

We have audited the financial statements of BAM Construct & Ventures UK Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statement of financial position, the Consolidated and Company statement of changes in equity, the Consolidated cash flow statement and the related notes 1 to 31 for the consolidated financial statements and notes 1 to 19 for the parent company financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, 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 evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included::

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We performed our own assessment of the going concern risks at the planning and execution stages of the audit.
- We obtained management's going concern assessment, including the cash forecast for the going concern period to 30 June 2026 (the going concern period). The Group has modelled a base case and downside scenario in their cash forecasts in order to incorporate and evaluate changes to the forecasted liquidity of the company.
- We tested the key assumptions included in the base case and downside scenario by reference to supporting information and searched for contrary evidence to challenge the assumptions.
- We determined through inspection and testing of the methodology and calculations that the methods utilised were an appropriate basis for the going concern assessment.
- Given the Group's reliance on its ultimate parent undertaking's support, we examined the letters of support from the ultimate parent to determine the adequacy of comfort provided to the Directors of BAM Construct & Ventures UK Limited and the ability of the ultimate parent to provide the support as required. This included reviewing the going concern assessment performed by the parent company's auditor, requesting additional information from that auditor, considering various financing sensitivities, and assessing the potential impact of the ultimate parent's contingent liabilities.

Independent auditor's report

- We reviewed the company's going concern disclosures included in the annual report and financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 3-21, 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 this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 24, 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

Independent auditor's report

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, Bribery Act 2010, Construction Act 2009, Minimum Wage regulations, Money Laundering regulations and the relevant tax regulations.
- We understood how BAM Construct & Ventures UK Limited is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquiries through our

review of board minutes, compliance issue reported, and correspondence received from regulatory bodies.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, reviewing legal advice where relevant and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of board minutes to identify non-compliance with laws and regulations, a review of the reporting to the Board of Directors on compliance and regulations by the internal compliance team, enquires of management, journal entry review, review of correspondence received from Company's external legal counsel and regulatory bodies and inquiries made to internal and external legal counsel.

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 our 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.

Vania Tribos (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

10 June 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2024	Notes	2024 £m	2023 £m
Continuing operations			
Revenue	3	923.7	1,071.1
Cost of sales		(865.5)	(1,038.1)
Gross profit		58.2	33.0
Administration and other expenses		(63.2)	(55.0)
Other operating income		1.1	0.9
Operating (loss)/profit	5	(3.9)	(21.1)
Finance income	9	9.6	11.5
Finance expense	20	(1.5)	(1.0)
Share of the loss of associates and joint ventures	4	(0.3)	(0.5)
Profit / (loss) before tax		3.9	(11.1)
Income tax expense	10	(0.7)	1.4
Profit / (loss) for the year		3.2	(9.7)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans, net of tax		(4.7)	(18.0)
Total comprehensive income / (expense)		(1.5)	(27.7)
Profit / (loss) attributable to:			
Equity holders of the Company		(1.5)	(27.7)
Total comprehensive (expense) / income attributable to Equity holders of the Company		(1.5)	(27.7)

Consolidated statement of financial position

At 31 December 2024	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Property, plant and equipment	12	16.4	15.5
Right-of-use assets	15	30.5	21.3
Investment in an associate or joint venture	4	4.5	4.8
Retentions	16	17.4	17.3
Loans to joint venture	16	12.7	11.8
Defined benefit pension asset	22	5.1	6.3
Deferred tax assets	10	-	0.2
Total non-current assets		86.6	77.2
Current assets			
Inventories	13	16.8	16.5
Trade and other receivables	16	219.5	272.9
Income tax receivable		16.0	16.2
Amounts due from customers for contract work (contract asset)	14	70.4	74.9
Prepayments and accrued income		6.4	4.3
Cash and short-term deposits	17	82.5	86.7
Total current assets		411.6	471.5
Total assets		498.2	548.7

Consolidated statement of financial position

At 31 December 2024	Notes	2024 £m	2023 £m
Current liabilities:			
Trade and other payables	18	285.4	298.0
Lease liabilities	20	11.0	7.5
Amounts due to customers under construction contracts (contract liability)	21	46.2	55.3
Provisions	23	7.7	36.9
Total current liabilities		350.3	397.7
Non-current liabilities:			
Lease liabilities	20	19.8	15.8
Trade and other payables	18	9.9	11.1
Deferred tax liabilities	10	1.4	1.6
Provisions	23	0.3	0.5
Total non-current liabilities		31.4	29.0
Total liabilities		381.7	426.7
Equity			
Share capital	25	40.0	40.0
Retained earnings		76.5	82.0
Equity attributable to equity holders of the Parent		116.5	122.0
Total equity		116.5	122.0
Total equity and liabilities		498.2	548.7

Approved by the Board on 09 June 2025 and signed on its behalf by:

Kim Sides

Director, BAM Construct & Ventures UK Limited

Consolidated statement of changes in equity

		Attributable to the equity holders of the parent		
		Share capital	Retained earnings	Total
For the year ended 31 December 2024	Notes	£m	£m	£m
Balance at 1 January 2023	25	40.0	121.9	161.9
Loss for the year		–	(9.7)	(9.7)
Other comprehensive expense for the year, net of income tax		–	(18.0)	(18.0)
Total comprehensive expense for the year		–	(27.7)	(27.7)
Payment of dividends	11	–	(12.5)	(12.5)
Share based payments		–	0.3	0.3
Balance at 31 December 2023	25	40.0	82.0	122.0
Profit for the year		–	3.2	3.2
Other comprehensive expense for the year, net of income tax		–	(4.7)	(4.7)
Total comprehensive expense for the year		–	(1.5)	(1.5)
Payment of dividends	11	–	(3.7)	(3.7)
Share based payments		–	(0.3)	(0.3)
Balance at 31 December 2024	25	40.0	76.5	116.5

Consolidated cash flow statement

For the year ended 31 December 2024	Notes	2024 £m	2023 £m
Operating activities			
Profit / (loss) after tax from continuing operations		3.2	(9.7)
Non-cash adjustments to reconcile profit after tax to net cash flows			
Income tax expense / (credit) recognised in profit or loss	10	0.7	(1.4)
Depreciation of non-current assets	12	4.6	3.9
Depreciation of right-of-use assets	15	9.1	6.5
(Increase) / decrease in pension assets		(3.8)	0.1
Remeasurement of right-of-use assets		-	(0.8)
Share of loss of joint ventures	4	0.5	0.5
Loss on disposal of property, plant and equipment	5	0.3	1.1
Finance income	9	(9.6)	(11.5)
Finance expense	20	1.5	1.0
Working capital adjustments			
(Increase) / decrease in trade and other receivables	16	53.3	(55.8)
(Increase) / decrease in amounts due from customers under construction contracts	14	4.5	(6.9)
(Increase) / decrease in inventories	13	(0.3)	50.0
(Increase) / decrease in other assets		(5.0)	(2.8)
Increase / (decrease) in trade and other payables	18	(43.6)	43.9
Increase / (decrease) in amounts due to customers under construction contracts	21	(9.1)	18.7
Increase in other liabilities		(0.2)	(4.4)
Finance income received		8.7	10.8
Finance expense paid	20	(1.5)	(1.0)
Income tax refunded / (paid)		2.5	(7.8)
Net cash generated by operating activities		15.8	34.4
Investing activities			
Purchase of property, plant and equipment	12	(5.8)	(13.4)
Net cash used in investing activities		(5.8)	(13.4)
Cash flows used in financing activities			
Repayment of principal portion of lease liabilities	20	(10.5)	(6.6)
Dividends paid	11	(3.7)	(12.5)
Net cash flows used in financing activities		(14.2)	(19.1)
Net increase in cash and cash equivalents		(4.2)	1.9
Cash and cash equivalents at the beginning of the year		86.7	84.8
Cash and cash equivalents at the end of the year		82.5	86.7

Notes to the consolidated financial statements

1. Authorisation of financial statements and statement of compliance with IFRS

The consolidated financial statements of the BAM Construct & Ventures UK Limited Group (the 'Group') for the year ended 31 December 2024 were authorised for issue by the board of directors on 09 June 2025 and were signed on the board's behalf by Kim Sides. The parent company, BAM Construct & Ventures UK Limited ('the Parent') is incorporated and domiciled in England and Wales.

The consolidated financial statements were prepared in accordance with UK adopted international accounting standards.

These consolidated financial statements are presented in Sterling and all values are rounded to the nearest hundred thousand pounds (£0.1m) except when otherwise indicated.

The consolidated results of BAM Construct & Ventures UK Limited are also included in the consolidated financial statements of Royal BAM Group n.v., which are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL.

The material accounting policies adopted by the Group are set out in Note 2.

1.1 Going Concern

The financial statements of BAM Construct & Ventures UK Limited (the Company) and of its subsidiaries (together the Group) have been prepared on a going concern basis as the Directors have concluded that the Company and Group will continue in operational existence and meet its liabilities as they fall due for the period of their assessment which is to 30 June 2026.

The Group has net current assets of £61.3m and net assets of £116.5m. The Company meets its day to day working capital requirements through the cash retained in the Group (at year end £82.5m), and through access to its other cash pooling balances held with the Royal BAM Group (at year end £81.2m).

The Company and Group do not have any bank debt or other external borrowings or facilities, other than leases. The Company is a guarantor to borrowing facilities that are held by the Company's ultimate parent entity, Royal BAM Group n.v.. Please refer to Note 24 in the BAM Construct & Ventures UK consolidated financial statements for further details.

The Directors have prepared base case and severe but plausible downside financial forecasts for the review period until 30 June 2026. Taking into consideration the current environment, the forecasts show that the Group is expected to maintain positive cash flows in the base case and in the downside scenario which models reduced productivity and increased costs across the Group.

The Directors regularly monitor the impact of the macro environment that the Group operates. This environment has created inflationary pressures, which the Group looks to manage in a proactive manner as well as added pressure on the supply chain as a result of market volatility. However, despite these financial headwinds, they are not expected to have a significant impact on the Group's operations and future prospects.

However, given that the Company and the Group are reliant upon cash reserves held by the Royal BAM Group and is a guarantor of borrowings of its ultimate parent company, the Company and Group are reliant upon ongoing support of its ultimate parent. The Directors have received confirmation from the Company's ultimate parent entity that the Company and Group will be provided financial support for the period until 30 June 2026. The Directors have assessed the ability of its ultimate parent company to provide this support, based on financial information for the Royal BAM Group that has been shared to certain members of the Board. The Directors also attend monthly and quarterly management meetings and weekly liquidity reports are provided by Royal BAM Group's treasury function.

In view of the assessment performed, the Directors are satisfied that sufficient financial resources will be generated by the Company and the Group or received from its ultimate parent entity, Royal BAM Group n.v., to enable the Company and the Group to continue in operation and meet its liabilities as they fall due for the period to 30 June 2026.

Accordingly, the directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

Notes to the consolidated financial statements

2. Accounting policies

2.1 Basis of preparation

The preparation of financial statements in conformity with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.4.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services at the time. The consolidated financial statements provide comparative information in respect of the previous period.

The material accounting policies which follow set out those policies which apply in preparing the consolidated financial statements for the years ended 31 December 2024 and 2023.

The effect of climate-related matters have been considered, the overall impact to the financial statements is limited. The initiatives to carry out the sustainability strategies mainly impact future periods' investments and expenditures and to a lesser extent the expenditures during the year.

Assessment of supply chain disruptions and inflation

During 2023 and 2024, the Group's activities have been exposed to the effects of supply chain disruption and inflation. The significant increase in energy prices in 2023 have seriously impacted the price of steel and other materials that are key elements in the Group's construction activities. Prices for these materials stabilised during 2024, but cost pressure continued, mainly as a result of increased cost of labour. This all resulted in increased project-related costs in both years. In BAM FM Limited, for the vast majority of the projects, the exposure of the project result to the effects of inflation is limited as the respective contracts include a price indexation reimbursement clause. Based on such clause, the Group is entitled to additional (variable) revenue to offset the increased costs. The form and content of the price indexation reimbursement clause may vary per contract and in some situations is challenged by the Group's clients, resulting in increased uncertainty in estimating the overall project result.

The Group also has contracts that do not contain a price indexation reimbursement clause. For such contracts the Group generally mitigates its exposure to price fluctuations by securing or fixing purchase prices for materials. Due to supply chain issues and/or liquidity constraints driven by significantly increased purchase prices, there have been situations in which suppliers were unable to meet their commitments (in a timely manner), exposing the Group to the price risk. At each reporting date, the effects are specifically considered in estimates of the expected project result, see also note 2.4.

On an overall basis, the Group's project results have been negatively impacted by inflation and supply chain disruption. The Group continues to increase contractual awareness and periodically revisits project estimates to pay attention to the treatment of costs that are not contractually agreed and to the actions to address price changes in contracts.

As a corrective measure to increasing inflation, central banks increased interest rates. The effect of increasing interest rates is mainly reflected in the valuation of defined benefit obligations. The effects of changes in interest rates as well as the impact of further changes to them are disclosed in note 22. Furthermore, the effect of increasing interest rates has been considered as part of the Group's overall risk management, see note 19.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.2 Basis of consolidation

(a) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in the income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(c) Disposal of a business

When the Group ceases to have control in a business, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that business are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.3 Changes in accounting policies and disclosures

a) Application of new and revised standards

The following amendments apply for the first time as of 1 January 2024, but these do not have a material impact on the financial statements of the Company:

Classification of liabilities as current or non-current - Amendments to IAS 1

The amendment to IAS 1 clarifies how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendments are effective for the annual periods beginning on or after 1 January 2024.

Lease liability in a sale and leaseback - Amendments to IFRS 16

The amendment to IFRS 16 clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for the annual periods beginning on or after 1 January 2024.

Non-current liabilities with covenants - Amendments to IAS 1

The amendment to IAS 1 clarifies how conditions with which an entity must comply within twelve months after reporting period affect the classification of a liability. The amendments are effective for the annual periods beginning on or after 1 January 2024.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendment to IAS 7 and IFRS 7 add disclosure requirements and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for the annual periods beginning on or after 1 January 2024.

b) New standards and interpretations in issue but yet effective

Lack of exchangeability - Amendments to IAS 21

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are effective for the annual periods beginning on or after 1 January 2025.

There are no other IFRSs or IFRIC amendments effective as per 1 January 2024 that have a material impact on the Company.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.4 Judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reported amounts are based on factors which inherently are associated with uncertainties. Actual results may therefore differ materially from these estimates. The most significant judgments and estimates are summarised below.

Revenue Recognition

Contract revenue and costs

The Group's revenue recognition policies as specified in note 2.5 require management to make judgments and estimates, particularly for revenue that is recognized over time. Revenue for performance obligations that are satisfied over time are generally recognized using the cost-to-cost method (i.e. an input method). This method requires a forecast to be made of the profit margin on the performance obligation upon its completion and the costs yet to incur. The stage of completion is then determined by comparing actual costs incurred to date to total costs to complete the performance obligation. The Group has coordinated systems for cost estimating, forecasting and revenue and costs reporting. The system also requires a consistent judgement (forecast) of the final outcome of the project, including analyses of variances from earlier assessment dates.

Making forecasts of the profit margin upon completion of the performance obligation involves judgments and estimates on costs as well as revenue. On the cost side, estimates are to be made with respect to costs to be incurred to complete the performance obligation as well as maintenance and defect liabilities. On the revenue side estimates are to be made with respect to the amount of variable consideration and judgments are required to determine whether such variable consideration should be constraint. Variable consideration includes fees for changes in scope of work ("variation orders"), unpriced variation orders, claim income from customers as well as performance bonuses and/or penalties ("liquidated damages"). Estimates of variable consideration are to be constraint to an amount that is not highly probable of a significant reversal. The Group quantifies highly probable as a probability of 75% or more.

Variable consideration is generally included in total revenue (i.e. not constraint) when:

- The additional amounts are already covered by a customer payment;
- The Group has a formal approval from the customer on the respective additional amount of fee proposed by the Group;
- The Group has a written instruction or approval on the change in scope of work and when related amounts are contractually agreed based on specific contract rates, underlying costs or underlying costs plus a normal profit margin;
- The additional amounts are covered by written settlement offers from the customer.

In exceptional circumstances, variable consideration may also be included in total revenue when none of the above criteria are met and/or when there is a dispute with the customer. In such circumstances, the highly probable criterion is generally substantiated by advice or opinion of a lawyer.

Several large and complex projects are exposed to higher levels of estimation uncertainties which are inherent to the overall value of the respective projects. These estimation uncertainties relate to unpriced variation orders and contractual claims. Constraints on variable considerations for these projects mainly relate to change orders requested by the client but not approved, contractual penalties in relation to time extension (claims) and recovery of costs in relation to design issues. The outcomes of negotiations and settlements regarding these variation orders and claims can have a broad range. Different outcomes to the assumptions applied as part of these estimates could have a significant impact on the Groups overall financial results.

Due to the level of uncertainty, combination of cost and high number of income variables and timing across a large portfolio of contracts (in excess of 1,000) at different stages of their contract life, it is impracticable to provide a quantitative analysis of the aggregated judgements that are applied at a contract and/or portfolio level.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.4 Judgements and key sources of estimation uncertainty (continued)

Defined benefit plans (pension benefits)

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate, expected salary growth rates and expected indexation of pensions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds (AA) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based on current market conditions and envisaged developments. Sensitivity analyses in respect of these assumptions is disclosed in note 22.

Unpriced variation orders

Variation orders are changes that are clearly instructed by the client. The Group assesses that variable considerations involving unpriced variation orders are highly probable when it has a probability of at least 75%, that a significant reversal in the amount of cumulative revenue will not occur once the uncertainty related to the variable consideration is subsequently resolved. The group recognizes variable considerations in unpriced variation orders in the following circumstances:

Variation orders that have clear evidence available that the amounts meets the highly probable criterion are usually in (but not limited to) the following circumstances:

- The instruction or approval is documented. Amounts are expected to be based on costs or costs plus regular margin or contract rates
- Amounts covered by customer payments
- Amounts covered by documented settlement offers from the customer

Variation orders where the highly probable criterion is based on judgement are present in the following circumstances:

- Changes are without documented instruction of the client but the variation order is substantiated by other evidence such as advanced stage of negotiations. In some cases, the form of the contract entitles the Group to additional remuneration in case the work changes or additional work is required.
- Additional project cost, on top of direct cost from variation orders (e.g. delays or redesign / adjustments)

In the situation that meeting the highly probable criterion is based on judgement, this judgement is supported by written evidence that demonstrates the efforts by the client to reach a settlement are at an advance stage, legal opinions or court or arbitration decisions, or other evidence which supports the highly probable criterion.

Claims receivable

In the normal course of business the Group recognises contract assets in connection with claims for (partly) satisfied performance obligations due from the principal and/or insurance claims as reimbursement for certain loss events on projects. Claims for satisfied performance obligations are part of the variable considerations under IFRS 15. Project related claims on principals are recognised when it is highly probable that no significant reversal in the cumulative revenue recognised regarding the claim, will occur.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.4 Judgements and key sources of estimation uncertainty (continued)

The Group considers both the likelihood and the magnitude of a possible revenue reversal. Factors that could increase the likelihood or the magnitude of a revenue reversal include, but are not limited to, any of the following:

- The amount of consideration is highly susceptible to factors outside the entity's influence. Those factors may include the judgement or actions of third parties like the court or an arbitration committee or weather conditions;
- The uncertainty about the amount of consideration is not expected to be resolved for a long period of time;
- The entity's experience (or other evidence) with similar types of contracts is limited, or that experience (or other evidence) has limited predictive value;
- The entity has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances;
- The contract has a large number and broad range of possible consideration amounts.

Insurance claims can be recognised only if it is virtually certain that the amount recognised will be reimbursed. See note 2.5 for further explanation regarding the recognition of variable considerations.

Income Tax

The Group is subject to income taxes in the UK. Judgement and estimates are required in determining the provision for income taxes, particularly in determining the carrying amount of deferred tax assets and the amount of liabilities for (potential) uncertain tax positions. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Such estimates are based on the technical merits of the underlying position. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are recognised for tax losses carry-forwards, temporary differences and tax credits to the extent that realisation of the related tax benefit through future taxable profits is probable. This requires estimating the amount of future taxable profits, for which a forecast window of five years is generally applied, and to apply judgment in assessing probability of actually achieving the forecasted levels.

Impairment of land and building rights and property development

Trading properties are carried at the lower of cost and net realisable value.

The estimation of the net realisable value of the Group's trading properties, is inherently subjective due to a number of factors, including their complexity, unusually large size, the substantial expenditure required and long timescales to completion. In addition, as a result of these timescales to completion, the plans associated with these programmes could be subject to significant variation. As a result, the net realisable values of the Group's trading properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate.

If the assumptions upon which the directors have based their valuation prove not to be accurate, this may have an impact on the carrying value of the Group's properties, which would in turn have an effect on the Group's financial position.

Provisions

Liabilities may arise in respect of subcontractor and other third party claims made against the Group, in the normal course of trading. These claims can include those relating to cladding/legacy fire safety matters, and defects. A provision for such claims is only recognised to the extent that the Directors believe that the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. These provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities, judgement is applied and re-evaluated at each reporting date. The range of potential outcomes on contract provisions as a result of uncertain future events could result in a materially positive or negative swing to profitability and cash flow.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies

a) Presentation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within 'administration and other expenses'.

The following exchange rates of the euro against the pound sterling (£) have been used in the preparation of these financial statements:

- Closing exchange rate: 0.8292 (2023: 0.8687)
- Average exchange rate: 0.8461 (2023: 0.8705)

b) Revenue recognition

The Group recognises revenue when it transfers control over a product or service to its customer, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The Group's revenue is generally related to:

- Construction contracts
- Property sales proceeds
- Maintenance and service contracts

Revenue recognition is subject to judgments and uncertainties. A provision is recognised when contracts for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. This assessment is based on a contract as a whole including all performance obligations. In determining the amount of variable considerations as part of the economic benefits expected to be received under the contract, the same policies apply as those described below.

1) Construction contracts

Construction contracts are contracts that are specifically negotiated for the construction of an asset for a client. The construction of an asset is generally one performance obligation and the transaction price generally consists of a fixed part and several variable parts. Variable parts include (but are not limited to) contractual options to a customer to make changes to the design or construction of the asset, inflation reimbursement clauses, performance incentives and liquidated damages. Variable revenue may also include changes to the design or construction of the asset for which the respective price has not been agreed. Variable revenue is generally constraint and recognized only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. It is common practice for a contract to be subject to variation orders. These variation orders generally do not result in additional distinct goods and services and do not have a distinct price. Therefore they are accounted for as a cumulative catch-up adjustment.

In general, the Group is building on the land of the customer or improving an asset of the customer, which results in creating an asset that the customer controls as the asset is created. As a result, revenue for construction contracts is recognized over time, generally using the cost-to-cost method (i.e. an input method). Costs are recognised as incurred and revenue is recognised on the basis of the proportion of total costs at the reporting date to the estimated total costs of the contract.

Estimated total costs of the contract may include cost contingencies to take account of the specific risks that have been identified during the early stages of the contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

The Group defines a construction contract as a contract specifically negotiated for the construction of an asset. On the balance sheet, the Group reports the net contract position for each (construction) contract as either a contract asset or a contract liability. A contract asset is recognized when the Group has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time. A contract liability is recognized when the Group has an obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2) Property Sales Proceeds

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

3) Maintenance and service contracts

The Group also operates maintenance and service contracts. These services can be sold as separate contracts (e.g. facilities management) but also as part of a larger contract with other promised goods or services (e.g. maintenance of an highway that was also constructed). When part of a larger contract, the maintenance and service component generally represents a separate service and the transaction price is allocated to performance obligations based on the relative stand-alone selling price.

Revenue from maintenance and service contracts are recognised when a performance obligation is satisfied. Usually, revenues from services are recognized over time by reference to the stage of completion on the basis of the actual service costs realised respective to the total expected service costs under the contract.

BAM FM has a number of long-term lifecycle contracts to maintain properties over periods of up to 30 years. A fund is established at the start of the contract and amounts are drawn down by BAM as maintenance work is performed. BAM is also entitled to any surplus left in the fund. Revenue is recognised overtime to reflect the rendering of the service, including an assessment of the appropriate proportion of the likely surplus in the fund, subject to being highly probable not to reverse. BAM does not deem there to be a significant financing component.

c) Other revenue

Other revenue includes, among other items, rental income under an operating lease and (sub)lease of property, plant and/or equipment. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

d) Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations. Joint ventures are joint arrangements whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint venture. The parties to the arrangement have agreed contractually that control is shared and decisions regarding relevant activities require unanimous consent of the parties which have joint control of the joint venture.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures.

e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other categories of property, plant and equipment is determined using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Plant, machinery and vehicles – over 1 to 12 years
- Office fixtures and equipment – over 5 to 10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. At the end of each reporting period the carrying amounts of property, plant and equipment are reviewed to assess whether there is an indication of impairment. If such an indication exists, the asset's recoverable amount is determined. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating expenses in the income statement.

f) Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost in the income statement.

g) Financial Instruments

1) Financial assets

Classification

Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired or issued. In principle, the financial assets are held in a business model whose objective is to collect contractual cash flows over the lifetime of the instrument.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

Recognition and measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial assets at amortised cost include trade receivables, contract assets, amounts due from related parties and other receivables. Financial assets are derecognised when the right to receive cash flows from the instrument have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Impairment of financial assets

If the credit risk on a financial asset, not held at fair value through profit or loss, has not increased significantly since initial recognition, the loss allowance for that financial instrument is the 12-month expected credit losses (ECL). If the credit risk on a financial asset has significantly changed since initial recognition the loss allowance equals the lifetime expected credit losses. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Indications of increase in credit risk for financial assets are if a debtor or a group of debtors:

- experience significant financial difficulty;
- are in default or delinquency in interest or principal payments;
- have increased probability of default;
- other observable data resulting in increased credit risk.

For all financial assets, not held at fair value through profit or loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, taking into account the value of collateral, if any. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

2) Financial liabilities

Initial recognition and subsequent measurement

Management determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials and consumables – purchase cost on a first-in, first-out basis
- Land and property developments – The Group capitalises interest on specific finance raised once development commences and until practical completion, based on the total actual finance cost incurred on the borrowings during the year. When properties are acquired for future redevelopment, interest on borrowings is expensed to the profit and loss account. When redevelopment commences interest on borrowings is capitalised as above. The cumulative amount of interest capitalised in the land and developments relating to assets included in work in progress at the date of the statement of financial position is £0.7m (2023: £0.7m).

Net realisable value is based on estimated selling price in the ordinary course of business, less any further costs expected to be incurred to completion and disposal less applicable variable selling expenses.

i) Trade and other receivables

Trade receivables and other debtors, which generally have 30–90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss.

Provision for impairment is made through profit or loss when there is objective evidence that the Group will not be able to recover balances in full.

j) Cash at bank and in hand

Cash and short term deposits in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

k) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, but only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the date of the statement of financial position.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position.

Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

l) Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Pensions and other post-employment benefits

The Group participates in one multi-employer defined benefit pension plan that required contributions to be held in separate trustee administered funds. This scheme was closed to new members from August 2004 at which time membership of a defined contribution plan has been available. From October 2010 the defined benefit pension plan was closed to future accruals or contributions from its existing members and from 2016 the link to final salary for calculating benefits due to these members was removed.

The cost of providing benefits under the now closed defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

Net finance income is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, effect of the asset ceiling and return on net assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions.

The Group also participates in several defined benefit pension schemes under 'TUPE' arrangements that relate to historic staff transfers, where they were members of either the 'Local Government Pension Scheme (LGPS)' or the 'Federated Pension Plan (FPP)', collectively referred to as 'TUPE Schemes'. These schemes are multi-employer schemes where the Company's UK parent has 'Admitted Body' status as a sponsoring employer with minority participation. With the exception of the Federated Pension Plan and the Lothian Scheme, the Group is unable to identify its share of the assets and liabilities in these schemes on a reliable and consistent basis. The information available from the respective scheme Actuaries relates to the overall scheme valuations rather than the relevant Company's participation as an Admitted Body. The Group accounts for these non-disaggregated schemes as defined contribution schemes.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

An analysis of pension arrangements is provided in Note 22.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

n) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

o) Leases

The group is lessee for a range of assets that are used in the ordinary course of business. At inception of a contract, the Group assesses whether it is or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and it applies the lease of low-value assets recognition exemption that are considered of low value (i.e., below €5,000). Payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. At the end of each reporting period the carrying amounts of right-of-use assets are reviewed to assess whether there is an indication of impairment. If such an indication exists, the asset's recoverable amount is determined. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful life of the majority of leased assets are as follows:

Land and buildings	1 to 10 years
Cars	1 to 4 years
Equipment	1 to 8 years
IT equipment	1 to 5 years
Other	1 to 11 years

The Group recognises lease liabilities at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The lease term comprises the non-cancellable term of the lease plus any periods covered by an option to extend the lease if it is reasonably certain to be exercised and any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For several leases, the Group has renewal and/or extension options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Usually, the Group is able to be reasonably certain if an option is exercised around two years before the lease term ends. The renewal options for leases of cars are not included as part of the lease term because the Group typically leases cars for not more than six years and, hence, is not exercising any renewal options.

Notes to the consolidated financial statements

2. Accounting policies (continued)

2.5 Material accounting policies (continued)

Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, non-lease components related to the leased asset, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the profit and loss.

After the commencement date, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from a change in an index. The lease liability is then remeasured by discounting the revised lease payments by using the initial discount rate;
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

p) Statement of cash flows

The statement of cash flows is prepared using the indirect method. The net cash position in the statement of cash flows consists of cash and cash equivalents, net of bank overdrafts.

Cash flows in foreign exchange currencies are converted using the average exchange rate. Exchange rate differences on the net cash position are separately presented in the statement of cash flows. Payments in connection with interest and income tax are included in the cash flow from operating activities. Paid dividend is included in cash flow from financing activities.

In the statement of cash flows the interest paid related to leases is presented as part of the cash flow from operating activities, while the repayments are presented as part of the cash flows from financing activities.

Notes to the consolidated financial statements

3. Revenue

Revenue recognised in the statement of comprehensive income is analysed as follows:

	2024 £m	2023 £m
Construction contracts revenue	778.9	897.6
Facilities Management services revenue	119.7	96.6
Property sales proceeds	–	64.6
Plant hire and services	25.2	12.3
Revenue from continuing operations	923.7	1,071.1

All revenue was generated in the United Kingdom.

The following information relates to all construction contracts in progress at the statement of financial position date.

	2024 £m	2023 £m
Aggregate amount of costs incurred and recognised profits (less losses) to date	1,872.3	2,552.1
Retention asset	43.3	47.9
Advances received	18.5	5.6

Retention assets are included in trade receivables. Advances are presented as part of Amounts due to customers for contract work.

Other revenue disclosures

The revenue recognised that was included in the project contract liability balance at the beginning of the period, has been fully recognised in the current year. Within the construction business, regular advance payments are made to the Group but never leading to significant pre-financing longer than a year.

The revenue recognised from performance obligations satisfied in previous periods amounts to £nil. Performance obligations could be satisfied once the technical completion is final and control has been fully transferred to the client. It is common however to finalise the last pricing discussions regarding variable considerations, of which claims, after the control has been transferred. Due to the higher threshold to value variable considerations, claims that are settled for a higher amount than valued, might lead to revenue from previously satisfied performance obligations.

Projects might run for a period longer than one year, or might transfer from one calendar year to the other. The revenue expected related to unsatisfied performance obligations (existing or new project wins) are as follows:

	2024 £m	2023 £m
Up to 1 year	699.8	573.8
2 to 5 years	498.0	348.1
	1,197.8	921.9
Over 5 years	314.1	374.5
Total	1,511.9	1,296.4

The Group has not used the practical expedient to exclude performance obligations with an original expected duration of one year. These are included in the above mentioned time buckets.

Notes to the consolidated financial statements

4. Joint venture

A part of the Group's activities is carried out in joint arrangements classified as joint ventures. These arrangements remain in place until a project is finished. In practice, the duration of the majority of the joint venture is limited to a period of between 1 and 4 years, with the exception of joint venture in connection with land and building rights held for strategic purposes. The Group has a 50% interest in BAM TCP Atlantic Square Limited (joint venture).

Set out below is the joint venture of the Group as at 31 December 2024 that is individually material to the Group. Nature of investment in the joint venture in 2024 and 2023:

	Principal activity	Country of incorporation	% Share 2024	% Share 2023
BAM TCP Atlantic Square Limited	Property development	United Kingdom	50%	50%

Set out below are the summarised financial information for the joint venture that is individually material to the Group, including reconciliation to the carrying amount of the Group's share in the joint venture, as recognised in the consolidated financial statements. This information reflects the amounts presented in the financial statements of the joint venture adjusted for differences in the Group's accounting policies and the joint venture.

	2024 £m	2023 £m
BAM TCP Atlantic Square Limited		
Current assets	37.9	36.5
Non-current assets	–	–
Current liabilities	(33.4)	(31.3)
Non-current liabilities	–	–
Net assets	4.5	5.2
Of which:		
Cash and cash equivalents	2.5	2.0
Current financial liabilities	–	–
Non-current financial liabilities	–	–
Net assets	4.5	5.2
Groups share 50%	2.3	2.6
Preferential right of return	2.2	2.2
Carrying amount	4.5	4.8
Revenue	–	–
Loss before tax	(0.9)	(1.4)
Other comprehensive income	–	–
Of which:		
Finance income	–	–
Finance expense	–	–
Income tax	0.2	0.3
Loss after tax	(0.7)	(1.1)
Share in loss	(0.3)	(0.5)

Notes to the consolidated financial statements

4. Joint venture (continued)

The carrying amount of the investment in joint venture is higher than BAM's percentage interest in the net assets of the joint venture due to the preferential right of return included in the distribution policy in the JV agreement.

The Group's share in the joint venture BAM TCP Atlantic Square is based on its share in the members' capital.

Contractually, the Group has a 50 per cent share in profit rights. In addition, the Group bears the risks in the operational phase until completion of the projects which are acquired by the joint venture. If the Group's share in losses exceeds the carrying amount of the joint venture, further losses will not be recognised, unless the Group has a legal or constructive obligation.

Set out below are the aggregate information of joint ventures that are not individually material to the Group.

	2024 £m	2023 £m
Share in loss joint venture BAM TCP Atlantic Square	(0.3)	(0.5)
Share in equity joint venture BAM TCP Atlantic Square	4.5	4.8
	4.5	4.8

5. Operating (loss)/profit

	2024 £m	2023 £m
This is stated after charging:		
Depreciation of owned assets	4.6	3.9
Depreciation of right-of use assets	9.1	6.5
Loss on disposal of owned assets	0.3	1.1
Fx gains / (losses)	–	–
Government grants received	1.3	–

6. Auditor's remuneration

	2024 £000	2023 £000
Audit of Group's consolidated financial statements	252	206
Audit of Parent Company's financial statements	207	169
Audit of Parent Company's subsidiaries	569	466
Total audit	1,028	841
Audit-related fees	–	–
Total fees paid by the Group	1,028	841

Fees paid to the Group's auditor, Ernst & Young LLP for the statutory audit of the Group, Parent Company and subsidiary.

Notes to the consolidated financial statements

7. Capital management

For the purpose of the Group's capital management, capital includes issued share capital and all other equity reserves attributable to the equity holders of the Parent Company. The primary objective of the Group's capital management is to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants operating on loan facilities held by the Group. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the immediate parent or return capital to shareholders. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables due in less than one year (excluding accruals), less cash and short-term deposits.

	2024 £m	2023 £m
Trade and other payables due in less than one year (Note 18)	136.7	125.6
Less: cash and short-term deposits	(82.5)	(86.7)
Net deficit / (surplus)	54.2	38.9
Shareholder's equity	116.5	122.0
Capital and net debt	170.7	160.9
Gearing ratio %	31.8	24.2

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it assists Royal BAM Group n.v. in meeting the financial covenants attached to the loan facilities and borrowings at the ultimate parent company, that define capital structure requirements that existed in previous years. Breaches in meeting the financial covenants, if not waived, would permit the bank to immediately call in loans and borrowings.

Royal BAM Group n.v. are responsible for managing the compliance with the financial covenants, and there have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

Notes to the consolidated financial statements

8. Staff costs and directors' remuneration

All staff costs and directors' remuneration costs for the Group were met by the Parent Company, BAM Construct & Ventures UK Limited.

	2024 £m	2023 £m
Staff costs		
Short-term employee benefits	105.6	116.8
Social security charges incurred by the employer	10.4	12.7
Retirement benefits	13.6	15.1
Termination benefits paid	3.3	0.9
Total staff costs incurred	132.9	145.5

The average number of persons employed by the Group during the year including directors, was as follows:

	2024 No.	2023 No.
Staff	1,259	1,528
Operatives	541	528
	1,800	2,056

Key management of the Group represents the directors appointed to the board of the Parent Company who perform services in one or more of the operating companies in the Group. Their costs along with those of other members of staff may be subject to recharge as part of an administration fee levied on these entities.

	2024 £m	2023 £m
Directors' remuneration		
Short-term employee benefits	3,360	1,253
Social security charges incurred by the employer	412	160
Total compensation paid	3,772	1,413

The highest paid director received total emoluments (including benefits but excluding social security charges levied on the employer) of £1,444,789 in 2024 (2023: £635,195).

	2024 £000	2023 £000
Amounts receivable under long term incentive plans	815	192
Number of directors who received shares in respect of qualifying services	2	2

The highest paid director in 2024 received shares under the ultimate group undertaking's long term incentive scheme.

In 2024, three directors (2023: one) were members of a defined pension contribution scheme.

Notes to the consolidated financial statements

8. Staff costs and directors’ remuneration (continued)

Share Based Payments

Directors of BAM Construct & Ventures UK participate in a long-term incentive plan operated by the parent Company, Royal BAM Group nv. The long-term incentive plan consists of a conditional share-based compensation plan called the Performance Share Plan. The Performance Share Plan is applicable for members of the Executive Board and selected positions below the Executive Board of Royal BAM Group n.v.

Under the Performance Share Plan the number of performance shares granted is calculated by dividing the award value (expressed as a percentage of fixed remuneration) by the average share price based on the five trading days after the Royal BAM Group n.v. Annual General Meeting ('AGM'). The shares are granted on the sixth trading day following the day of the Royal BAM Group n.v. AGM and vest subject to the achievement of pre-determined performance conditions during a three-year period and provided that the participant is still employed by BAM Construct & Ventures UK Limited or Royal BAM Group n.v. Participants are not allowed to divest any shareholding until the two year lock-up period has lapsed and the minimum share ownership requirements are met, with the exception of any sale of shares during the lock-up period to finance tax (and other levies) payable at the date of vesting. The value at the date of vesting of the Performance Share Plan is capped at 2.5 times the award value. The shares are equity settled.

The full assumptions applied to the Performance Share Plan are disclosed in the Royal BAM Group n.v. financial statements.

9. Finance income

	2024	2023
	£m	£m
Bank interest receivable	2.4	1.6
Interest receivable from fellow group undertakings	7.2	9.9
	9.6	11.5

Interest receivable from fellow Group undertakings relates to outstanding loans made to subsidiaries in the wider Royal BAM Group n.v..

Notes to the consolidated financial statements

10. Income tax

a) Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 £m	2023 £m
Current income tax:		
Current income tax (credit)/charge	(1.3)	(4.1)
Adjustments in respect of current income tax of previous year	0.7	0.4
Current tax (credit)/charge	(0.6)	(3.7)
Deferred tax:		
Relating to origination and reversal of temporary differences	2.2	2.6
Share based payments	-	(0.3)
Adjustments in respect of prior period deferred tax	(0.9)	-
Total deferred tax	1.3	2.3
Income tax (credit)/expense reported in the profit or loss	0.7	(1.4)
Deferred tax relating to items recognised in other comprehensive income during the year:		
Net gain on re-measurement gains and losses on defined benefit plans	(1.6)	(6.0)
Income tax recognised in other comprehensive income	(1.6)	(6.0)

b) Reconciliation of the total tax charge

The tax rate charged on profits on ordinary activities for 2024 is lower (2023: higher) than the statutory corporation tax rate enacted in the UK. The corporation tax rate of 25% for 2024 (2023: 23.5%) is derived from the statutory corporation tax rates enacted for the fiscal year (April to March).

	2024 £m	2023 £m
Accounting (loss)/profit before tax	3.9	(11.1)
(Loss)/profit on ordinary activities multiplied by UK Corporation tax rate of 25% (2023: 23.5%)	1.0	(2.6)
Adjustments in respect of current income tax of previous years	0.7	0.4
Adjustments in respect of prior period deferred tax	(0.9)	-
Income not taxable for tax purposes	(0.1)	0.1
Expenses not deductible for corporation tax purposes	-	0.6
Effect of changes in tax rate	-	0.1
Income tax (credit)/expense reported in the statement of comprehensive income	0.7	(1.4)

Notes to the consolidated financial statements

10. Income tax (continued)

c) Factors that may affect future tax charges

The deferred tax balance as at the year end has mainly been recognised at 25.00% (2023: 25.00%), which is the enacted corporation tax rate effective from 1 April 2024.

d) Deferred tax

The deferred tax included in the consolidated statement of financial position relates to the following:

	2024 £m	2023 £m
Deferred tax asset		
Balance at 1 January	0.2	0.6
Tax income recognised in the profit and loss	0.1	(0.7)
Tax relief recognised in equity	(0.3)	0.3
Balance at 31 December	-	0.2

A deferred tax asset in respect of depreciation in advance of capital allowance relief has been recognised in the accounts on the grounds that there will be suitable taxable profits within the tax group. Based on all available evidence management believe this will allow for the future reversal of the underlying temporary differences.

	2024 £m	2023 £m
Deferred tax liability		
Balance at 1 January	(1.6)	(6.0)
Tax expense recognised in the profit and loss	(1.4)	(1.6)
Tax income recognised in the OCI	1.6	6.0
Balance at 31 December	(1.4)	(1.6)

The deferred tax liability is in respect of the Group's defined benefit pension liabilities. There are no income tax consequences attached to the payment of dividends in either 2024 or 2023 by the group to its shareholders.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. Royal BAM Group n.v. completed an initial assessment of the impact of the new rules. Based on this initial assessment the Group expects to apply the transitional safe harbour rules in the UK. The applicable UK tax rate is 25%, well above the minimum rate of 15%. The adoption of the Pillar Two Model rules in the UK is expected to have no material impact. The Group applies the mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

11. Dividends paid and proposed

Dividends declared and paid during the year amounted to £3.7m, £0.09 per share (2023: £12.5m, £0.31 per share).

Notes to the consolidated financial statements

12. Property, plant and equipment

	Short leasehold property £m	Plant, machinery and vehicles £m	Fixtures and office equipment £m	Total £m
Cost				
Balance at 1 January 2023	1.1	14.9	16.6	32.6
Additions	–	12.4	1.0	13.4
Disposals	–	(2.4)	(0.2)	(2.6)
Balance at 31 December 2023	1.1	24.9	17.4	43.4
Additions	–	3.6	2.2	5.8
Disposals	–	(4.5)	–	(4.5)
Reclassifications	–	5.7	(5.7)	–
Balance at 31 December 2024	1.1	29.7	13.9	44.7
Depreciation				
Balance at 1 January 2023	1.1	10.1	14.3	25.5
Charge for the year	–	2.9	1.0	3.9
Disposals	–	(1.4)	(0.1)	(1.5)
Balance at 31 December 2023	1.1	11.6	15.2	27.9
Charge for the year	–	3.4	1.2	4.6
Disposals	–	(4.2)	–	(4.2)
Reclassifications	–	5.3	(5.3)	–
Balance at 31 December 2024	1.1	16.1	11.1	28.3
Net book value				
At 1 January 2023	–	4.8	2.3	7.1
At 31 December 2023	–	13.3	2.2	15.5
At 31 December 2024	–	13.6	2.8	16.4

The gross carrying value of fully depreciated property, plant and equipment still in use at the date of the consolidated statement of financial position is £17.4m (2023: £27.3m)

Notes to the consolidated financial statements

13. Inventory, land and property developments

	2024 £m	2023 £m
Balance at 1 January	16.5	66.5
Additions	0.5	1.0
Disposals	(0.2)	(51.0)
Balance at 31 December	16.8	16.5

14. Contract assets

At December 2024, the Group had contract assets of £70.4m (2023: £74.9m), which was net of expected credit loss allowance of £nil (2023: £nil). Contract assets consist of amounts recoverable on contracts. The change in contract assets in the year is due to normal activity and timing of certification work done in the construction business. Other changes as mentioned in IFRS 15 (paragraph 118) are not relevant.

15. Right-of-use assets

	Land and buildings	Equipment and installation	Cars	Other	Total
As at 1 January 2023	13.2	0.8	5.3	–	19.3
Additions	–	1.4	8.5	–	9.9
Disposals	–	–	–	–	–
Depreciation charges	(2.2)	(1.3)	(3.0)	–	(6.5)
Remeasurement	(1.4)	–	–	–	(1.4)
	(3.6)	0.1	5.5	–	2.0
As at 1 January 2024	9.6	0.9	10.8	–	21.3
Additions	2.2	13.2	3.7	–	19.1
Disposals	–	–	–	–	–
Depreciation charges	(2.2)	(2.1)	(4.8)	–	(9.1)
Remeasurement	–	(0.3)	(0.5)	–	(0.8)
	–	10.8	(1.6)	–	9.2
As at 31 December 2024	9.6	11.7	9.2	–	30.5

See note 20 Lease liabilities for the corresponding lease liabilities.

Notes to the consolidated financial statements

16. Trade and other receivables

	2024 £m	2023 £m
Current		
Trade receivables	48.7	59.3
Retentions	25.9	30.6
Amounts due from ultimate parent	81.2	140.7
Amounts due from other group undertakings	63.7	42.3
	219.5	272.9
Non-current		
Loans to Joint venture	12.7	11.8
Retentions	17.4	17.3
	30.1	29.1

The loan to joint venture is to BAM TCP Atlantic Square Limited at an interest rate of 2% above the bank of England base rate and is repayable on demand.

The loan to joint ventures is classified as non-current due to the expectation of it being settled in greater than 12 months. Apart from trade receivables none of the other assets were subject to impairment.

Retentions relate to amounts retained by customers on progress billings.

	2024 £m	2023 £m
Allowance for doubtful debts		
Balance at 1 January	0.5	0.4
Addition for the year	0.1	0.1
Release unused provision	(0.3)	–
Balance at 31 December	0.3	0.5
Current	0.3	0.5
Non-current	–	–

Notes to the consolidated financial statements

16. Trade and other receivables (continued)

The creation and release of provisions for impaired receivables have been included in 'Administration and other expenses' in the income statement.

	2024 £m	2023 £m
Aged analysis of trade receivables		
Not past due	44.8	53.1
60 – 90 days	1.5	2.9
90 – 120 days	0.9	0.5
Over 120 days	1.6	2.8
	48.8	59.3

Customer credit risk is managed by each business in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

17. Cash and short-term deposits

	2024 £m	2023 £m
Cash at banks and on hand	82.5	86.7

£0.5m (2023: £1.8m) of cash at bank and on hand is not available to be utilised without joint agreement with third parties.

18. Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	40.8	47.2
Accrued costs completed projects	16.2	8.6
Accrued costs work in progress	113.0	146.5
Amounts due to ultimate parent	-	1.2
Amounts due to other group undertaking	57.0	44.0
Other creditors	38.9	33.2
Accruals and deferred income	19.5	17.3
	285.4	298.0
Non-current		
Lease liabilities	19.8	15.8
Retentions	9.9	11.1
	29.7	26.9

Notes to the consolidated financial statements

19. Financial risk management

Managing financial risk is an integral part of the Group's conduct of business. Stringent policies designed to identify, manage, and mitigate both existing and new risks apply at various levels of management throughout BAM Construct & Ventures UK business units.

a) Credit risk

The Group is exposed to potential credit risk on financial instruments such as liquid assets and trade receivables. BAM Construct & Ventures UK manages credit risk by placing its investments in liquid assets with high quality financial institutions. In line with normal business practice, the Group operates credit management procedures and regularly reviews credit rating information regarding organisations to which the Group considers extending credit arrangements.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 16.

The Group's top 10 customers owed it £25.9m (2023: £30.8m) and this constitutes 53% (2023: 52%) of trade receivables total.

b) Liquidity risk

Liquidity risk and cashflow are actively managed through regular preparation and monitoring of plans, budgets and quarterly forecasts. Cash flow risk is mitigated through the operation of appropriate invoicing and payment cycle terms contained within each contract.

c) Price and value risk

Price and value risk is monitored constantly at Group level as part of the review of management forecasts as part of the appraisal process. Price risk is further mitigated by benchmarking selected activity within each contract. Benchmarking is principally undertaken at the start of every significant contract, with adjustments made to selected activity pricing to reflect current market value.

The Group finances projects through a combination of leases and cash and short-term deposits. New projects are evaluated with regard to these financing arrangements. Live projects are monitored continuously with regular forecasting, to identify any deviation early and ensure managers take corrective action, thus minimising financial risk. This ensures that any observable evidence of impairment for loss-making contracts can be identified as early as possible. No significant uncovered risks were identified for the period presented in this report, or at the time this report was approved by directors.

The Group's principal financial liabilities comprise trade and other payables and amounts due to customers. The main purpose of these financial liabilities is as a consequence of the majority of its operations being a traditional Construction business. The Group's principal financial assets include trade and other payables, deferred tax and provisions that arrive directly from its operations.

Notes to the consolidated financial statements

19. Financial risk management (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2024	Carrying amount	<1 year	1–5 years	>5 years
Trade and other payables	146.6	136.7	9.9	–
Lease liabilities	33.8	11.0	21.7	1.1
	180.4	147.7	31.6	1.1

Year ended 31 December 2023	Carrying amount	<1 year	1–5 years	>5 years
Trade and other payables	136.7	125.6	11.1	–
Lease liabilities	25.5	7.9	15.7	1.9
	162.2	133.5	26.8	1.9

Fair values of financial assets and liabilities

There are no material differences between the book values and fair values for any of the Group's financial instruments carried at amortised cost.

20. Lease liabilities

The Group leases various land and buildings, equipment and installations, IT equipment, cars and other items from third parties under non-cancellable lease agreements. The lease agreements vary in duration, termination clauses and renewal options. The average incremental borrowing rate applied is 6.2 per cent as per 31 December 2024 (2023 6.4 per cent).

See note 15 Right-of-use assets for the corresponding right-of-use assets.

Set out below are the discounted carrying amounts of lease liabilities and the movements during the period:

	Lease liabilities 2024 £m	Lease liabilities 2023 £m
As at 1 January	23.3	22.2
Additions	18.8	9.7
Accretion of interest	1.5	1.0
Remeasurements	(0.8)	(2.0)
Payments	(12.0)	(7.6)
As at 31 December	30.8	23.3
Current	11.0	7.5
Non-current	19.8	15.8
As at 31 December	30.8	23.3

Notes to the consolidated financial statements

20. Lease liabilities (continued)

The undiscounted future lease payments as included in the lease liabilities, presented in time buckets, are as follows:

	Lease liabilities 2024 £m	Lease liabilities 2023 £m
Up to 1 year	11.0	7.9
1 to 5 years	21.7	15.7
Over 5 years	1.1	1.9
	33.8	25.5

In addition to the identified lease liabilities above, an amount of £nil million (2023: £nil million) of lease commitments exist regarding the short-term leases. Given the applied practical expedient, these leases have not been included in the lease liabilities and are therefore not stated in the table above.

The Group has several lease contracts that include extension and termination options. These options are negotiated

by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Expenses

The following are the amounts recognised in profit or loss:

	Notes	2024 £m	2023 £m
Depreciation expense of right-of-use assets	15	9.1	6.5
Interest expense on lease liabilities		1.5	1.0
Total		10.6	7.5

The group has lease contracts for equipment and installation and cars that contain variable payments related to usage and fuel and insurance.

Cash flows

Amounts recognised in the consolidated statement of cash flows:

	2024 £m	2023 £m
Payment	12.0	7.6
Interest	(1.5)	(1.0)
Total	10.5	6.6

The Group had no non-cash additions to right-of-use assets and lease liabilities in 2024.

The Group has no lease contracts that have not yet commenced as at 31 December 2024.

The Group has no future variable lease payments which are not recognised in lease liabilities, but are recognised as expense in profit and loss.

Notes to the consolidated financial statements

21. Contract liabilities

At 31 December 2024, the Group had contract liabilities of £46.2m (2023: £55.3m). Contract liabilities consist of billing-in-excess of revenue recognised in the year. The change in contract liabilities in the year is due to normal activity and timing of certification work done in the construction business.

22. Pensions and other post-employment benefit plans

During the year, the Group participated in one multi-employer defined benefit pension scheme plan that required contributions to be held in separate trustee administered funds. This scheme is sponsored by BAM Construct & Ventures UK Limited and is named 'HBG UK Scheme'. This scheme was closed to new members from August 2004 at which time membership of a defined contribution plan has been available. From October 2010 the defined benefit pension plan was closed to future accruals or contributions from its existing members and in 2016 the scheme was delinked of pension benefits to a member's salary.

In prior years, the Group also participated in and sponsored another multi-employer defined benefit scheme plan, named 'HBG GA Pension Scheme', however following the purchase of a bulk annuity in 2019, the scheme buy out was completed on 11 March 2022.

Both Company and Trustees understand that the investment strategy and Company discretionary funding need to be aligned in order to achieve the mutually beneficial objectives. Both parties also acknowledge that due to the long term nature of their funding, things may change as the economy goes through a number of cycles.

In line with the triennial valuation as at 31 December 2020, the following employer's contributions were made during the year:

	2024 £m	2023 £m
HBG UK / HBG GA Schemes		
Contributions made	5.5	5.5

The triennial valuation as at 31 December 2023 has been finalised, and will determine the employer contributions to be made for 2025 onwards.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

HBG UK Scheme	31 December 2024	31 December 2023
Discount rate(s)	5.5%	4.6%
Expected rate(s) of salary increase	n/a	n/a
Pension growth rate	2.20%-3.20%	2.20%-3.10%

Notes to the consolidated financial statements

22. Pensions and other post-employment benefit plans (continued)

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	2024	2023
	£m	£m
HBG UK / HBG GA Schemes		
Net finance income	0.4	1.3
Administration expenses	(0.8)	(0.7)
	(0.4)	0.6

Amounts recognised in other comprehensive income:

	2024	2023
	£m	£m
HBG UK Schemes		
Return on plan assets (excluding amounts included in net interest expense)	31.0	5.4
Actuarial (loss) / gain arising from changes in demographic assumptions	–	–
Actuarial (loss) / gain arising from changes in financial assumptions	(26.0)	17.4
Actuarial gain arising from experience adjustments	1.3	1.2
Total remeasurements recognised in other comprehensive loss	6.3	24.0
Tax effect	(1.6)	(6.0)
Other comprehensive loss (net of tax)	4.7	18.0

	2024	2023
	£m	£m
HBG GA Schemes		
Return on plan assets (excluding amounts included in net interest expense)	–	–
Actuarial (loss) / gain arising from changes in financial assumptions	–	–
Actuarial (loss) / gain arising from experience adjustments	–	–
Total remeasurements recognised in other comprehensive income	–	–
Tax effect	–	–
Other comprehensive loss (net of tax)	–	–

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

	2024	2023
	£m	£m
Present value of funded defined benefit obligation	(233.8)	(258.7)
Fair value of plan assets	238.9	265.0
	5.1	6.3

Notes to the consolidated financial statements

22. Pensions and other post-employment benefit plans (continued)

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2024	2023
HBG UK / HBG GA Schemes	£m	£m
Opening defined benefit obligation	258.7	240.8
Interest cost	11.6	11.5
Actuarial (loss) / gain	(24.7)	18.5
Settlements	–	–
Benefits paid	(11.8)	(12.1)
Closing defined benefit obligation	233.8	258.7

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are the following:

- **Asset volatility:** The plan liabilities are calculated using a discount rate with reference to corporate bond yield; if the plans' assets underperform this yield, this will create a deficit.
- **Changes in bond yields:** A decrease in corporate bond yields will increase the plans' liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
- **Salary growth:** The plan liabilities are calculated based on the salaries of the plans' participants. The de-linking of pension benefits to a member salaries completed in 2016, has significantly reduced the volatility of these increases in the plans' liabilities.
- **Pension growth:** The majority of the plans' liabilities is calculated based on future pension increases, so these increases will result in an increase in the plans' liabilities.
- **Life expectancy:** The majority of the plans' liabilities is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The average duration of the defined benefit obligation

	2024	2023
HBG UK Schemes	years	years
Implied life expectancy at 65		
Male currently aged 65	22.2	22.1
Male currently aged 45	23.2	24.1
Female currently aged 65	24.1	23.1
Female currently aged 45	25.3	25.2

Notes to the consolidated financial statements

22. Pensions and other post–employment benefit plans (continued)

Sensitivity analysis

A sensitivity analysis of the principal assumptions used to measure the scheme liabilities:

HBG UK Scheme		Impact on defined benefit obligation £m	
As at December 2024	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(13.8)	15.3
Discount rate	1.00%	(26.2)	32.3
Inflation assumption	0.50%	13.2	(12.9)
Life expectancy	1 year	7.6	(8.3)

As at December 2023	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(16.8)	18.8
Discount rate	1.00%	(31.9)	39.9
Inflation assumption	0.50%	16.9	(16.3)
Life expectancy	1 year	9.1	(9.5)

Notes to the consolidated financial statements

22. Pensions and other post-employment benefit plans (continued)

The average duration of the defined benefit plan obligation for the HBG UK Scheme was 20 years (2023: 20 years). Movements in the present value of the defined plan assets in the current year were as follows:

	2024	2023
	£m	£m
HBG UK / HBG GA Schemes		
Opening fair value of plan assets	265.0	264.9
Actuarial (loss) / gain	(31.0)	(5.4)
Contributions from the employer	5.5	5.5
Benefits paid	(11.8)	(12.1)
Administration costs	(0.8)	(0.7)
Finance income	12.0	12.8
Settlements	–	–
Closing fair value of plan assets	238.9	265.0

	2024	2023
	£m	£m
Fair value of plan assets		
HBG UK Scheme		
Fixed interest bonds	78.7	82.9
Cash and cash equivalents	8.3	2.9
Other – liability hedge (quoted)	121.6	151.3
Other – loans (quoted)	30.3	27.9
Fair value of plan assets	238.9	265.0

	2024	2023
	£m	£m
HBG GA Scheme		
Cash and cash equivalents	–	–
Debt instruments (quoted)	–	–
Insured contracts	–	–
Fair value of plan assets	–	–

In line with the funding requirements of the triennial valuation, the Group expects to make a contribution of £2.0m to the HBG UK plan during 2025 (2024: £5.5m).

Notes to the consolidated financial statements

22. Pensions and other post-employment benefit plans (continued)

The Group also has a defined contribution scheme administered by Legal and General Assurance Society, which was set up in 2004. Contributions to this defined contribution scheme are recognised in the income statement in the period in which they become payable.

	2024 £m	2023 £m
Legal & General Defined Contribution Scheme		
Group contributions	16.2	14.7

The Group also participates in several defined benefit pension schemes under 'TUPE' arrangements that relate to historic staff transfers, where they were members of either the 'Local Government Pension Scheme (LGPS)' or the 'Federated Pension Plan (FPP)', collectively referred to as 'TUPE Schemes'. These schemes are multi-employer schemes where the relevant Group Company's UK parent BAM Construct & Ventures UK Ltd has 'Admitted Body' status as a sponsoring employer with minority participation.

With the exception of the Federated Pension Plan and the Lothian Scheme, the Group is unable to identify its share of the assets and liabilities in these schemes on a reliable and consistent basis. The information made available by the respective scheme Actuaries relates to the overall scheme valuations rather than the Group's participation as an Admitted Body. The Group accounts for these non-disaggregated schemes as defined contribution schemes.

It is expected that contributions for the next financial year are expected to be in line with the current year contributions.

The pension contributions made by the Company under the Transfer of Undertakings (Protection of Employment) Regulations 2006 during the year are shown below:

	2024 £m	2023 £m
TUPE related pension plans		
Company contributions	0.9	1.3

High Court Ruling on the assessment of the validity of the section 37 certificates for amendments of the defined benefit pension scheme

In June 2023, the UK High Court (Virgin Media Ltd v NTL Pension Trustees II Ltd) ruled that certain historical amendments between 6th April 1997 and 5th April 2016 (the "Relevant Period") for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct s37 actuarial confirmation. At the balance sheet date, the decision remained under appeal, however the appeal was subsequently dismissed in July 2024 and the ruling upheld.

In January 2025, the Company's lawyer reviewed the HBG UK Pension Plan's amendment deeds from the Relevant Period to check if s37 confirmation was needed. They found that more investigation might be required. The Trustee's lawyer also did a s37 review, which the Company's lawyer checked. After reviewing the Trustee's findings, the Company's lawyer confirmed that the Plan complies with s37 requirements. This was because the Trustee had the necessary s37 certificates and other supporting information to which the Company did not have access.

As a result, there are currently no s37 liabilities in relation to the Plan which need to be accounted for. While it is considered that the Plan is s37 compliant, it is proposed that further court cases and potential government actions will be monitored to identify any developments which might change this assessment and the Auditor will be kept up to date with these outcomes.

Notes to the consolidated financial statements

23. Provisions

	Onerous contract	Onerous lease	IFRS 16 provision for restoration	Legal claims and defects	2024	2023
	£m	£m	£m	£m	£m	£m
Balance at 1 January	19.7	0.4	0.1	17.2	37.4	24.0
Arising in the year	0.3	–	0.3	5.8	6.4	13.3
Utilised	(18.3)	(0.2)	(0.1)	(17.2)	(35.8)	(11.2)
Reclassification *	–	–	–	–	–	11.3
Balance at 31 December	1.7	0.2	0.3	5.8	8.0	37.4
Current	1.7	0.2	–	5.8	7.7	36.9
Non-current	–	–	0.3	–	0.3	0.5

* In the prior year following a review of the nature of liabilities, a number of liabilities relating to legal claims and defects on completed contracts were presented as provisions in the prior year, where previously they were presented as accruals (accrued costs completed projects). There is no impact on total current and non-current liabilities.

Provisions includes obligations in respect of the insolvency of one of the Group's insurers and an onerous lease on one of the property developments. The provision on the insurer insolvency relates to claims previously covered by Builders Accidents Insurers (BAI) that went into administration in previous years.

The onerous contract provision shows the amount of the onerous contract result which relates to future obligations to be fulfilled under the contract. This amount is determined based on the progress of the performance obligation identified in the contract.

IFRS 16 property restoration relates to certain equipment and installation leases where there is an obligation at completion of the lease to restore the item to its original condition.

24. Contingent liabilities

- The parent company has contingent liabilities in respect of performance bonds and supplier guarantees given in the normal course of business. It is not expected that any material risk will arise from these securities.
- On 30 November 2022, the Royal BAM Group n.v. entered into a revolving credit facility agreement that provides a facility of maximum €330m (2023: €330m) which can be used for general corporate purposes, including working capital financing. The facility had a term of four years (until 30 November 2026) plus two one-year extension options. In 2024, the second extension option was exercised and the maturity was extended to 30 November 2028.
- The parent company is party to various claims arising in the ordinary course of business. Provision has been made within the financial statements where a cash outflow is determined to be probable. The directors are of the view that other claims have no significant impact on the result of the company.
- The parent company, along with other Group entities, is party to a guarantee in respect of any individual Company's overdraft balance within the cash pooling facility with ABN AMRO Bank n.v. At 31 December 2024 there were nil (2023: nil) overdraft balances in companies in the cash pooling facility. The net overdraft position in the cash pooling facility as at 31 December 2024 was nil (2023: nil). This guarantee is not expected to give rise to any loss. The ultimate parent company guarantees issued amount to €111m (2023: €109m). Guarantees issued by banks and surety companies amount to €1.3bn (2023: €1.0bn). Guarantee facilities amount to €2.1bn (2023: €1.9bn).

Notes to the consolidated financial statements

24. Contingent liabilities (continued)

The directors are satisfied that Royal BAM Group n.v. is currently able to fulfil all its obligations under these agreements without recourse to any of the guarantors.

Ethical misconduct or non-compliance with applicable laws and regulations (such as competition, bribery and corruption) could expose BAM to liabilities or have a negative impact on its business and reputation. BAM may be subject to administrative, civil or criminal liabilities including significant fines and penalties, as well as suspension or debarment from government or non-government contracts for some period of time.

The Building Safety Act has created uncertainty around remediation requirements on completed contracts including the potential extent of any remediation works, the Groups liability for such works and the likelihood to recover costs from other parties. This uncertainty relates to legacy projects completed ahead of changes in building safety regulations.

Whilst it is possible that future claims may be made against the Group from its capacity as a contractor, it is difficult to accurately ascertain the timing, value or liability of such claims.

25. Authorised and issued share capital

	Number	2024 £m	Number	2023 £m
Share capital				
Authorised: ordinary shares of £1 each	40,000,000	40.0	40,000,000	40.0
Issued: ordinary shares of £1 each	40,000,000	40.0	40,000,000	40.0

26. Government grants

Government grants received in 2024 amount to £1.3m R&D (2023: £nil).

27. Subsequent events

No material events after the balance sheet date have occurred.

Notes to the consolidated financial statements

28. Other related party transactions

The Group identifies subsidiaries, associates, joint arrangements, third parties executing the Group's defined benefit pension plans and key management as related parties.

No director or employee of the BAM Construct & Ventures UK Limited Group of companies has entered, either directly or through a closely related party, into non-employment related commercial transactions with any Royal BAM Group company during the period. Transactions with related parties include the following:

	2024 £m	2023 £m
Dividend		
Final declared and paid of £0.31 per share (2023: £0.10 per share)	3.7	12.5
Royal BAM Group n.v. (ultimate parent) loan @ 5.19% (2023: 0.12%)	81.2	140.7
Amount owed to Royal BAM Group n.v. (ultimate parent) – trade payables	-	(1.2)
Amount owed to other Group undertaking – trade payables	(57.0)	(44.0)
Amount due from other Group undertaking – trade receivables	63.7	42.3
Total amount outstanding at 31 December	91.6	150.3

For the year ended 31 December 2024 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2023: nil).

Details about guarantees provided to banks for loans made to related Group entities are included in Note 24. Recharges from Royal BAM Group n.v for the year ended 31 December 2024 amount to £14.8m (2023: £13.7m).

29. Ultimate group undertaking

The Parent Company's immediate parent undertaking is BAM Group (UK) Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is Royal BAM Group n.v., a company incorporated in The Netherlands. The group accounts of the ultimate parent undertaking (the largest group of which the company is a member and for which group accounts are prepared) are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL.

Notes to the consolidated financial statements

30. Subsidiary, associate and joint venture entities

	Directly or Indirectly owned	Interest in voting equity (%)	Country of incorporation	Registered Office	Nature of business
BAM Construction Limited	Direct	100%	United Kingdom	1	Building contracting
BAM Design Limited	Indirect	99.99%	United Kingdom	1	Construction design services
BAM Properties Limited	Direct	100%	United Kingdom	1	Property development
BAM Monk Bridge Limited	Indirect	100%	United Kingdom	1	Property development
BAM Glory Mill Limited	Indirect	100%	United Kingdom	1	Property development
BAM Queen Street Limited *	Indirect	100%	United Kingdom	2	Property development
BAM FM Limited *	Direct	100%	United Kingdom	2	Property services
BAM Energy Limited *	Indirect	100%	United Kingdom	2	Property services
Sutton Group Limited	Indirect	100%	United Kingdom	1	Property services
Sutton Maintenance Limited	Indirect	100%	United Kingdom	1	Property services
BAM TCP Atlantic Square Limited (Joint Venture)	Indirect	50%	United Kingdom	1	Property development
BAM Civil Engineering Limited	Direct	100%	United Kingdom	1	Dormant
BAM Infrastructure Limited	Direct	100%	United Kingdom	1	Dormant
BAM Site Solutions Limited	Direct	100%	United Kingdom	1	Site management
BAM Services Engineering Limited	Direct	100%	United Kingdom	1	Dormant
HBG UK Pension Trustee Limited	Indirect	50%	United Kingdom	1	Dormant
HBG Construction Northern Operations Limited	Direct	100%	United Kingdom	3	Dormant
HBG Higgs and Hill Limited	Direct	100%	United Kingdom	4	Dormant
Kyle Stewart Executive Pension Trustee Limited	Indirect	50%	United Kingdom	1	Dormant

* Entities registered in Scotland.

The registered offices for the companies is as follows:

1. Breakspear Park, Breakspear Way, Hemel Hempstead, Herts, HP2 4FL
2. Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB
3. Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG
4. 8 Salisbury Square, London, EC4Y 8BB

Notes to the consolidated financial statements

31. Audit exemption provided to certain UK Group subsidiaries

The company is providing certain wholly owned UK subsidiaries (as disclosed in Note 30 and which are included within these Group consolidated statements) with guarantees of their respective debts in the form prescribed by Section 479C of the Companies Act ('The Act') such that they claim exemption from requiring an audit in accordance with Section 479A of the Act. These guarantees cover all of the outstanding actual and contingent liabilities of these companies at 31 December 2024.

Subsidiary	Company number
BAM Design Limited	01625896
BAM Energy Limited	SC510582
Sutton Group Limited	05472167
Sutton Maintenance Limited	02367656
BAM Glory Mill Limited	05859323
BAM Monk Bridge Limited	05576729
BAM Queen Street Limited	SC389935
BAM Site Solutions Limited	00626173
BAM Properties Limited	03283033
BAM FM Limited	SC190053

Company statement of financial position

At 31 December 2024	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Property, plant and equipment	8	2.4	2.0
Right-of-use assets	9	9.6	9.7
Investments in subsidiaries	10	81.9	81.9
Defined benefit pension asset	14	5.1	6.3
Deferred tax assets	6	0.4	1.4
Total non-current assets		99.4	101.3
Current assets			
Trade debtors, other receivables, corporation tax	11	16.3	17.0
Amounts due from ultimate parent	11	72.6	140.7
Amounts due from group undertakings	11	6.8	30.1
Prepayments and accrued income		0.4	2.2
Cash and short term deposits		26.2	26.2
Total current assets		122.3	216.2
Total assets		221.7	317.5

Company statement of financial position

At 31 December 2024	Notes	2024 £m	2023 £m
Current liabilities			
Trade and other payables	12	12.1	40.4
Lease liabilities	13	2.7	2.6
Amounts owed to subsidiaries and other group undertakings	12	136.5	188.3
Total current liabilities		151.3	231.3
Non-current liabilities			
Deferred tax liabilities	6	1.3	1.5
Lease liabilities	13	8.8	9.4
Defined benefit pension liability		0.1	-
Provisions	12	0.4	0.4
Total non-current liabilities		10.6	11.3
Total liabilities		161.9	242.6
Equity			
Share capital	16	40.0	40.0
Retained earnings		19.8	34.9
Equity attributable to owners of the Company		59.8	74.9
Total equity		59.8	74.9
Total equity and liabilities		221.7	317.5

The Directors have taken the exemption provided by Section 408 of the Companies Act 2006 and have not presented a profit and loss account for the Company. The loss for the year of the Company was £6.4m (2023: £28.7m profit).

Approved by the board on 09 June 2025 and signed on its behalf by:

Kim Sides
Director

Company statement of changes in equity

	Notes	Share capital £m	Retained earnings £m	Total £m
For the year ended 31 December 2024				
Balance at 1 January 2023	16	40.0	36.4	76.4
Result for the year		–	28.7	28.7
Other comprehensive expense for the year, net of income tax		–	(18.0)	(18.0)
Total comprehensive income for the year		–	10.7	10.7
Share based payments		–	0.3	0.3
Payment of dividends	7	–	(12.5)	(12.5)
Balance at 31 December 2023	16	40.0	34.9	74.9
Result for the year		–	(6.4)	(6.4)
Other comprehensive expense for the year, net of income tax		–	(4.7)	(4.7)
Total comprehensive income for the year		–	(11.1)	(11.1)
Share based payments		–	(0.3)	(0.3)
Payment of dividends	7	–	(3.7)	(3.7)
Balance at 31 December 2024	16	40.0	19.8	59.8

Notes to the parent company financial statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of BAM Construct & Ventures UK Limited (the 'Company') for the year ended 31 December 2024 were authorised for issue by the board of directors on 09 June 2025 and the consolidated statement of financial position was signed on the board's behalf by Kim Sides. BAM Construct & Ventures UK Limited is incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable UK accounting standards and legislation.

The Company's financial statements are prepared under the historical cost convention and presented in Sterling with all values rounded to the nearest hundred thousand pounds (£0.1m) except when otherwise indicated. The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 not to prepare a profit and loss account as the Company's results are included in the consolidated statement of comprehensive income shown on page 26.

The results of BAM Construct & Ventures UK Limited are included in the consolidated financial statements shown for the BAM Construct & Ventures UK Limited Group earlier in this document. They are also included in the consolidated financial statements of the ultimate parent entity Royal BAM Group n.v., which are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL.

The financial statements of BAM Construct & Ventures UK Limited (the Company) and of its subsidiaries (together the Group) have been prepared on a going concern basis as the Directors have concluded that the Company and Group will continue in operational existence and meet its liabilities as they fall due for the period of their assessment which is to 30 June 2026.

The Company has net current liabilities of £29.0m and net assets of £59.8m. The Company meets its day to day working capital requirements through the cash retained in the Company (at year end £26.2m), and through access to its other cash pooling balances held with the Royal BAM Group.

The Company and Group do not have any bank debt or other external borrowings or facilities, other than leases. The Company is a guarantor to borrowing facilities that are held by the Company's ultimate parent entity, Royal BAM Group n.v.. Please refer to note 24 in the BAM Construct & Ventures UK Ltd consolidated financial statements for further details.

The Directors have prepared base case and severe but plausible downside financial forecasts for the review period until 30 June 2026. Taking into consideration the current environment, the forecasts show that the Company and Group are expected to maintain positive cash flows in the base case and in the downside scenario which models reduced productivity and increased costs across the Group.

However, given that the Company and Group are reliant upon cash reserves held by the Royal BAM Group and is a guarantor of borrowings of its ultimate parent company, the Company and Group are reliant upon ongoing support of its ultimate parent. The Directors have received confirmation from the Company's ultimate parent entity that the Company and Group will be provided financial support for the period until 30 June 2026. The Directors have assessed the ability of the ultimate parent company to provide this support, based on financial information for the Royal BAM Group that has been shared to certain members of the Board. The Directors also attend monthly and quarterly management meetings and weekly liquidity reports are provided by Royal BAM Group's treasury function.

In view of the assessment performed, the Directors are satisfied that sufficient financial resources will be generated by the Company or received from its ultimate parent entity, Royal BAM Group n.v., to enable the Company and the Group to continue in operation and meet its liabilities as they fall due for the period to 30 June 2026. Accordingly, the directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

The material accounting policies adopted by the Company are the same as those outlined in Note 4 to the consolidated financial statements. The following additional policies are also relevant to the company financial statements.

Notes to the parent company financial statements

2. Accounting policies

1) Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements are prepared under the historical cost convention.

The accounting policies that were applied in preparing the financial statements for the years ended 31 December 2024 and 2023 are described in Note 2. In addition the Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of paragraphs 45 (b) and 46–52 of IFRS 2 Share based Payment, because the share based payment arrangement concerns the instruments of another group entity;
- b) The requirements of paragraphs 62, B64 (d), (e), (g), (h), (j) to (m), (n)(ii), (o)(ii), (p), (q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- c) The requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- d) The requirements of IFRS 7 Financial Instruments: Disclosures;
- e) The requirements of paragraphs 91–99 of IFRS 13 Fair Value Measurement;
- f) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - i) paragraph 79 (a)(iv) of IAS 1;
 - ii) paragraph 73 (e) of IAS 16 Property, Plant and Equipment;
 - iii) paragraph 118 (e) of IAS 38 Intangible Assets; and
 - iv) paragraphs 76 and 79(d) of IAS 40 investment Property;
- g) The requirements of paragraphs 10 (d), 10 (f), 16, 38A to 38D, 40A to 40D iii and 134–136 of IAS 1 Presentation of Financial Statements;
- h) The requirements of IAS 7 Statement of Cash Flows;
- i) The requirements of paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting estimates and errors;
- j) The requirements of paragraph 17 and 18A of IAS 24 and the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ;
- k) The requirements of paragraphs 130f (ii), 130f (iii), 134 (d) to 134 (f) and 135 (c) to 135 (e) of IAS 36 Impairment of Assets; and
- l) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS15.
- m) The requirements of paragraph 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

Notes to the parent company financial statements

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial statement date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Pension and other post employment benefits

The judgement adopted by the Company are the same as those outlined in note 2.4 to the consolidated financial statement.

Taxation

The judgement adopted by the Company are the same as those outlined in note 2.4 to the consolidated financial statement.

4. Material accounting policies

a) Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment. On an annual basis, the Company assesses if there are any indicators of impairment by comparing the net asset values of each subsidiary to their carrying amount. If the net asset value is lower than the carrying amount, the Company assesses if the investment is impaired. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised.

b) Dividends

Revenue is recognised when the Company's right to receive payment is established.

c) Leases

The accounting policy adopted by the Company is the same as those outlined in Note 2.5 to the consolidated financial statements.

5. Auditor's remuneration

	2024	2023
	£000	£000
Audit of Group's consolidated financial statements	252	206
Audit of Parent Company's financial statements	207	169
Audit of Parent Company's subsidiaries	569	466
Total audit	1,028	841
Total fees paid by the Company	1,028	841

All auditors remuneration is paid by BAM Construct & Ventures UK Limited.

Notes to the parent company financial statements

6. Income tax

a) Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 £m	2023 £m
Current income tax		
Current income tax credit	(5.2)	(1.6)
Adjustments in respect of current income tax of previous year	0.7	0.1
Current tax credit	(4.5)	(1.5)
Deferred tax:		
Relating to origination and reversal of temporary differences	3.0	1.5
Rate change	–	–
Share based payments	–	(0.2)
Adjustment in respect of deferred tax of previous year	(1.0)	(0.3)
Total Deferred Tax	2.0	1.0
Income tax expense / (credit) reported in the profit or loss	(2.5)	(0.5)
Deferred tax relating to items recognised in other comprehensive income during the year:		
Net gain on re-measurement gains and losses on defined benefit plans	(1.6)	(6.0)
	(1.6)	(6.0)

b) Reconciliation of the total tax charge

The tax rate charged on profits on ordinary activities for 2024 is higher (2023: higher) than the statutory corporation tax rate enacted in the UK. The corporation tax rate of 25% for 2024 (2023: 23.5%) is derived as a pro-rata figure due to the change in statutory corporation tax rates enacted for the fiscal year (April to March).

	2024 £m	2023 £m
Accounting profit / (loss) before tax	(8.9)	28.2
Profit on ordinary activities multiplied by UK Corporation tax rate of 25% (2023: 23.5%)	(2.2)	6.6
Income not taxable for tax purposes	–	(7.0)
Adjustments in respect of prior year	(0.3)	(0.2)
Expenses not deductible for corporation tax purposes	–	0.1
Effect of changes in tax rate	–	–
Income tax expense reported in the statement of profit or loss	(2.5)	(0.5)

c) Factors that may affect future tax charges

The deferred tax balance as at the year end has mainly been recognised at 25.00% (2023: 25.00%), which is the enacted corporation tax rate effective from 1 April 2024.

Notes to the parent company financial statements

6. Income tax (continued)

d) Deferred tax

The deferred tax asset included in the company statement of financial position related to the following:

	2024 £m	2023 £m
Deferred tax asset		
Balance at 1 January	1.4	0.6
Tax recognised in the profit and loss	(0.7)	0.5
Tax relief recognised in equity	(0.3)	0.3
Balance at 31 December	0.4	1.4

A deferred tax asset in respect of depreciation in advance of capital allowance relief has been recognised in the accounts on the grounds that there will be suitable taxable profits within the tax group of which the Company is a member. Based on all available evidence management believe this will allow for the future reversal of the underlying temporary differences.

Deferred tax liability provided in the financial statements is as follows:

	2024 £m	2023 £m
Deferred tax liability		
Balance at 1 January	(1.5)	(6.0)
Tax expense recognised in the profit and loss	(1.4)	(1.5)
Tax income recognised in the OCI	1.6	6.0
Balance at 31 December	(1.3)	(1.5)

The deferred tax liability is in respect of the Company's defined benefit pension liabilities. There are no income tax consequences attached to the payment of dividends in either 2024 or 2023 by the company to its shareholders.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. Royal BAM Group n.v. completed an initial assessment of the impact of the new rules. Based on this initial assessment the Company expects to apply the transitional safe harbour rules in the UK. The applicable UK tax rate is 25%, well above the minimum rate of 15%. The adoption of the Pillar Two Model rules in the UK is expected to have no material impact. The Company applies the mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

7. Dividends paid and proposed

Dividends declared and paid by the Company during the year amounted to £3.7m (2023: £12.5m).

Notes to the parent company financial statements

8. Property, plant and equipment

	Short leasehold property £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2023	1.1	16.1	17.2
Additions	–	0.9	0.9
Disposals	–	–	–
At 31 December 2023	1.1	17.0	18.1
Additions	–	1.8	1.8
Disposals	–	–	–
At 31 December 2024	1.1	18.8	19.9
Depreciation			
At 1 January 2023	1.1	13.9	15.0
Charge for the year	–	1.1	1.1
Disposals	–	–	–
At 31 December 2023	1.1	15.0	16.1
Charge for the year	–	1.4	1.4
Disposals	–	–	–
At 31 December 2024	1.1	16.4	17.5
Net book value			
At 1 January 2023	–	2.2	2.2
At 31 December 2023	–	2.0	2.0
At 31 December 2024	–	2.4	2.4

Notes to the parent company financial statements

9. Right-of-use assets

	Land and buildings £m	Total £m
Balance at 1 January 2023	13.2	13.2
Additions	–	–
Remeasurement	(1.4)	(1.4)
Depreciation charges	(2.1)	(2.1)
Balance at 1 January 2024	9.7	9.7
Additions	2.1	2.1
Remeasurement	–	–
Depreciation charges	(2.2)	(2.2)
Balance at 31 December 2024	9.6	9.6

10. Investments

	Investments in subsidiaries £m	Total £m
Cost		
Balance at 1 January 2023	81.9	81.9
Additions	–	–
Impairments	–	–
Balance at 31 December 2023	81.9	81.9
Additions	–	–
Impairments	–	–
Balance at 31 December 2024	81.9	81.9
Carrying value		
At 1 January 2023	81.9	81.9
At 31 December 2023	81.9	81.9
At 31 December 2024	81.9	81.9

For a list of subsidiaries in which BAM Construct & Ventures UK Limited has an investment see note 31 in the Group Financial Statements.

Notes to the parent company financial statements

11. Trade and other receivables

	2024 £m	2023 £m
Current		
Trade debtors	0.1	0.2
Corporation tax	16.2	16.8
Amounts due from ultimate parent	72.6	140.7
Amounts due from other group undertakings	6.8	30.1
	95.7	187.8

12. Trade and other payables

	2024 £m	2023 £m
Current		
Amounts due to subsidiaries	110.3	156.6
Amounts due to other group undertakings	26.2	31.7
Other payables	7.7	27.9
Accruals	4.4	12.5
	148.6	228.7
Non-current		
Provisions	0.4	0.4
Deferred tax liability	1.3	1.5
	1.7	1.9

13. Lease liabilities

	2024 £m	2023 £m
Current	2.7	2.6
Non-current	8.8	9.4
	11.5	12.0

Additional information on lease liabilities is disclosed in note 20 to the consolidated financial statements.

14. Pensions and other post-employment benefit plans

The salaries and related pension expenses for staff employed in the BAM Construct & Ventures UK Limited Group are incurred by the Parent Company. See note 22 consolidated financial statements for further details of salaries and pension schemes.

15. Contingent liabilities

See BAM Construct & Ventures UK consolidated financial statements note 24 for further details of provisions and contingent liabilities.

Notes to the parent company financial statements

16. Authorised and issued share capital

	Number	2024 £m	Number	2023 £m
Share capital				
Authorised: ordinary shares of £1 each	40,000,000	40.0	40,000,000	40.0
Issued: ordinary shares of £1 each	40,000,000	40.0	40,000,000	40.0

17. Other related party transactions

The Company has taken advantage of the exemption available under FRS 101 not to disclose details of transactions between wholly owned undertakings of the ultimate parent undertaking, Royal BAM Group n.v.

18. Ultimate group undertaking

The Company's immediate parent undertaking is BAM Group (UK) Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is Royal BAM Group n.v., a company incorporated in The Netherlands. The group accounts of the ultimate parent undertaking (the largest group of which the company is a member and for which group accounts are prepared) are available from Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL.

19. Subsequent event disclosure

No material events after the balance sheet date have occurred.



**Making
Possible**

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