Working together

Renew Holdings plc
Annual Report and Accounts 2023

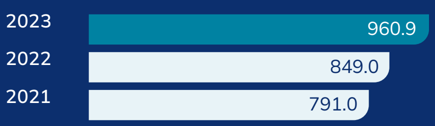
Highlights

We operate on some of the country's most challenging infrastructure networks directly delivering day-to-day engineering support services.

Group[1] revenue

£960.9m

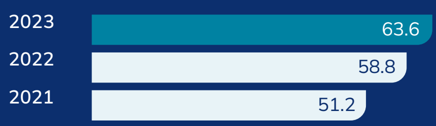
2022: £849.0m



Adjusted[1] operating profit

£63.6m

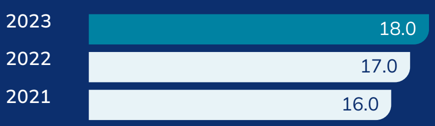
2022: £58.8m



Full year dividend per share

18.0p

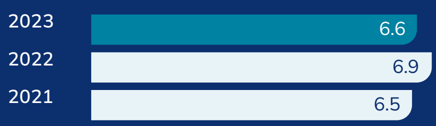
2022: 17.0p



Adjusted[1] operating margin

6.6%

2022: 6.9%



1. Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

Read more online at www.renewholdings.com

Working together

We provide essential engineering services to maintain and renew critical infrastructure networks.

Our purpose

We provide essential engineering services to maintain and renew critical infrastructure networks.

Our multidisciplinary engineering services are delivered through our independently branded subsidiary businesses that support the vital day-to-day running of these infrastructure networks.

Our vision

To safely and sustainably deliver these vital engineering services that improve the performance of these critical infrastructure assets.

To deliver our priorities and to satisfy all our stakeholders in the execution of our strategy.

Our strategy

Our long-term strategy concentrates on developing our range of engineering services capabilities, both organically and by acquisition.

To be a key provider of engineering services in our target markets.

To focus on asset support, maintenance and renewals programmes with non-discretionary funding.

To expand our direct delivery model through strong local brands.

To establish long-term relationships through responsiveness to clients' needs.

To continue to deliver organic growth combined with selective complementary acquisitions.

→ Read more about our strategy on pages **30 and 31**

Sustainability

We continue to deliver against our key sustainability commitment areas with responsibility and transparency at the heart of our approach.

Environment

Using technology and innovative working practices to reduce our carbon footprint.

Social

Building relationships with a wide range of local stakeholders including schools, communities and customers.

Governance

Acting responsibly to deliver sustainable value.

→ Read more about our sustainability strategy on pages **50 to 61**

Our competitive advantage

We have a proven history of shareholder value creation through consistent execution of our strategy to deliver a sustained increase in profit.

Developing our water offering

We operate in markets underpinned by resilient, long-term growth dynamics and committed regulatory spending periods. We continue to develop our range of specialist skills enabling us to provide a more efficient and valuable service to our clients. During the year we acquired Enisca Group, a multidisciplinary engineering business operating in the water market. Enisca has Mechanical, Electrical, Instrumentation, Controls and Automation (“MEICA”) capabilities and holds long-term frameworks with Severn Trent Water, South East Water, Affinity Water, Yorkshire Water, Irish Water, Northern Ireland Water, Anglian Water and Northumbrian Water. The acquisition is an excellent strategic fit, adding new capabilities and clients to Renew’s water business which continues to benefit from the UK’s commitment to spend £51bn over AMP7 into 2025. Further, Enisca will form a key part of the Group’s strategy to maximise the opportunities presented by AMP8.

Unique sustainable solutions

We continue to develop our range of specialist skills enabling us to provide a more efficient and valuable service to our clients. Our purpose-led ESG approach enables us to add value to our customers through investment in innovation and technology, assisting in the delivery of the UK’s net-zero carbon target by 2050.

24/7 specialist engineering solutions to keep the nation's infrastructure operational

Operating on the UK's critical networks, including the rail, telecoms, water, highways and energy networks, we support the day-to-day operation of essential infrastructure networks. The markets in which we operate are largely governed by regulation and, as such, benefit from long-term programmes of committed funding.

ESG is at the heart of the work we undertake. We are committed to improving our sustainable working practices with clear targets and ambitions to drive progress across our businesses.

Our people

Renew operates a direct delivery model which means our people are our biggest asset. Our highly skilled, directly employed workforce is the reason we are able to offer our clients a highly responsive solution.

Our directly employed workforce has engineering expertise across the markets in which it operates. As a Group, we are able to ensure that safety is delivered to a high standard throughout the business and we continue to invest heavily in our employees through training and wellness programmes.

Adding value through innovation

The Group's subsidiary businesses have continued to invest in new technologies to develop innovative solutions.

In Rail, the Group utilises unique and bespoke road rail plant to deliver its services which deliver time and cost efficiencies for the Company and its clients.

In Highways, development of technology to perform routine road maintenance tasks more quickly and safely is used including SafetyCam, an intelligent site safety system designed to protect road workers. Using two complementary vehicle detection systems, SafetyCam captures instances of dangerous driving, whilst providing a conspicuous visual deterrent and actively changes driver behaviour.

Delivering essential infrastructure services

Renew is a holding company which gives autonomy to its operating subsidiaries, enabling them to be competitive and effective in their individual markets whilst setting overall standards.

Our subsidiaries

AMCO-GIFFEN, Clarke Telecom, envolve infrastructure, WALTERLILLY, seymour, VHE, enisca, QTS, Carnell, SEL, BROWNE

Engineering Services

Rail
As a major provider of infrastructure services to the rail network nationally, we support its day-to-day operations by providing a high volume of essential, non-discretionary asset maintenance activities. Through our long-term frameworks we deliver a range of services including civil asset management, fencing, devegetation, drainage and electrification services.

Infrastructure
We deliver specialist engineering services across the strategic highways network, predominantly to National Highways, through a number of asset delivery framework agreements. Services include infrastructure civils, specialist drainage, lighting and electricals. We also undertake all aspects of wireless telecoms network infrastructure delivery.

Energy
Our services are associated with high-hazard risk reduction operations at nuclear facilities that include waste treatment, reprocessing, decommissioning and decontamination operations. We also provide long-term maintenance and asset renewal support to UK renewable energy sites and thermal power generation plants as well as electric vehicle charging infrastructure and Independent Connection Provider ("ICP") services.

Environmental
We support our water clients by directly delivering asset maintenance and renewals across water infrastructure networks including flood alleviation and river and coastal defence schemes. We also specialise in undertaking complex remediation and specialist restoration schemes for our clients.

Specialist Building

High Quality Residential, Landmark and Science
Operating in London and the Home Counties, we are a market-leading provider of luxury prestigious private residential refurbishment and landmark schemes where we specialise in extensive temporary works.

In the Science sector, we have a number of frameworks to build and refurbish scientific facilities.

Consistently delivering long-term value

Group revenue growth

13.2%

2022: 7.3%

Differentiated low-risk business model

Our subsidiary businesses operate across a diversified range of markets. We undertake critical asset maintenance and renewals services that are not dependent on large, capital-heavy contract awards, providing a lower risk profile.

Adjusted[1] EPS

63.5p

2022: 59.5p

High-quality, value-accretive compounder

We have a proven history of shareholder value creation through consistent execution of our strategy to deliver a sustained increase in profit.

We have a track record of organic growth and M&A in high-margin, high-growth end markets, twinned with strong cash generation and shareholder returns.

Frameworks in regulated markets

240+

2022: 200+

Exposure to attractive long-term, non-discretionary structural growth drivers

We operate in markets underpinned by resilient, long-term growth dynamics and committed regulatory spending periods, with maintenance and renewals expenditure continuing to increase.

We deliver the day-to-day renewal and maintenance tasks required to keep critical networks operational.

Our strategy in action

Maintaining critical infrastructure

The Government reconfirmed its commitment to a £600bn investment in transforming the UK's critical infrastructure networks over the next 5 years.

Government investment in infrastructure 2023–2028

£600bn[2]

→ Read more on pages **10 to 15**

Highly skilled workforce

4,361

2022: 3,959

Market-leading position, expertise and capabilities

Our businesses work in markets with high barriers to entry which demand a highly skilled, experienced workforce and a proven track record of safe delivery.

We continue to develop our range of specialist skills enabling us to provide a more efficient and valuable service to our clients.

Number of Renew subsidiary businesses

11

2022: 10

Ideally poised to benefit from green infrastructure investment

Our purpose-led ESG approach enables us to add value to our customers through investment in innovation and technology, assisting in the delivery of the UK's net zero carbon target by 2050.

Adjusted[1] EPS growth over last 5 years

79%

2022: 68%

Strong long-term growth prospects

The Group is committed to growing the business in its chosen markets both organically and through selective complementary acquisitions whilst maintaining a disciplined approach to capital allocation and risk.

1. For references please see page 15.

David Brown
Chairman

Working together to deliver outstanding results

Dear shareholder,

Introduction
I am pleased to announce that the Group achieved a record financial performance, with continued growth in revenue, profit and strong operating cash generation. In what has been a challenging year for the economy, these excellent results are a testament to the Group's core strengths and well-established positions in attractive and sustainable growth markets.

Differentiated business model
Our differentiated business model and the services we provide continue to support key infrastructure assets in regulated markets. Our markets enjoy committed funding which provides visible, reliable and resilient revenues via long-term programmes.

We deliver non-discretionary maintenance and renewals tasks. Operating in complex, challenging and highly regulated environments, our markets have high barriers to entry, and we directly employ a highly skilled workforce which enables us to be extremely responsive to our clients' needs.

Results
Group revenue[1] increased to £960.9m (2022: £849.0m) with adjusted[1] operating profit increasing to £63.6m (2022: £58.8m) and an adjusted[1] operating margin of 6.6% (2022: 6.9%). Statutory operating profit was £59.0m (2022: £50.0m). The adjusted[1] EPS has increased by 6.7% to 63.5p (2022: 59.5p) and basic earnings per share was 54.9p (2022: 47.8p). The Group had a pre IFRS16 net cash[1] position of £35.7m (2022: £20.2m), in line with our expectations.

During the period we were delighted to announce the acquisition of Enisca Group Limited. This acquisition added new capabilities to Renew's water business and forms a key part of the Group's strategy to maximise the opportunities presented by AMP8. The acquisition was funded out of the Group's cash and existing debt facilities.

Post period end, we were pleased to announce the acquisition of T.I.S. Cumbria Ltd ("TIS"), a leading nuclear manufacturing and fabrication specialist. TIS was acquired by our existing nuclear subsidiary business Shepley Engineers and will benefit from synergies with our existing businesses and strengthen our position in the growing nuclear decommissioning and new build markets. We are delighted to welcome the management and staff of TIS to the Renew family.

Dividend

The Group's strong trading performance, cash position and positive outlook give the Board the confidence to propose a final dividend of 12.00p (2022: 11.33p) per share. This will be paid on 8 March 2024 to shareholders on the register as at 9 February 2024, with an ex-dividend date of 8 February 2024. This will represent a full year dividend of 18.00p (2022: 17.00p) per share, an increase of 5.8%.

Environmental, Social and Governance

Environmental

We are committed to achieving net zero by no later than 2040, ahead of the 2050 target date set by the Government. During 2023, we continued with our Climate and Nature Steering Group that comprises representatives from all the Group's subsidiary businesses and which focused on developing the Group's climate opportunities and climate-related financial disclosure reporting. As part of this process, we continued to consider how we can best support our clients in achieving their own sustainability objectives.

We are pleased to retain our London Stock Exchange's Green Economy Mark, which recognises those companies that derive over 50 per cent of revenue from products and services that are contributing to environmental objectives. Renew plays an important role in helping to achieve Government aims for greater sustainable infrastructure.

A number of our businesses are in the process of submitting their science-based targets to the Science Based Targets initiative. The lessons learned from this process will drive improvements in the collection of emissions data from across the Group.

Social

We understand the value that businesses can provide to the wider community and we continue to strengthen our relationships with local schools and education providers as well as continuing to engage with our local communities. During the year employees from across our businesses shared their knowledge and expertise to support young people with employment and education opportunities.

The training and development of our colleagues remains essential to the Group's long-term success and we now have around 330 trainees, apprentices and graduates across the business. We are also committed to our management development programme, Renew Inspiring Successful Executives ("RISE") which allows us to develop leadership talent within the business and is a key element of the Group's succession planning strategy. This programme has also improved the levels of collaboration we are leveraging to drive success across our brands.

As part of our commitment to ensuring Renew remains an attractive and diverse employer, we have supported the Group and subsidiary businesses' diversity forums which are aimed at improving our performance in this important area and we continue to increase the number of female participants in our graduate training schemes.

Governance

As a Board, we are responsible for ensuring the effective application of high levels of governance within our business, balancing the interests of all our stakeholders. As a minimum, the Group complies with the QCA Corporate Governance Code, more details of which can be found in the corporate governance section of the Group's website. Risk management is led by the Board, which reviews the Group's risk profile on an ongoing basis alongside the Audit and Risk Committee.

Board changes

On 1 November 2022, we were delighted to announce the appointment of Liz Barber as a Non-executive Director. Liz has a wealth of experience gained over 12 years in the regulated water sector, an established growth market for Renew. Combined with her financial background, Liz complements the Board's current skillset which will be invaluable as we continue on our growth journey.

People and safety

As a Board we recognise the critical role our employees play in the success of the Group and we sincerely thank all our colleagues for their ongoing dedication and hard work. We remain focused on the mental and physical wellbeing of all our colleagues and continue to provide support through a number of schemes, including our Employee Assistance Programme, on a range of topics.

We are committed to providing a safe working environment to ensure that none of our colleagues, or those who work with us, are injured during the conduct of our operations. The Group's health and safety performance is discussed as a priority at each Board meeting and during the year we continued to focus on the behavioural science aspects of safety to further improve our safety record.

Future focus

The delivery of our long-term strategy is built on effective relationships with our directly employed workforce, customers, suppliers, shareholders and wider stakeholders, and these are critical to the ongoing success of the business. We will continue to deliver our strategic priorities whilst focusing on our environmental, social and governance responsibilities and on our approach to diversity and inclusion as we move through 2024 and beyond.

The Group's differentiated business model and the long-term investment programmes across our UK infrastructure markets give the Board continued confidence in delivering further growth, both organic and through strategic earnings-enhancing acquisitions.

David Brown
Chairman
27 November 2023

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A record performance

Paul Scott
Chief Executive Officer

Renew continues to outperform – demonstrating our resilient and differentiated model

In the face of an ever-changing macroeconomic backdrop, our business has once again demonstrated its unique characteristics by successfully navigating these challenges and delivering outstanding trading performance for the year. I am very pleased to be reporting another set of record results for Renew, demonstrating the resilience and differentiated nature of our high-quality, low-risk business model, combined with the strong demand we have seen in our end markets. As we look forward to commencing new control periods within the Rail and Water sectors we fully expect this growth to strengthen further.

Our track record of consistent year on year growth across all of our key financial metrics clearly illustrates the critical nature of our work and the committed, long-term, highly visible spending cycles that underpin our end markets. Whilst our business is not immune from the difficulties facing the wider economy, our focus on the maintenance and renewal of existing UK infrastructure means we are not dependent on large, capital-intensive contract awards, providing Renew with a significantly lower risk profile than others operating in our sectors. Supported by the commercial terms within our frameworks and the typically short execution periods of the tasks we undertake, the Group has been able to successfully alleviate UK-wide inflation challenges throughout the period, delivering strong margins as well as operating profit and revenue ahead of record prior year comparatives.

Further, with pressure on public expenditure as a result of the difficult macroeconomic environment, we are seeing increased funding being directed towards the maintenance and renewal of existing assets and away from major infrastructure enhancement projects which bodes well for our business. The Government continues to confirm infrastructure investment is a national priority and this, along with a target of net zero by 2050, will continue to be a priority regardless of a potential change in Government in 2024.

We note the recent announcements regarding the reduction in the HS2 programme. It is anticipated that this funding will be reinvested into smaller, regional transportation improvement schemes which we believe will present a range of opportunities in our chosen markets.

There were many achievements across the Group during the year, but I would like to highlight some key examples of how we are delivering profitable organic growth. Some of our more recent strategic acquisitions and our sharpened focus on collaboration within the Group has seen us organically expand into areas where we had not previously operated. Most notably, the acquisitions of Enisca and Rail Electrification Limited ("REL") have added to our capabilities and the unlocking of greater opportunities in more frameworks. In Water, we have successfully leveraged our Mechanical, Electrical, Instrumentation, Control and Automation ("MEICA") capabilities to win the Welsh Water Major Electrical and Mechanical Framework, whilst in Rail, our subsidiaries have successfully collaborated to open up framework positions to the Group that were previously unattainable. In Highways, we continue to deliver a growing work bank on our National Highways Scheme Delivery Frameworks ("SDF") where there continues to be an emphasis on asset maintenance and renewals. It has been extremely rewarding from a management perspective to see the strategic rationale behind our acquisitions start to come to fruition and there is still more to come. The enhanced focus on collaboration between our brands has contributed to a strong rate of organic growth during the period and it will continue to be a focus going forward.

Acquisitions form a key feature of our strategic ambition to deliver compounding shareholder returns as we have historically demonstrated. We finished the year with a robust balance sheet and this, together with our strong operational cash generation, leaves us well positioned to continue to appraise selective value-accretive M&A opportunities. We are currently seeing a healthy pipeline of opportunities including complementary bolt-on acquisitions as well as larger, more complex opportunities that will grow our geographical reach and service capability in a similar way to that achieved by our recent strategic acquisitions. As we expand through M&A, we will continue to leverage collaboration opportunities between our brands, providing a unique advantage when applying for a broader range of frameworks.

Post-period end we were delighted to announce the acquisition of T.I.S. Cumbria Limited, a leading nuclear manufacturing and fabrication specialist. This acquisition represents an excellent strategic fit, adding new capabilities to Renew's nuclear services and immediately doubling our specialist manufacturing capacity. We are delighted to welcome all the T.I.S. employees to the Renew Group.

Safety is our highest priority at Renew and I would like to take this opportunity to commend our dedicated teams for their unwavering commitment to safety throughout the past year. Our strong safety record stands as a testament to the collective efforts of every individual within our organisation. Their vigilance, adherence to protocols, and proactive approach has fostered an environment where each employee can thrive without compromising their wellbeing. I take immense pride in the fact that we have not only met but exceeded our prior year comparators, ensuring that our workplace remains a safe, secure and nurturing space for all.

In summary, FY23 has been another terrific year for Renew and we enter FY24 with confidence as we continue to see robust demand across our end markets. By focusing on collaboration and leveraging the unique services of each of our brands, we are growing the list of capabilities within our business as we move through changing control periods in our key markets. The success of Renew is due to the outstanding work of our directly employed colleagues who continue to go above and beyond for our clients and I would like to thank, on behalf of the Board, all our dedicated workforce for their outstanding work and continued commitment to providing our clients with our mission-critical, highly responsive services at all times.

Renew's strengths

Renew has a number of core strengths which provide distinct competitive advantages in our chosen markets and leave us well placed to build on our strong track record of long-term value creation:

- The health, safety and wellbeing of our colleagues, and those impacted by our work, remains our number one priority and we have implemented industry leading safe working practices for the Group's employees and operations.
- We operate a differentiated, diversified, low-risk, low-capital operating model, providing critical asset maintenance and renewals services that are not dependent on large, high-risk, capital-intensive contract awards.
- Our directly employed workforce enables us to provide a more efficient and valuable service to our clients, reducing our exposure to sub-contractor pricing volatility and being able to deliver extremely responsive solutions.
- The commercial terms and short project durations within our frameworks mean we can proactively and effectively manage cost inflation enabling us to maintain strong margins.
- Our businesses are well established in complex, challenging and highly regulated markets with significant barriers to entry, which demand a highly skilled and experienced workforce and a proven track record of safe delivery.
- We have consistently demonstrated performance resilience despite significant global and macroeconomic events, including inflation, that have had a negative impact on the wider economy.
- We have a proven track record of sustainable value creation, reliable revenue growth and strong returns on capital thanks to our highly cash generative earnings model and clearly defined strategy.
- We are committed to growing the business both organically and through selective complementary acquisitions while maintaining a disciplined approach to capital allocation and risk underpinned by a strong balance sheet.
- We have strong relationships in place with all our stakeholders, from our workforce to our customers, suppliers, communities and shareholders.
- Our model of compounding earnings through the redeployment of internally generated cashflows enables us to execute on our strategy of delivering reliable and consistent growth for all our stakeholders.
- Our complementary services enable us to leverage the strengths of collaboration across our brands.

Compelling market drivers

Our businesses bring exposure to attractive long-term, non-discretionary structural growth drivers. Increasing demand for the maintenance and renewal of existing UK infrastructure is driven by a number of factors including:

- a commitment by the Government to level up the economy by investing £600bn[2] in an infrastructure-led recovery, two-thirds of which will be in the transport and energy sectors, with fiscal stimulus measures likely to flow through to lower cost infrastructure maintenance programmes ahead of larger, more capital-intensive enhancement schemes;
- greater focus on sustainability, climate change and infrastructure resilience as part of the UK's target of reaching net-zero carbon emissions by 2050, together with flood risk prevention measures and investment in nuclear projects, renewables and rail electrification programmes;
- population growth increasing the pressure on housing, transport, energy, water and demand for natural resources;
- technological innovation, including artificial intelligence, driving a shift towards digital roads, smart infrastructure and the transformation of transport and telecommunications networks; and
- increased Government regulation to improve safety, efficiency and resilience of key infrastructure assets leading to more demanding maintenance, renewal and upgrading requirements.

Our track record of resilient growth and long-term value creation

Renew has a strong track record of sustainable value creation through the economic cycle thanks to the Group's high-quality, value-accretive compounding earnings model. Over the past five years, we have delivered:

- adjusted[1] earnings per share growth of 79 per cent;
- an increase in dividends of 80 per cent from 10.0p to 18.0p per share;
- an increase in our adjusted[1] operating margin from 5.7 per cent to 6.6 per cent;
- Group organic revenue growth of 36 per cent and total revenue growth of 77 per cent; and
- five strategic acquisitions supported largely by our strong free cash flow, deploying £173m.

Our track record of reliable revenue growth, cash generation and conservative approach to gearing has resulted in our ability to deliver highly predictable, consistent organic earnings growth as well as funding for the acquisition of complementary businesses that meet our strategic requirements.

Results overview

During the period, Group revenue increased to £960.9m (FY2022: £849.0m), with organic growth of 10% and the Group achieved an adjusted[1] operating profit of £63.6m (FY2022: £58.8m). Statutory operating profit was £59.0m (2022: £50.0m). Adjusted[1] operating profit margin was 6.6%. As at 30 September 2023, the Group had pre-IFRS 16 net cash of £35.7m (30 September 2022: net cash £20.2m). The Group's order book at 30 September 2023 remained strong at £860m (FY2022: £775m) underpinned by long-term framework positions.

Dividend

The Group's robust trading performance, cash position and strong forward order book have given the Board the confidence to declare a final dividend of 12.00p (FY2022: 11.33p) per share. This represents a full year dividend of 18.00p which is a 5.8 per cent increase over the prior year. This will be paid on 8 March 2024 to shareholders on the register as at 9 February 2024, with an ex-dividend date of 8 February 2024.

Engineering Services

Our Engineering Services activities account for over 98 per cent of the Group's adjusted[1] operating profit and delivered revenue of £887.5m (FY2022: £778.9m) with an adjusted[1] operating profit of £64.3m (FY2022: £59.1m) resulting in an adjusted[1] operating margin of 7.2% (FY2022: 7.6%). At 30 September 2023, the Engineering Services order book was £777m (30 September 2022: £717m). The Group's resilient performance was driven by continued positive momentum across our markets. We continue to resecure positions for CP7 in Rail, we have expanded our range of capabilities in the Water sector and we continue to see strong demand in our Telecoms activities.

Rail

Network Rail, a significant strategic customer for the Group, is investing £53bn[3] over the current control period ("CP6"), which runs to March 2024. With CP6 drawing to a close and CP7 scheduled to start on 1 April 2024, the Group has been focusing efforts on securing framework extensions and expanding framework positions for CP7. In May 2023, Network Rail set out its Strategic Business Plan ("SBP") for CP7 which laid out a commitment of £44bn[4] in the operations, maintenance and renewal of the railway in England and Wales. Whilst this spending commitment may appear to be a reduction from the previous control period, it's important to note that CP7 doesn't allocate a separate enhancement budget so the maintenance and renewals programme which directly supports our business is actually 2.5% higher than the projected CP6 expenditure.[5] The ORR has since proposed that Network Rail increase the amount it spends on renewal and maintenance of its core assets on the rail network by a further £600m over the control period. As the largest provider of multidisciplinary maintenance and renewals engineering services to Network Rail, we support the day-to-day operation of the rail network nationally, directly delivering essential asset maintenance through our long-term frameworks. The Group assists the network through mission-critical renewals and maintenance services supporting assets including bridges, embankments, fencing, devegetation, tunnels, drainage systems, signalling, electrification and plant.

During the period, we were the largest provider of maintenance and renewals services to Network Rail nationally and achieved early success in securing CP7 frameworks with Wales & Western on their Wales Structures and Wales & Western Electrification & Plant frameworks and in North West and Central on the Reactive Maintenance Framework. It was particularly pleasing to win the Wales & Western Electrification & Plant frameworks as this work will be delivered through a unique collaboration between AmcoGiffen, REL and QTS ("ARQ") and again illustrates the expanding number of frameworks we are able to target through leveraging the capabilities within the businesses we have recently acquired complementing the existing Group. Elsewhere we expanded our credentials in emergency project delivery with Network Rail through our excellent work across the country. Throughout the year the Group assisted on projects which included major flooding incidents and landslides, whilst the Group's rock armour resilience work in Wales received excellent media coverage and accolades from Network Rail. Our early success in securing CP7 framework positions gives us confidence that we will be able to unlock further opportunities across other regions during the upcoming CP7 framework awards.

In our half year results, I wrote that we were mindful of speculation regarding public expenditure budgets for CP7 being constrained but we were continuing to see record demand for our services internally. Following the publication of Network Rail's SBP, it's clear there is an emphasis on driving as much value out of investment as possible with a focus on "what customers and wider society value most".[6] This has resulted in an expanded budget in the area of renewals and maintenance which is good news for our Rail businesses.

The compelling maintenance-focused structural growth drivers within this sector and Renew's high-quality engineering expertise leaves the Group ideally positioned to deliver long-term, profitable growth in Rail. We continue to be confident of retaining our existing frameworks which are coming up for renewal and expanding upon those positions in CP7. We have previously highlighted in our results statements the opportunities we see in electrification of the rail network so it is pleasing to see that it has been included as one of five CP7 objectives in Network Rail's SBP. Our three rail brands have formed a collaborative and unique position for Overhead Line Electrification delivery, and this will become an increasing strategic focus for the Group.

Infrastructure

Highways

The Group continued to make good operational and strategic progress within Highways during the period, continuing work on the National Highways Scheme Delivery Framework ("SDF") across five framework lots, covering civil engineering, road restraint systems and drainage disciplines, worth £147m over six years. This work, delivered through a joint venture between two of our brands, successfully completed its first projects during the year, drawing client praise for delivery and performance. This joint venture is only the second successful joint venture on the SDF and makes the Group the second largest supplier of road restraint systems in the country.

Elsewhere, we were successful in securing a position on the new Manchester City Council Highways Framework for two years with an option to extend for a further two. We are delighted to have made progress in developing a work bank in Scotland which is a new region for our Highways business. The success the Group has enjoyed in delivering essential asset maintenance and critical infrastructure renewals across the country's strategic road network leaves it ideally positioned to take advantage of the increasing focus on maintenance and renewals over significant enhancement projects. Our innovative StoneMaster technology continued to be successfully deployed across the national highways network.

The UK Government's second Road Investment Strategy ("RIS2") committed an unprecedented level of spending on England's strategic road network between 2020 and 2025. Of the £27.4bn committed over a five-year period, £11.9bn of this funding is ringfenced for operations, maintenance and renewals which gives Renew a unique advantage from which it has continued to benefit. We noted in our half year results that early market consultation for RIS3, which is scheduled to begin in 2025, suggested that there would be a sharper focus on critical maintenance and renewals as opposed to significant road enhancement projects and this appears to be correct. In May 2023, National Highways published an initial consultation on RIS3 outlining its proposed priorities highlighting that renewal of existing assets "is likely to be a growing element of the roads programme"[7] and recognises that users want "existing roads in good condition before building new ones".[8] Further, the House of Commons Committee report stated "the existing Strategic Road Network is ageing and requires significant renewal work in places. The portfolios for RIS3, RIS4 and beyond should prioritise investment in the maintenance, renewal and resilience of existing assets over brand new projects."[9]

With a sharp focus on public expenditure in the current macroeconomic environment it is clear the Government is prioritising critical maintenance and renewals programmes over significant enhancement projects. This emphasis clearly plays to the strengths of our business and we remain uniquely positioned to seize attractive growth and market share opportunities within Highways through the distinctive capabilities within our Group.

Aviation

The Group continues to see growing momentum in Aviation following its appointment to the 5-year Manchester Airports Group ("MAG") £700m Civils Framework to deliver medium-sized civil-engineering projects valued between £3m - £10m. The most pleasing part of our Aviation business is that we were able to move into this sector organically which has been historically difficult to do. Our early work at Manchester Airport has led to the Group securing further frameworks with the successful procurement of Airfield Works Phase 1 for the MAG worth up to £8m but more importantly providing our team with development and growth opportunities within the sector. We have seen demand for travel dramatically increase since 2022 after several years of decreased demand due to Covid-19 resulting in underinvestment in critical assets in the sector. Aviation is becoming an area of increased focus within the Group and we look forward to continuing to seize opportunities as we grow our credentials in the sector.

Wireless Telecoms

The nation's connectivity is becoming ever more critical in the digital age, and as a result the wireless telecoms sector contains many attractive growth drivers. An estimated £30bn[10] is required to upgrade the nation's broadband networks to gigabit-capable speeds, which includes the UK Government's £5bn investment in the roll-out of 5G, the expansion of the Shared Rural Network and the Government's £500m programme to extend 4G mobile coverage to 95% of the UK.

This year was another record year for our Telecoms business as we continued to design, build and commission infrastructure for all the nation's major network providers including Vodafone, EE, BT, VMO2 and Three. We are particularly pleased that our recent work for Vodafone, delivering across multiple programmes, has established our subsidiary business as a key supplier to them moving forwards.

We are one of a very limited number of partners responsible for delivering the major new build sites for the Shared Rural Network, a complex programme delivering phone and data coverage in very remote locations driving transformational change for rural communities. We continue to explore new opportunities in 5G private networks after our recent completion of a 5G network for the UK Satellite Application Catapult. Our business continues to evolve to meet the needs of our niche target markets where we see considerable opportunities going forward.

Continuing to establish ourselves as a trusted partner to the nation's network providers will leave the Group well placed to seize further growth opportunities in the future.

Energy

Nuclear

Having worked for over 75 years in civil nuclear, we provide a multidisciplinary service through our large complement of highly skilled employees who operate to demanding nuclear standards, including decontamination and decommissioning services, operational support and asset care, as well as waste retrieval in high-hazard areas such as legacy storage ponds and silos.

The Government's total nuclear decommissioning provision is estimated at £124bn[11] over the next 120 years, with around 75% of the total spend allocated to Sellafield which is the largest of the Nuclear Decommissioning Authority's sites and where we remain a principal Mechanical, Electrical and Instrumentation services contractor.

In the period, we successfully signed four long-term frameworks as part of Sellafield's Project Partnership Programme ("PPP"), which was mobilised in 2019 with £7bn of capital projects planned for the next 20 years[12]. We will be delivering the frameworks alongside the PPP's Key Delivery Partners for Heating Ventilation Air Conditioning ("HVAC"), Electrical and Mechanical Fabrication and Installation Services.

We continue to operate across a number of other long-term frameworks at Sellafield, where works include the manufacture of the first of the Hybrid 2 fuel racks. These enable Sellafield to safely store all the spent fuel it receives from operating reactors in its existing storage pond without the need for new facilities. This further supports the UK decommissioning programme and delivers significant time and cost savings. Elsewhere at Sellafield, we continue to make good progress on the Magnox Swarf Storage Silo programme, one of the UK's most critical decommissioning projects and our work to decontaminate the first part of the recently closed Thermal Oxide Reprocessing Plant ("THORP") is progressing at pace.

Expanding our nuclear capabilities, the Group has been awarded a place to support a new six-year framework for Nuclear Restoration Services (formerly Magnox), for mechanical decommissioning and decontamination services. The programme of work covers 11 sites and will contribute to the clean-up of the UK's nuclear waste whilst reducing the environmental impact of the sites and helping to deliver the Nuclear Decommissioning Authority's strategic goals.

Post-period end we completed the acquisition of T.I.S. Cumbria Limited, strengthening our position in nuclear decommissioning and new build markets. In line with the Group's strategy, the acquisition enhances Renew's nuclear services offering by immediately doubling our specialist manufacturing capacity.

While the work we do in this sector is predominantly focused on decommissioning and waste retrieval in high-hazard areas such as legacy storage ponds and silos, the budget from the UK Government, announced earlier this year, suggests that new nuclear will offer further growth opportunities in the future. The UK Government has committed to achieving net zero emissions by 2050, and decarbonisation of our energy supply is a key step to achieving carbon neutrality. The Government is delivering a radical shift in the UK energy system towards cleaner, more affordable energy sources of which new nuclear is an essential component. This is underpinned by the creation of Great British Nuclear[13] and the Government's target to commence construction of up to three new nuclear plants in the next 10 years. This provides long-term and sustainable demand for our specialist manufacturing capabilities in high grade nuclear components which we are investing in and seeing record demand for.

Electric Vehicle Charging

The transition to Electric Vehicles ("EV") plays a key role in supporting the UK's ambition of achieving net zero emissions by 2050 and zero vehicle emissions by 2035. A collaboration between two of our subsidiaries has delivered EV charging solutions to Network Rail and Volvo Trucks and we continue to grow our services in this area, having recently been awarded significant UK wide roll-out projects for two major charge point operators.

Environmental

Water

The Group continues to expand its capabilities in Water and to grow its network in the sector. The UK's water companies, through their latest AMP8 business plans, are proposing to almost double their spending over the next five year control period compared with that determined in AMP7. With a strengthened position in the market, we are well positioned to benefit from this increased water investment. As we prepare for the AMP8 cycle beginning in April 2025, we have taken significant steps to secure our long-term future with framework proposals for each of our key clients. We have already received Early Contractor Involvement ("ECI") awards from Thames Water for three packages of mains renewals works worth up to £200m, which are planned to start in 2024 and run well into AMP8.

Building on momentum following the acquisition of Enisca in November 2022 and Browne in 2021, we are making significant strides in broadening our capabilities and growing our customer network. In addition, we have secured a new client in South West Water, which will drive significant organic growth and is testament to the strength of our strategic and value-add acquisitions and growing reputation in this sector.

In the period, we have progressed works for Severn Trent Water and secured places on both Dŵr Cymru Welsh Water's Major Electrical & Mechanical Frameworks and Major Civils Framework, as well as a further 5-year extension to our Thames Water Area-Wide Capital Delivery Framework.

With our work for Southern Water, priority compliance and work completions are at their highest levels for the last 9 years. We are also setting a new standard for how work is managed and delivered for Thames Water; from getting onto site within 9 weeks of receiving an order on design and build for multi-million-pound packages of works, to handover within 9 days of construction completion.

We are supporting Yorkshire Water with the delivery of their storm tank capacity schemes which are needed to satisfy new increased capacity obligations for storm storage on their wastewater treatment works. As part of the Water Industry National Environment Programme, these new consent capacities are spread across 3 years of delivery up to March 2025.

Further developing the synergies between our brands, the Enisca Browne joint project has delivered its first works in the Essex and Suffolk region for Northumbrian Water as the Low Complexity MEICA Framework commenced, and has seen growth in the value of work delivered for key client South East Water.

Flood and Coastal

Changing weather conditions continue to highlight the need for investment in flood defences and we see an increasing focus on climate and weather resilience. The UK Government has committed £5.2bn[14] from 2021–2027 to improve flood defence infrastructure. Of this, £1.6bn[15] is directed towards coastal erosion and sea flooding projects where the Group currently undertakes work for the Environment Agency ("EA") on the EA Flood and Coastal Erosion Framework.

In the period, we secured and delivered our first projects under the Canal & River Trust Minor Civils Framework and have been awarded the Leeds City Council Watercourse Maintenance Framework, a single source direct award maintenance framework supporting our growth in the Environmental sector.

Land Remediation and Specialist Restoration

In Land Remediation, we continue to see demand for our specialist environmental services during the period. We continue to further leverage the synergies of Renew's businesses, including the unlocking of long-term opportunities at the Palace of Westminster.

Specialist Building

Our Specialist Building business focuses on the High Quality Residential, Landmark and Science markets in London and the Home Counties.

The ultra-high quality residential sector remains resilient with a number of new projects awarded in the year. Work continues to progress at Lambeth Palace and the Natural History Museum in our Landmark sector.

In Science we have been awarded a new framework for the Medical Research Council at Harwell following the successful delivery of a new laboratory complex at Hammersmith. In addition, we have received a number of new awards through our existing Defra frameworks.

ESG

The Group continues to progress its ESG strategy and, in the period, has focused on developing reporting disclosures in line with Climate Related Financial Disclosure regulations, which are included as part of the 2023 Annual Report & Accounts.

With quantitative targets in place, we continue to focus our energy on and are making significant progress against our four key areas:

- climate action;
- operating responsibly;
- empowering our people; and
- building sustainable social value.

During the period we were pleased to retain our LSE Green Economy Mark, which recognises London-listed companies and funds that derive more than 50% of their revenues from products and services that are contributing the environmental objectives such as climate change mitigation and adaptation, waste and pollution reduction, and the circular economy.

It is well recognised that investment into low-carbon infrastructure will be fundamental in delivering the Government's ambition to reach net zero by 2050. From the rail network and digitally assisted roads to high-speed telecoms and clean energy, Renew has a key enabling role to play on the frontline of efforts to decarbonise the economy. Alongside our role in progressing the net zero transition, the Group has committed to reaching net zero emissions by 2040.

Health and Safety

The health, safety and wellbeing of our colleagues, and those impacted by our work, is our highest priority and at the heart of everything we do, and we take seriously our responsibility to provide a safe workplace for our employees.

We are proud to have in place industry-leading safe working practices for the Group's employees and operations and are pleased to be able to report an improved safety performance over the previous comparative period.

Outlook – outstanding FY23 gives further confidence in the year ahead

The outstanding trading result achieved in FY23 is testament to the strength of our business model and the people we employ. To once again report record results despite the continually shifting macroeconomic landscape illustrates quite clearly the differentiated qualities and resilient nature of Renew.

With a heightened focus on public expenditure as a result of the weak economic landscape, it is clear that the Government is prioritising investment in maintenance and renewals of existing infrastructure instead of large-scale enhancement projects. This plays to the Group's strengths and we have seen evidence of this in Network Rail's Strategic Business Plan[16] and the Transport Committee's Strategic Road Investment report[17]. We also remain excited about the growth prospects in Water, a market that is likely to benefit from significantly increased expenditure over the next decade and beyond.

To this end, the structural growth drivers in our end markets have never been more attractive and we remain uniquely positioned to seize both organic and acquisitive growth opportunities. Our trading momentum has continued into the new financial year, and we are excited by the significant opportunities across the Group.

Paul Scott
Chief Executive Officer
27 November 2023

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15. Lovell, A. 2023. EA Chair says collaboration needed to protect local economies and nature on the coast. Annual Coastal Futures Conference, 26 January, London.
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AMCO·GIFFEN

Section 172(1) statement

Renew Holdings plc (the "Company" or "Group") Section 172(1) statement

As required by Section 172 of the Companies Act 2006, the Directors confirm that, during the year, they continued to act in such a way as to promote the success of the Company for the benefit of all its stakeholders and confirm their commitment to ensuring due consideration of, amongst other matters:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Group.

Stakeholder engagement

Our business model on pages 20 and 21 identifies the Group's key stakeholders. More details on our stakeholder engagement activities can be found on pages 22 to 29 of this report.

Information on the Group's sustainability commitments can be found on pages 50 to 61 of this report. The Group considers its broader sustainability commitments as part of its decision-making process, which includes an assessment of the impact of the decisions it takes on the environment.

While there are circumstances where the Board engages directly with certain stakeholder groups on certain issues, the structure of the Group means that it is usually best for stakeholder engagement to take place at a subsidiary level. More information on the stakeholder engagement that takes place, which informs the Company's decision-making process, can be found in the Our stakeholders section on pages 22 to 29 of this report.

During the year the Board has engaged across our stakeholder groups including attendance at employee and management conferences, and participation in our Safety and Environmental Management Group events and supplier and community events. The Board visited two of the Group's subsidiary businesses during the year to better understand the businesses, their employees and culture. The Board met employees from across the businesses.

Impact on decision making

The day-to-day management of our subsidiary businesses is undertaken by the senior teams within the businesses. Renew oversees its subsidiary businesses in the areas of finance, health and safety, human resources, commercial and risk management. More details of how the Group manages risk can be found on pages 70 to 73. Members of Renew's executive management team attend each subsidiary's monthly management meetings and review the Group's overall financial and operational performance at monthly Board meetings.

The Renew Board is responsible for shareholder relations, business strategy, governance and reviewing progress against strategic objectives for both the Group and its subsidiary businesses, as well as considering the impact of the Company's activities on the environment. More information on the Group's sustainability commitments can be found on pages 50 to 61 of this report. The Board receives information on these areas prior to its monthly Board meetings and as required throughout the year.

In making its decisions, Renew considers all its stakeholders. Whilst not all the decisions made are able to benefit all the Group's stakeholders at any one time, the Board is confident it reaches its decisions in a fair and consistent manner.

→ Read more about our business model on pages **20 and 21** and how the Group identifies and engages with its key stakeholders on pages **22 to 29**

→ Find out more about our culture on pages **48 and 49**

→ More details of the Group's sustainability commitments and our progress against these during the year can be found on pages **50 to 61**

→ Details of how the Group manages risk can be found on pages **70 to 73**

Responding to a changing landscape

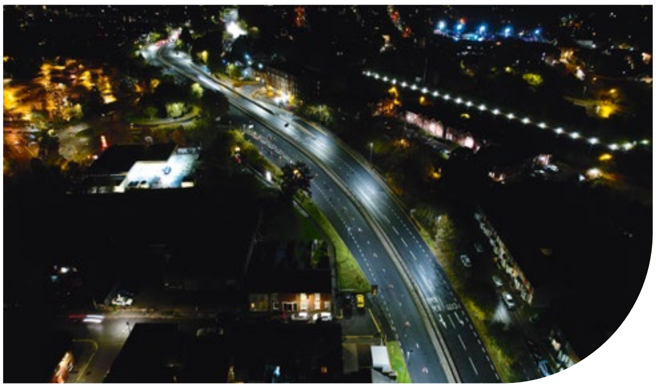
There are a number of strong, long-term fundamentals which underpin the Group's strategy and support our continued growth.

Political and economic landscape

The Government's commitment to growing the UK economy was reconfirmed in the Spring Budget 2023 and is underpinned by the UK's Levelling-Up agenda and investment in the Energy Security Strategy.

Opportunity

We are well positioned to support continued investment in UK critical infrastructure including the creation of Investment Zones and Levelling-Up Partnerships. The creation of Great British Nuclear, energy networks and clean energy will require significant and sustained investment over the long-term.



Population growth

Population growth continues to increase pressure on the UK's critical infrastructure networks including on the transport network, demand for clean water and energy and increasing requirements for faster digital connectivity.

Opportunity

Maintenance and renewal of existing assets across critical infrastructure networks including investment to improve rail and highways and water infrastructure capacity are evidenced in the recent funding announcements.

The UK is committed to increasing its resilience in the energy and water supply networks. Programmes to improve digital provision include the roll-out of the 5G network across the UK under the Government's Project Gigabit.

"The effect of climate change, and the UK's actions to mitigate its potential effects, can be seen across our markets including a focus on decarbonisation through the Government's Net Zero Strategy and investment to address energy shortages and increased flood risk."

Climate change

The effect of climate change, and the UK's actions to mitigate its potential effects, can be seen across our markets including a focus on decarbonisation through the Government's Net Zero Strategy and investment to address energy shortages and increased flood risk.

Opportunity

We operate across the UK's essential infrastructure markets, through long-term framework agreements, to deliver planned and reactive asset maintenance and renewal services. In recent years the requirement to improve the resilience of the UK's critical networks has increased as well as investment in new technologies such as renewable energy generation and its supporting infrastructure, development of innovative flood alleviation and dam safety programmes.

New technologies

Development of new technologies to increase capacity and the reliability of UK networks continues to drive investment. Moving towards smart cities, smart transport and digital infrastructure will become increasingly important as demand increases.

Opportunity

Through advances in digital railway, digital roads, connected infrastructure, battery storage and EV/CAVs and the associated increased investment in digital infrastructure solutions.

Government regulation

The drive to optimise assets, incentives linked to customer satisfaction and increased partnership along with smarter procurement practices will drive investment.

Opportunity

Our focus on upgrading and maintaining infrastructure assets and supporting these changes will see us deliver across our key regulated markets.

Driving stakeholder value

What we do

Capability based on ESG

ESG is at the heart of the work we undertake. We are committed to improving our sustainable working practices with clear targets and ambitions to drive progress across our businesses.

Engaged and committed workforce

The Group is committed to the development of its workforce and direct engagement supports the responsive nature of the work we undertake. Our directly employed workforce is highly trained and experienced in the individual markets in which it works.

Committed long-term funding

The markets in which we operate are largely governed by regulation and, as such, benefit from long-term programmes of committed funding.

Non-discretionary infrastructure

Operating on the UK's critical networks, including the rail, telecoms, water, highways and energy networks, we support the day-to-day operation of these essential infrastructure assets.

What makes us good

Providing 24/7 specialist engineering solutions to keep the nation's infrastructure operational

Capital-light, opex-led maintenance and renewals model

Ensuring compliance through an embedded safety culture

Responsiveness, control and agility

Reduced exposure to sub-contractor pricing volatility

Working together

Committed to adding value through innovation

Delivering innovative solutions which includes the development of bespoke plant solutions to provide both cost and time efficiencies.

Responsible

We understand our responsibility to our stakeholders and seek to consult across all areas of our business operations.

Developing

We continue to invest heavily in training and development. Our subsidiaries work to develop the skills of the future with over 330 trainees, apprentices and graduates across the business.

Underpinned by our sustainable goals

Renew is a holding company which gives autonomy to its operating subsidiaries, enabling them to be competitive and effective in their individual markets whilst setting overall standards. Our subsidiaries' directly employed workforce and supply chain work together to deliver a safe and responsive service supporting the day-to-day demands of the UK's critical infrastructure networks.

Delivering value

Number of meetings held with existing and prospective shareholders, including group meetings, during the year

125

Shareholders
Through our strong governance framework and system of internal controls, the Group is effectively managed, producing consistently strong results. We are well positioned in our chosen markets with a differentiated business model for continued success.

Highly skilled workforce

4,361

Employees
We provide a range of training, development and progression opportunities for our employees as well as attractive remuneration packages.

Number of charities we support

50+

Communities
We support the local communities in which we operate by engaging with them on charitable, environmental and social causes. We operate responsibly and ensure a lasting positive impact from the work we undertake.

Frameworks in regulated markets

240+

Customers
Our range of complementary skills and responsive service assists us in providing our customers with their day-to-day requirements and supports them in achieving their longer-term goals.

Our core values

8

Suppliers
Operating with fairness and integrity, we work with our supply chain to develop a working relationship which benefits all parties.

Number of principal subsidiaries

11

Operating companies
We support our subsidiary businesses to retain their own strong identities as well as providing central health and safety, IT, HR and commercial support.

Engaging with our stakeholders

Stakeholder engagement is an important aspect of our business and leads to better decision-making, reduced risks and enhanced trust, helping us foster positive relationships with all our stakeholder groups.

The role of engagement

Engagement impacts various aspects of our business, from customer satisfaction and employee performance to brand reputation and innovation. Effective engagement strategies help our businesses build relationships, drive growth, and navigate challenges in a dynamic and competitive business environment.

Employees

"As a direct delivery organisation, engaging with our employees is key to informing every aspect of our business."

How we engage

- Our businesses undertook a range of employee surveys including surveys on diversity, equality and inclusion.
- Communication channels include social media, workshops, newsletters, intranets and social events.
- During the year the Board undertook two site visits where it met with the senior leadership teams as well as employees from across the businesses.
- The Board is kept up to date on the outcomes of employee survey data.
- The Executive Directors engage with our employees informally on a day-to-day basis as well as at more formal events such as the annual employee roadshow, management meetings and Group forums including those on safety, climate and nature, finance, communications and diversity, equality and inclusion.

Why we engage

As a direct delivery organisation, engaging with our employees is key to informing every aspect of our business.

Priorities for 2023/24

- The focus in the coming year will be on supporting the Group's various forums. The forums support our understanding of current issues and provide a platform for open discussion.
- The Board will be looking to increase engagement with employees across the Group through its site visit programme.
- The results of the various employee surveys will inform the Group's planning in key areas.

The Mental Health at Work Commitment

Walter Lilly has pledged to be "Mental Health at Work Committed", a set of standards that will help improve and support the mental health of its employees. This framework sets out six clear standards based on what best practice has shown is needed to make a difference and better equip those to create an environment where employees can thrive. It ensures that employees and managers are properly supported, allowing the creation of a healthy workplace environment and helping to direct those who might need it to accessible support.
The standards are:

1. Prioritise mental health in the workplace by developing and delivering a systematic programme of activity.
2. Proactively ensure work design and organisational culture drive positive mental health outcomes.
3. Promote an open culture around mental health.
4. Increase organisational confidence and capability.
5. Provide mental health tools and support.
6. Increase transparency and accountability through internal and external reporting.

By signing up to this commitment Walter Lilly has confirmed that mental health at work is a priority and that it is committed to expanding its efforts to provide a healthy, safe and enjoyable work environment. Walter Lilly also provides wellbeing days to provide support when an employee's mental health may not allow them to face the working day in a positive and safe manner and Mental Health First Aiders to support employees as and when required.

Shareholders

The views of the Group's shareholders influence the decisions taken by the Board and the executive management team.

How we engage

- We delivered a series of results meetings with our shareholders during the year and held the Group's Annual General Meeting in February.
- During the year, the Chairman undertook a number of meetings with the Group's major shareholders.
- The executive management team liaises directly with shareholder enquiries.

Why we engage

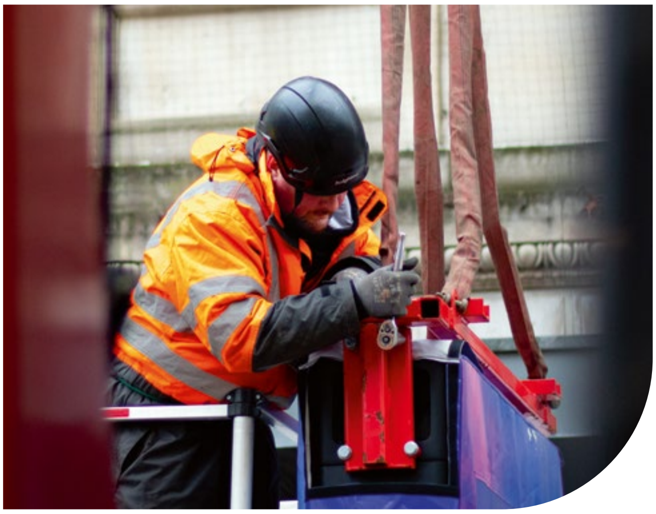
The views of the Group's shareholders influence the decisions taken by the Board and the executive management team. We seek to maintain strong relationships with our shareholders through effective communication ensuring shareholders' views are considered and concerns are addressed in a timely and transparent manner.

Priorities for 2023/24

- Feedback from the results roadshows will inform the Group's reporting disclosures during 2024.
- Development of the Group's shareholder engagement calendar.
- Change the format of the results webinars to engage with a wider shareholder base.

Operating companies

Strong engagement with our subsidiary companies ensures a thorough understanding of the performance of the businesses.



Bringing our skills together

Our highways joint venture AmcoGiffen Carnell ("AGC") is a collaboration between two of the Group's subsidiary businesses, AmcoGiffen and Carnell, illustrating the integration and collaboration potential of our brands.

During 2023, AGC successfully completed its first major barrier scheme on National Highways' vehicle restraint system contract on its Scheme Delivery Framework, identifying safety critical defects and remediating them on a long stretch of the M69.

Establishing our wider ability as a principal contractor of multidisciplinary works, we carried out the role when required, at short notice, to allow other contractors to work within our lane closures, successfully co-ordinating and vetting surfacing works, tree felling and street lighting operations for safety compliance and integration. AGC used its internal CCTV team to provide surveys of the drainage routes within the vicinity of our barrier activities demonstrating the added value that AGC can provide.

The joint venture between AmcoGiffen and Carnell was the only successful joint venture on the SDF and makes the Group the second largest supplier of road restraint systems in the country. The Group continues to pursue further opportunities where it can leverage the combined expertise of its subsidiaries.

How we engage

- During the year the Board attended site visits and presentations by the subsidiary senior management teams.
- Each monthly subsidiary management meeting is attended by a member of the Renew executive team.
- The Group holds quarterly Executive Management Committee meetings, which are a forum for Managing Directors from around the Group to share information and best practice.
- The Board is provided with the subsidiaries' monthly management reports.

Why we engage

Strong engagement with our subsidiary companies ensures a thorough understanding of the performance of the businesses and ensures their alignment and progress against the Group's overall strategic objectives.

Good relationships assist with the implementation of the Group minimum requirements, a set of standards which oversees all aspects of our subsidiaries' operations.

Priorities for 2023/24

- Ensure continued compliance with the Group Minimum Requirements.
- Bring together our Group subsidiary companies to leverage collaborative gains.
- Utilise the Group's forums to continue to share best practice, knowledge and expertise.

Customers

Through regular engagement we are able to develop our understanding and deliver a responsive service aligned to our customers' requirements.

How we engage

- Our teams engage in client meetings, workshops and site visits.
- Through the work delivery process, communication is critical and site teams and subsidiary management actively engage with the customer, often over long-term programmes of work.
- Engaging in our customers' initiatives, understanding their priorities and working responsively help us build relationships over many years with our key clients.

Why we engage

Strong and open communication helps foster long-term relationships and build trust with our customers. Through regular engagement we are able to develop our understanding and deliver a responsive service aligned to our customers' requirements.

Priorities for 2023/24

- Ensure our businesses continue to be aligned to the requirements of their key strategic clients.

"Engaging in our customers' initiatives, understanding their priorities and working responsively help us build relationships over many years with our key clients."

Suppliers

Creating a culture of trust and the incentive to innovate.

How we engage

- Our supply chain engagement centres around integration, creating a solid foundation that brings together design, construction, delivery and processes through partner relationships that create a culture of trust and the incentive to innovate.
- We work openly and collaboratively with sub-contractors, specialist contractors and our Group partners to provide the best value, most efficient, highest quality sustainable solutions for our clients. We hold regular engagement sessions with our supply chains in different regions and for different frameworks to involve suppliers in our planning and development of the right solutions for our clients. We also support our supply chain with regulatory obligations and standards as well as training.

Why we engage

- We aim to share our collective challenges and goals, helping to ensure that we deliver open, collaborative relationships that drive true value for all our suppliers, stakeholders and the wider community.

Priorities for 2023/24

- Our businesses will continue to develop strong relationships with their supply chains.
- Support our supply chain with ethical working practices.
- Continue to engage with industry events and forums.

An ethical approach to our supply chain

The Chartered Institute of Procurement and Supply ("CIPS") has awarded both AmcoGiffen and Carnell the CIPS Corporate Ethics Mark demonstrating their commitment to ethical practice and supplier management. As part of the assessment to achieve the code, employees completed a programme of challenging ethics training and passed a test in fraud, corruption, bribery and environmental concerns in procurement and supply chain.

Some of the activities required to gain the mark included adopting an ethical sourcing policy that includes all the key principles within the CIPS Code, reviewing and adapting its supply chain approval processes, and ensuring all employees responsible for selection and sourcing of suppliers complete the CIPS Ethical Procurement and Supply coursework as well as passing a series of tests.

The ethics mark demonstrates assurance to suppliers and clients, showing a commitment to the code, including eradicating unethical practices, conducting business with respect and integrity, supporting social values and working professionally. AmcoGiffen and Carnell have both been added to the CIPS professional ethics register.

Communities

Community engagement allows our teams to work with the communities in ways that benefit everyone.

How we engage

- The nature of the work our subsidiary businesses undertake means we are often working in and around the local communities. Our subsidiary businesses are aware of the impact of their operations and seek to keep local communities informed using a variety of methods including face-to-face meetings, newsletters and social media.
- Community schemes and charitable events give our businesses an opportunity to leave a lasting positive impact from the work they do.
- Engaging with local education providers supports them in developing the industry's skills of tomorrow.

Why we engage

- Engaging with our local communities ensures we are aware of local concerns and challenges. It allows our teams to work with the communities in ways that benefit everyone.

Priorities for 2023/24

- Continue to strengthen our community engagement programmes to the benefit of all involved.
- Develop our businesses' social impact strategies to help improve the local communities we work in.

The Shepley Group supports local good causes

Whitehaven-based Shepley Engineers set up its Shepley Group Fund with Cumbria Community Foundation in 2011. Since then, the fund has awarded grants of over £100,000 to 72 different organisations, mostly in West Cumbria. The grants have helped thousands of local children and adults supported by smaller, grassroots charities and community organisations covering homelessness, substance abuse, physical and mental health, disability, arts, sport, the environment, education, youth social action, social inclusion and community development.

The latest three grants were awarded to The Vulture Club, Team Evie and The Windmill Trust. The Vulture Club in Whitehaven offers creative arts and a place to meet in a safe and fun setting to support people recovering from addiction or trauma. West Cumbrian charity Team Evie supports sick children and their families when they are in hospital in Cumbria and the North East, at home after hospital, or in need of bereavement support and The Windmill Trust supports children and young people in the Wigton area who have encountered adverse childhood experiences and who are not able to access statutory support.

The Shepley Group Fund was set up as an endowed fund with Cumbria Community Foundation in 2011 and further donations have been added over time. This money has been invested and the earnings have been used to award grants to local charitable groups. The benefit of an endowed fund is that it is permanent and can benefit communities over the longer term.

"Motivated by a shared belief in making a positive impact on the local community, Browne selected Hands On Hand Out as its designated charity for 2023."

Community engagement

In July, a team of 16 from J Browne embarked on a challenging sponsored walk as part of National Walking Month to raise money for its chosen charity of the year, Hands On Hand Out.

Motivated by a shared belief in making a positive impact on the local community, Browne selected Hands On Hand Out as its designated charity for 2023.

The walk began at the J Browne head office in Enfield and culminated at the bustling King's Cross station, covering a distance of 16 miles.

Hands On Hand Out is a charity that focuses on helping the homeless population through its outreach initiatives. Every Sunday, the charity organises outreach sessions in King's Cross where volunteers provide essential items, such as food, clothing and toiletries, to those experiencing homelessness in the community. Its commitment to improving the lives of the less fortunate has made it a lifeline for many of those in need.

The 16-mile trek demanded both physical and mental resilience. Some managed to complete the walk in a commendable five hours, while others took a little longer to conquer the challenge. However, what mattered most was the collective determination to reach our destination and make a difference.

Throughout the journey, the team encountered a mix of emotions; fatigue, excitement and a growing sense of accomplishment. The camaraderie and support across the team kept spirits high, ensuring nobody was left behind. The Browne partnership with Hands On Hand Out will extend beyond this event, as they look forward to further collaborative efforts to alleviate homelessness and create a better future for the community.

Walter Lilly teams competed in the 2023 Construction Industry Dragon Boat Challenge, the largest charity dragon boat race in the country. The sell-out event raised over £17,000 all in the aid of CRASH, the Construction Industry's Charity, which helps support homeless charities and hospices.

Walter Lilly's HQR Ball in London raised around £150,000 for The Lighthouse Club, Nacoa UK and a number of worthwhile causes.

A team from QTS has been helping the Linby Scouts Club at its charity shop in Nottinghamshire and supported Applegarth Nursery in Nottingham, helping to create a natural play space.

Shepley supported the Cumbria Nuclear Solutions Limited partners in a charity cricket tournament in aid of Calderwood House. Over the last year, Shepley Group employees have spent over 3,000 hours volunteering.

Carnell gave a hand to Wolgarston High School during its Community Day, maintaining the grounds of The Monckton Recreation Centre and St Michael's Church.

Carnell undertakes a Weekly Big Shop as part of an ongoing commitment to its local communities and is donating a range of essential goods to the local food banks.

A volunteer team from Envolve Infrastructure helped out at the Avalon Summer Camp with Wessex Water, a camp for disadvantaged children. Over 60 children enjoy a week full of activities in the country. The team helped put up all the tents ready for the children to arrive.

Our strategy to consistently deliver sustainable growth

We focus on five key strategic pillars to continue the Group's sustainable growth and ensure we remain well positioned to respond to our clients' and market requirements.

To be a key provider of engineering services in our target markets

Progress in 2023

We made further progress in the year with the day-to-day requirements of keeping essential networks operational.

We developed the range of services we are able to offer and expanded our geographical presence in a number of our markets.

Future focus

Develop strategically important relationships by delivering market-leading innovation and cost efficiencies to our clients.

Link to KPIs A C E F H

→ Read more on pages **32 and 33**

To focus on asset support, maintenance and renewals programmes with non-discretionary funding

Progress in 2023

We continued to focus on asset support, maintenance and renewals in our markets where spending in these areas is backed by committed programmes of investment. During the year we won and were re-awarded a number of key frameworks to continue to support their essential network assets.

Future focus

We position our business to access essential maintenance and renewals spending programmes with our new and existing clients.

Link to KPIs A C E F H

→ Read more on pages **32 and 33**

To expand our direct delivery model through strong local brands

Progress in 2023

Throughout the year we continued to consider a range of acquisition opportunities. We look for acquisitive growth that would expand our range of capabilities in our target markets or our geographical range. During the year we significantly increased the Group's headcount to strengthen our direct delivery model.

Future focus

We continue to focus on the organic expansion of our engineering services capabilities and geographical coverage as well as seeking complementary Engineering Services acquisitions.

Link to KPIs A C E F H

→ Read more on pages **32 and 33**

"Renew acquired Enisca in November 2022. Enisca brings complementary MEICA capabilities allowing the Group's water businesses to expand the range of services they offer their clients. The Group continues to focus on organic and acquisitive opportunities that are aligned with the Group's strategy."

To establish long-term relationships through responsiveness to clients' needs

Progress in 2023

We continued to develop our range of capabilities to better meet the needs of our clients. Across our markets we are able to offer a multidisciplinary planned and reactive engineering service to support our clients' infrastructure networks.

Future focus

Develop our range of capabilities and utilise our market knowledge to align our business to our clients' long-term objectives. Continue to deliver a quality, safe and cost-effective service in our markets.

Link to KPIs A C E F H

→ Read more on pages **32 and 33**

To continue to deliver organic growth combined with selective complementary acquisitions

Progress in 2023

Renew acquired Enisca in December 2022. The team continues to focus on opportunities that are aligned with the Group's strategy as well as opportunities to grow the business organically.

Future focus

Continue to grow the Group's Engineering Services operations, both organically and through selective complementary acquisitions. Continue to develop growth opportunities in both existing and targeted emerging markets.

Link to KPIs A C E F H

→ Read more on pages **32 and 33**

Continually measuring progress

The Group has certain key performance indicators ("KPIs") which are used to measure and monitor its performance in a number of areas. The KPIs are measured on a non-GAAP basis which reflects the most appropriate view of the underlying performance of the business.

A

Adjusted[1] EPS

63.5p

2022: 59.5p

Description
The Group's adjusted[1] EPS.

Why it's a KPI
An increase in the adjusted[1] EPS demonstrates the Group's focus on the quality of earnings and returns for our shareholders.

2023 performance
An increase in earnings demonstrates the business' excellent financial performance and execution of strategy in the year.

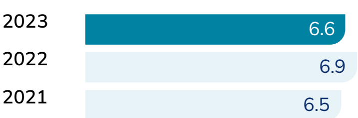
Link to strategy
→ Read more on pages **30 and 31**

B

Adjusted[1] Group operating profit margin

6.6%

2022: 6.9%



Description
Adjusted[1] Group operating profit as a percentage of revenue.

Why it's a KPI
The adjusted[1] Group operating margin illustrates the Group's focus on quality of earnings.

2023 performance
The Group's margin demonstrates continued operating profit performance and contract selectivity.

C

Engineering Services order book

£777m

2022: £717m

Description
Value of the Group's Engineering Services order book.

Why it's a KPI
This is a KPI to demonstrate the development of our position as a leading provider of essential engineering services and supports workload visibility.

2023 performance
The Engineering Services order book has increased following a number of strategic framework appointments and renewals.

Link to strategy
→ Read more on pages **30 and 31**

1. Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

D

Dividend

18.0p

2022: 17.0p

2023	18.0
2022	17.0
2021	16.0

Description
The Group's full year dividend to its shareholders.

Why it's a KPI
The Group's dividend shows the Board's confidence in the strength of its capabilities and position within its key markets.

2023 performance
The Board approved the payment of a dividend in line with its established dividend policy.

E

Health and safety (LTIFR)

0.20

2022: 0.23

2023	0.20
2022	0.23
2021	0.41

Description
The Lost Time Injury Frequency Rate ("LTIFR") measures the number of lost time injuries occurring in a workplace per one million hours worked.

Why it's a KPI
The safety of our employees and those who work with us remains a priority for the Group. The LTIFR measure reflects the Group's commitment to improving its safety record.

2023 performance
We continue to work hard to improve our health and safety performance and are pleased to have lowered our LTIFR in 2023 compared with 2022.

Our LTIFR target remains zero and we will continue to focus on the use of behavioural science across the business during 2024 to continue to drive further improvement.

Link to strategy
→ Read more on pages 30 and 31

F

Investment in training

22,665

2022: 17,448

2023	22,665
2022	17,448
2021	14,243

Description
Number of training days undertaken across the Group in our various education programmes.

Why it's a KPI
Measuring training days undertaken demonstrates our continued investment in our direct delivery workforce.

2023 performance
We continue to invest heavily in training across our business. The increase in the number of training days reflects both safety and non-safety related training.

Link to strategy
→ Read more on pages 30 and 31

G

Carbon emissions intensity ratio (tCO_2e/£000)

0.032

2022: 0.036

2023	0.032
2022	0.036
2021	0.044

Description
Reduction in the carbon intensity ratio, which compares the Group's carbon emissions per £000 of revenue. This is a new KPI for 2023.

Why it's a KPI
This has been added as a new KPI to reflect the Group's ambition to reach net zero carbon emissions by 2040.

2023 performance
During the year the Group reduced its carbon intensity ratio from 0.036 to 0.032.

H

Women in leadership

12%

2022: New KPI for 2023

2023	12

Description
A measure of the number of women in leadership roles across the business. This is a new KPI for 2023.

Why it's a KPI
The Group is committed to improving diversity across its businesses. The introduction of the women in leadership KPI will reflect the Group's progression in this important area. The KPI is the number of women leaders as a percentage of the total number of leaders in the Group.

2023 performance
This is the first year of reporting the women in leadership KPI. Through the Group's Diversity, Equality and Inclusion Forum and various initiatives we expect to report an increasing percentage of women in leadership positions as we move through 2024 and beyond.

Link to strategy
→ Read more on pages 30 and 31

Rail

As the largest provider of multidisciplinary maintenance and renewals engineering services to Network Rail, we support the day-to-day operation of the rail network nationally, directly delivering essential asset maintenance through our long-term framework agreements.

ARQ decarbonising the railway

Decarbonisation is a huge focus for the rail industry over the next 30 years, as the UK Government aims to remove all diesel-only trains by 2041.

Network Rail estimates that to decarbonise the UK rail network completely, 13,000 single track kilometres of track will need to be electrified by 2050 to achieve net zero.

ARQ operates on Network Rail's Electrification and Plant framework for CP7 across the Wales & Western region. The Electrification and Plant framework, including Overhead Line Electrification ("OLE") renewals, allows ARQ, a partnership between our AmcoGiffen, Rail Electrification Ltd ("REL") and QTS Group companies, to expand on the current scope of services that each business provides throughout the UK to Network Rail.

The utilisation of the ARQ partnership brings together the Group's skills in self-delivery of the broad scope of electrification and plant rail systems, including low and high voltage power and OLE. ARQ will deliver operating efficiencies and innovation on behalf of Network Rail.

The framework will see ARQ deliver electrification and plant renewals across the region, creating opportunities within neighbouring communities and bringing a positive impact to the local economy.

Capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical and minor signalling engineering services
- Geotechnical and earthworks
- Plant, power and signalling renewals
- 24/7 emergency provision
- Asset renewal and refurbishment
- Tunnel and shaft refurbishment
- Fencing and devegetation
- Multidisciplinary in-house design capability
- Electrification
- Stations and telecoms

Progress

With CP6 soon drawing to a close and CP7 scheduled to start on 1 April 2024, the Group has been focusing efforts on securing framework extensions and expanding framework positions for CP7.

As the largest provider of multidisciplinary maintenance and renewals engineering services to Network Rail, we support the day-to-day operation of the rail network nationally, directly delivering essential asset maintenance through our long-term frameworks. The Group assists the network through mission-critical renewals and maintenance services supporting assets including bridges, embankments, fencing, devegetation, tunnels, drainage systems, signalling, electrification and plant.

During the period, we were the largest provider of maintenance and renewals services to Network Rail nationally and achieved early success in securing CP7 frameworks with Wales & Western on their Wales Structures and Wales & Western Electrification & Plant frameworks, and in North West and Central on the Reactive Maintenance framework. It was particularly pleasing to win the Wales & Western Electrification & Plant frameworks as this work will be delivered through a unique collaboration between AmcoGiffen, REL and QTS ("ARQ") and again illustrates the expanding number of frameworks we are able to target through leveraging the capabilities within the businesses we have recently acquired complementing the existing Group.

Elsewhere we expanded our credentials in emergency project delivery with Network Rail through our excellent work across the country. Throughout the year the Group assisted on projects which included major flooding incidents and landslides, whilst the Group's rock armour resilience work in Wales received excellent media coverage and accolades from Network Rail.

Our early success in securing CP7 framework positions gives us confidence that we will be able to unlock further opportunities across other regions during the upcoming CP7 framework awards.

Our markets

Network Rail is investing £53bn[3] over the current control period ("CP6"), which runs to March 2024. In May 2023, Network Rail set out its Strategic Business Plan ("SBP") for CP7 which laid out a commitment of £44bn[4] in the operations, maintenance and renewal of the railway in England and Wales. Whilst this spending commitment may appear as a reduction from the previous control period, it's important to note that CP7 doesn't allocate a separate enhancement budget so the maintenance and renewals programme which directly supports our business is actually 2.5% higher than Network Rail's projected CP6 expenditure[5]. The ORR has since proposed that Network Rail increase the amount it spends on renewal and maintenance of its core assets on the rail network by a further £600m over the control period. Following the publication of Network Rail's SBP, it's clear there is an emphasis on driving as much value out of investment as possible with a focus on "what customers and wider society value most"[6].

Future focus

The compelling maintenance-focused structural growth drivers within this sector and Renew's high-quality engineering expertise leaves the Group ideally positioned to deliver long-term, profitable growth in Rail. We continue to be confident of retaining our existing frameworks which are coming up for renewal and expanding upon those positions in CP7. We see opportunities in electrification of the rail network that have been included as one of five CP7 objectives in Network Rail's SBP. Our three rail brands have formed a collaborative and unique position for Overhead Line Electrification delivery, and this will become an increasing strategic focus for the Group.

Resilience upgrade at the Severn Estuary

QTS recently completed a three week blockade at the Severn Estuary, working round the clock in partnership with AmcoGiffen on behalf of Network Rail to improve resilience.

Engineers worked on a one-mile-stretch of railway, close to Purton, and removed around 15,000 tonnes of material from the cliff face. Teams installed an "active" mesh system covering 19,500m^2 secured by more than 5,000 rock bolts. This system will hold the cliff face in position and help to prevent landslips from damaging and subsequently closing the railway.

As well as providing its specialist rope access team, the QTS team also utilised its innovative fleet of road rail machinery to successfully complete this project. This included the QTS Mega Reach, the largest RRV lorry loading crane working on the UK rail infrastructure, which features a full crane extension of up to 29m.

For this project, the Mega Reach was fitted with a specialised drill rig and extended to a reach of 20m, allowing it to drill to the top of the cutting slope from track level demonstrating one of a number of innovative working techniques.

1. For references please see page 15.

Infrastructure

We deliver specialist engineering services across the strategic highways network, predominantly to National Highways, through a number of asset delivery framework agreements. Services include infrastructure civils, specialist drainage, lighting and electricals. We also undertake all aspects of wireless telecoms network infrastructure delivery.

Highways

Capabilities

- General civils including structures, groundworks, drainage, fencing and geotechnical schemes
- Installation and maintenance of roadside communication assets
- Repair, refurbish and install highway drainage networks
- Unique StoneMaster filter drain refurbishment process
- Drainage surveys including pipe-jetting and record digitisation
- Full turnkey road lighting service
- SafetyCam fleet of mobile road worker protection vehicles
- Road restraint systems

Progress

The Group continued to make good operational and strategic progress within Highways during the period, continuing work on the National Highways Scheme Delivery Framework ("SDF") across five framework lots, covering civil engineering, road restraint systems and drainage disciplines, worth £147m over six years. This work, partly delivered through a joint venture between AmcoGiffen and Carnell, successfully completed its first projects during the year, drawing client praise for delivery and performance. This joint venture is the only successful joint venture on the SDF and makes the Group the second largest supplier of road restraint systems in the country.

Elsewhere, we were successful in securing a position on the new Manchester City Council Highways Framework for two years with an option to extend for a further two. We are delighted to have made progress in developing a work bank in Scotland which is a new region for our Highways business. The success the Group has had in delivering essential asset maintenance and critical infrastructure renewals across the country's strategic road network leaves it ideally positioned to take advantage of the increasing focus on maintenance and renewals over significant enhancement projects. Our innovative StoneMaster technology continued to be successfully deployed across the National Highways network.

1. For references please see page 15.

Our markets

The UK Government's second Road Investment Strategy ("RIS2") committed an unprecedented level of spending on England's strategic road network between 2020 and 2025. Of the £27.4bn committed over a five-year period, £11.9bn of this funding is ringfenced for operations, maintenance and renewals, which gives Renew a unique advantage from which it has continued to benefit. We noted in our half year results that early market consultation for RIS3, which is scheduled to begin in 2025, suggested that there would be a sharper focus on critical maintenance and renewals as opposed to significant road enhancement projects and this appears to be correct. In May 2023, National Highways published an initial consultation on RIS3 outlining its proposed priorities highlighting that renewal of existing assets "is likely to be a growing element of the roads programme"[7] and recognises that users want "existing roads in good condition before building new ones"[8]. Further, the House of Commons Committee report stated "the existing Strategic Road Network is ageing and requires significant renewal work in places. The portfolios for RIS3, RIS4 and beyond should prioritise investment in the maintenance, renewal and resilience of existing assets over brand new projects."[9]

Future focus

With a sharp focus on public expenditure in the current macroeconomic environment it is clear Government is prioritising critical maintenance and renewals programmes over significant enhancement projects. This emphasis clearly plays to the strengths of our business and we remain uniquely positioned to seize attractive growth and market share opportunities within Highways through the distinctive capabilities within our Group.

M80 filter drain recycling

Carnell worked in collaboration with BEAR Scotland, the maintenance contractor for Highway Management (Scotland) Ltd which operates and maintains Transport Scotland's M80 DBFO, to undertake filter drain refurbishment between junctions 5 and 7.

Using Carnell's innovative StoneMaster process the filter drain media was recycled in-situ, providing several carbon, safety and road user benefits over the traditional dig-out and replace method.

In addition, Carnell's innovative SmartScan survey, which took place in advance, identified the areas most in need of attention, enabling a targeted solution.

The 2,800m length of filter drain was brought back to specification in 9 night shifts. By only taking away non-compliant material, 420 lorry journeys were removed from the network, while the reduction of materials, haulage and waste disposal led to a reduction in CO_2e emissions of over 28 tonnes.

Safety was improved through reduced roadworker exposure, while the risk to road users was minimised through an 82% reduction in lorry movements in and out of the work zone.

Wireless Telecoms

Capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Acquisition, planning and design services
- Provision of 3G, 4G, 5G and Wi-Fi technologies
- Temporary sites and special events
- Maintenance and decommissioning services

Progress

This year was another record year for our Telecoms business as we continued to design, build and commission infrastructure for all the nation's major network providers including Vodafone, EE, BT, VMO2 and Three. We are particularly pleased that our recent work for Vodafone, delivering across multiple programmes, has established our subsidiary business as a key supplier to them moving forwards.

We are one of a very limited number of partners responsible for delivering the major new build sites for the Shared Rural Network, a complex programme delivering phone and data coverage in very remote locations driving transformational change for rural communities. We continue to explore new opportunities in 5G private networks after our recent completion of a 5G network for the UK Satellite Application Catapult. Our business continues to evolve to meet the needs of our niche target markets where we see considerable opportunities going forward.

Our markets

The nation's connectivity is becoming ever more critical in the digital age, and as a result the Wireless Telecoms sector contains many attractive growth drivers. An estimated £30bn[10] is required to upgrade the nation's broadband networks to gigabit-capable speeds, which includes the UK Government's £5bn investment in the roll-out of 5G, the expansion of the Shared Rural Network and the Government's £500m programme to extend 4G mobile coverage to 95% of the UK.

Future focus

Continuing to establish ourselves as a trusted partner to the nation's network providers will leave the Group well placed to seize further growth opportunities in the future.

Aviation

Capabilities

- Airside operational support and asset care
- Critical planned and reactive maintenance and renewals
- Stand reconfiguration
- Airfield ground lighting installation
- Drainage and flood prevention

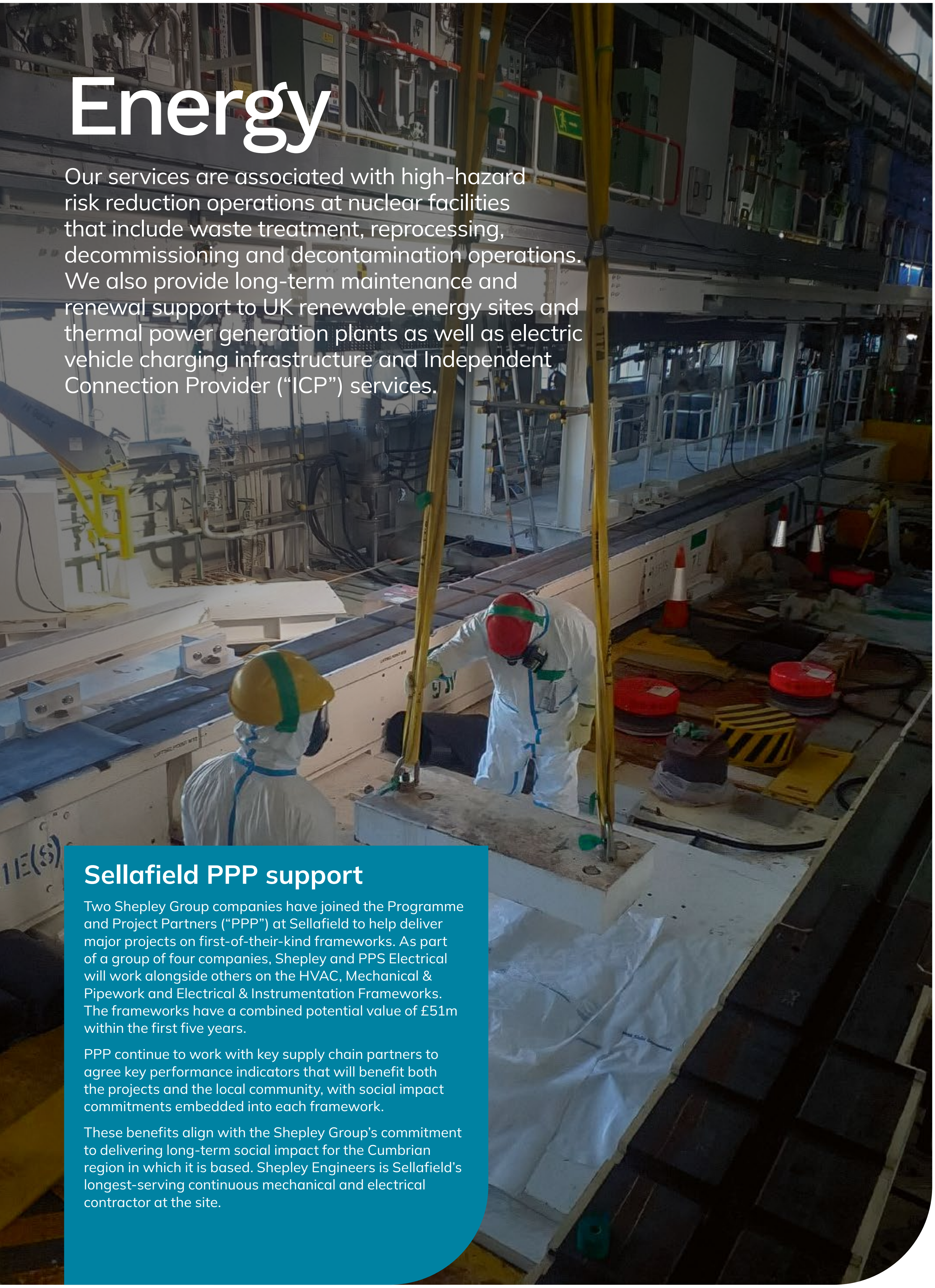
Progress

The Group continues to see growing momentum in Aviation following its appointment to the 5-year Manchester Airports Group ("MAG") £700m Civils Framework to deliver medium-sized civil-engineering projects valued between £3m–£10m. The most pleasing part of our Aviation business is that we were able to organically move into this sector which has been historically difficult to do. Our early work at Manchester Airport has led to the Group securing further frameworks with the successful procurement of Airfield Works Phase 1 for the MAG worth up to £8m but more importantly providing our team with development and growth opportunities within the sector.

Future focus

We have seen demand for travel dramatically increase since 2022 after several years of decreased demand due to Covid-19 resulting in underinvestment in critical assets in the sector. Aviation is becoming an area of increased focus within the Group and we look forward to continuing to seize opportunities as we grow our credentials in the sector.

1. For references please see page 15.



Energy

Our services are associated with high-hazard risk reduction operations at nuclear facilities that include waste treatment, reprocessing, decommissioning and decontamination operations. We also provide long-term maintenance and renewal support to UK renewable energy sites and thermal power generation plants as well as electric vehicle charging infrastructure and Independent Connection Provider ("ICP") services.

Sellafield PPP support

Two Shepley Group companies have joined the Programme and Project Partners ("PPP") at Sellafield to help deliver major projects on first-of-their-kind frameworks. As part of a group of four companies, Shepley and PPS Electrical will work alongside others on the HVAC, Mechanical & Pipework and Electrical & Instrumentation Frameworks. The frameworks have a combined potential value of £51m within the first five years.

PPP continue to work with key supply chain partners to agree key performance indicators that will benefit both the projects and the local community, with social impact commitments embedded into each framework.

These benefits align with the Shepley Group's commitment to delivering long-term social impact for the Cumbrian region in which it is based. Shepley Engineers is Sellafield's longest-serving continuous mechanical and electrical contractor at the site.

Nuclear

Capabilities
- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering
- Nuclear decommissioning and decontamination
- In-house specialist fabrication and manufacturing

Future focus
While the work we do in this sector is predominantly focused on decommissioning and waste retrieval in high-hazard areas such as legacy storage ponds and silos, the budget from the UK Government announced earlier this year suggests that new nuclear will offer further growth opportunities in the future.

The UK Government has committed to achieving net zero emissions by 2050, and decarbonisation of our energy supply is a key step to achieving carbon neutrality. The Government is delivering a radical shift in the UK energy system towards cleaner, more affordable energy sources, of which new nuclear is an essential component. This is underpinned by the creation of Great British Nuclear[13] and the Government's target to commence construction of up to three new nuclear plants in the next 10 years. This provides long-term and sustainable demand for our specialist manufacturing capabilities in high-grade nuclear components which we are investing in and seeing record demand for.

Progress
In the period, we successfully signed four long-term frameworks as part of Sellafield's Project Partnership Programme ("PPP"), which was mobilised in 2019 with £7bn of capital projects planned for the next 20 years[12]. We will be delivering the frameworks alongside the PPP's Key Delivery Partners for Heating Ventilation Air Conditioning ("HVAC"), Electrical and Mechanical Fabrication and Installation Services.

We continue to operate across a number of other long-term frameworks at Sellafield, where works include the manufacture of the first of the Hybrid 2 fuel racks. These enable Sellafield to safely store all the spent fuel it receives from operating reactors in its existing storage pond without the need for new facilities. This further supports the UK decommissioning programme and delivers significant time and cost savings. Elsewhere at Sellafield, we continue to make good progress on the Magnox Swarf Storage Silo programme, one of the UK's most critical decommissioning projects and our work to decontaminate the first part of the recently closed Thermal Oxide Reprocessing Plant ("THORP") is progressing at pace.

Expanding our nuclear capabilities, the Group has been awarded a place to support a new six-year framework for Nuclear Restoration Services (formerly Magnox), for mechanical decommissioning and decontamination services. The programme of work covers 11 sites and will contribute to the clean-up of the UK's nuclear waste whilst reducing the environmental impact of the sites and helping to deliver the Nuclear Decommissioning Authority's strategic goals.

Post-period end we completed the acquisition of T.I.S. Cumbria Limited, strengthening our position in nuclear decommissioning and new build markets. In line with the Group's strategy, the acquisition enhances Renew's nuclear services offering by immediately doubling our specialist manufacturing capacity.

Our markets
Having worked for over 75 years in civil nuclear, we provide a multidisciplinary service through our large complement of highly skilled employees who operate to demanding nuclear standards, including decontamination and decommissioning services, operational support and asset care, as well as waste retrieval in high-hazard areas such as legacy storage ponds and silos.

The Government's total nuclear decommissioning provision is estimated at £124bn[11] over the next 120 years, with around 75% of the total spend allocated to Sellafield which is the largest of the Nuclear Decommissioning Authority's sites and where we remain a principal Mechanical, Electrical and Instrumentation services contractor.

Thermal Power, Renewables, EV, Networks Transmission and Distribution

Capabilities
- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- Civil, mechanical and electrical engineering

Progress
A collaboration between two of our subsidiaries has delivered EV charging solutions to Network Rail and Volvo Trucks and we continue to grow our services in this area, having recently been awarded significant UK wide roll-out projects for two major charge point operators.

Our markets
The transition to electric vehicles ("EV") plays a key role in supporting the UK's ambition of achieving net zero emissions by 2050 and zero vehicle emissions by 2035.

1. For references please see page 15.

Environmental

We support our water clients by directly delivering asset maintenance and renewals across water infrastructure networks including flood alleviation and river and coastal defence schemes. We also specialise in undertaking complex remediation and specialist restoration schemes for our clients.

Working collaboratively in Water

In April, Browne teamed up with Waltham Forest Council to carry out an emergency water mains replacement, as part of a flood mitigation scheme.

Alongside Thames Water, Browne replaced the old, outdated water mains, working to create a more sustainable water network for the future and working closely with the council to ensure the project was completed on time, organising necessary road closures and parking bays all while keeping the residents' needs in mind.

The project required incredible project co-ordination between Browne, Thames Water and Waltham Forest Council, making sure there was minimal disruption throughout the 6-week project.

The water mains replacement project is an example of the positive impact that working together can have on a community.

Water including Flood and Coastal

Capabilities

- Operational support and asset care
- Critical planned and reactive maintenance and renewals
- 24/7 emergency reactive works including flood risk management programmes
- Maintenance of strategic water mains and mains drainage
- Clean and wastewater rehabilitation infrastructure
- Dam safety and pressurised pipeline specialisms
- Port, harbour and sea defences

Progress

Building on momentum following the acquisition of Enisca in November 2022 and Browne in 2021, we are making significant strides in broadening our capabilities and growing our customer network. In addition, we have secured a new client in South West Water, which will drive significant organic growth and is testament to the strength of our strategic and value-add acquisitions and growing reputation in this sector.

In the period, we have progressed works for Severn Trent Water and secured places on both Dŵr Cymru Welsh Water's Major Electrical & Mechanical Frameworks and Major Civils Framework, as well as a further 5-year extension to our Thames Water Area-Wide Capital Delivery Framework.

With our work for Southern Water, priority compliance and work completions are at their highest levels for the last 9 years. We are also setting a new standard for how work is managed and delivered for Thames Water, from getting onto site within 9 weeks of receiving an order on design and build for multi-million-pound packages of works, to handover within 9 days of construction completion.

We are supporting Yorkshire Water with the delivery of their storm tank capacity schemes which are needed to satisfy new increased capacity obligations for storm storage on their wastewater treatment works. As part of the Water Industry National Environment Programme, these new consent capacities are spread across 3 years of delivery up to March 2025.

Further developing the synergies between our brands, the Enisca Browne joint project has delivered its first works in the Essex and Suffolk region for Northumbrian Water as the Low Complexity MEICA Framework commenced, and has seen growth in the value of work delivered for key client South East Water.

In the period, we secured and delivered our first projects under the Canal & River Trust Minor Civils Framework and have been awarded the Leeds City Council Watercourse Maintenance Framework, a single source direct award maintenance framework supporting our growth in the Environmental sector.

Our markets

The UK's water companies, through their latest AMP8 business plans, are proposing to almost double their spending over the next five year control period compared with that determined in AMP7.

Changing weather conditions continue to highlight the need for investment in flood defences and we see an increasing focus on climate and weather resilience. The UK Government has committed £5.2bn[14] from 2021-2027 to improve flood defence infrastructure. Of this, £1.6bn[15] is directed towards coastal erosion and sea flooding projects where the Group currently undertakes work for the Environment Agency ("EA") on the EA Flood and Coastal Erosion Framework.

Future focus

The Group continues to expand its capabilities in Water and to grow its network in the sector. With a strengthened position in the market, we are well positioned to benefit from the increased water investment. As we prepare for the AMP8 cycle beginning in April 2025, we have taken significant steps to secure our long-term future with framework proposals for each of our key clients. We have already received early contractor involvement ("ECI") awards from Thames Water for three packages of mains renewals works, rising mains and trunk mains worth up to £200m, which are planned to start in 2024 and run well into AMP8.

Specialist Restoration and Remediation

Capabilities

- Soil and groundwater remediation
- Design of bespoke remediation and ground engineering solutions
- Specialist restoration and conservation

Progress

In Land Remediation, we continued to see demand for our specialist environmental services during the period. We continue to further leverage the synergies of Renew's businesses, including the unlocking of long-term opportunities at the Palace of Westminster.

1. For references please see page 15.

Specialist Building

Operating in London and the Home Counties, we are a market-leading provider of luxury prestigious private residential refurbishment and landmark schemes where we specialise in extensive temporary works. In the Science sector, we have a number of frameworks to build and refurbish scientific facilities.

Our Specialist Building business focuses on the High Quality Residential, Landmark and Science markets in London and the Home Counties.

The ultra-high quality residential sector remains resilient with a number of new projects awarded in the year. Work continues to progress at Lambeth Palace and the Natural History Museum in our Landmark sector.

In Science we have been awarded a new framework for the Medical Research Council at Harwell following the successful delivery of a new laboratory complex at Hammersmith. In addition, we have received a number of new awards through our existing Defra frameworks.

Walter Lilly to return to deliver project for the Department of Infectious Disease at Imperial College London

Walter Lilly's Science division will be returning to Imperial College London, to provide 3,000m^2 of space in the Sir Alexander Fleming Building to accommodate research laboratories and teams from the Department of Infectious Disease.

The refurbished area will allow Virology, Immunology of Infection and Paediatric Infectious Disease to operate in the same space. The new building will include office space and state of the art laboratories for around 120 staff, 30 PhD students and 50 project students.

Continued strong growth

Sean Wyndham-Quin CA
Chief Financial Officer

Results

Group revenue[1] from continuing activities was £960.9m (2022: £849.0m), with an adjusted[1] operating profit from continuing activities prior to amortisation and exceptional items of £63.6m (2022: £58.8m). Statutory operating profit was £59.0m (2022: £50.0m). A tax charge of £12.6m (2022: £11.3m), prior to exceptional items[1] and amortisation of intangible assets tax credit, resulted in a profit after tax prior to amortisation and exceptional items for the year of £50.2m (2022: £46.9m), an increase of 7.0 per cent. After deducting £4.6m (2022: £8.8m) of amortisation and exceptional costs, the profit for the year from continuing activities was £47.1m (2022: £39.9m).

Amortisation and exceptional items

The £4.6m of exceptional items and amortisation is made up of £6.2m of amortisation charges in the year relating to contractual rights and customer relationships which are primarily associated with the acquisition of Enisca Limited, QTS Group Limited, Carnell Group Holdings Limited, Rail Electrification Limited ("REL") and J Browne Group Holdings Limited ("J Browne"). There was a £2.2m goodwill remeasurement credit related to the acquisition of Enisca. This resulted in the Group owning 100% of Enisca Browne Ltd. Under IFRS 3 this was treated as a step acquisition where the previously held equity interest is remeasured at its acquisition-date fair value. Following this amortisation there remains £27.9m of other intangible assets on the balance sheet.

Net cash

The Group's balance sheet shows a net cash balance of £35.7m[1] (2022: £20.2m) and bank borrowings of £nil (2022: £nil) at the year end. Consequently, the Group's pre-IFRS 16 net cash[1] position as at 30 September 2023 was £35.7m (2022: £20.2m) and was £18.0m (2022: £5.7m) on a post-IFRS 16 basis.

Banking facilities

The Group continues to operate within the facilities provided by HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc. The facility comprises an £80m secured revolving credit facility committed until November 2026.

The Group has complied with the covenants associated with all of its debt facilities throughout the year.

1. Renew uses a range of statutory performance measures and alternative performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in Note 30.

Going concern
The Directors continue to adopt the going concern basis in preparing the Group's 2023 financial statements. Further detail can be found in Note 1 to the accounts.

Leasing
At 30 September 2023, the Group had £17.7m (2022: £14.5m) of lease liabilities. The right of use assets as at 30 September 2023 were £19.2m (2022: £15.5m).

Taxation
The tax charge on profit for the year is £11.0m (2022: £9.5m), a rate of 19 per cent which is marginally ahead of the headline rate of 22 per cent, resulting in a profit for the year from continuing activities of £47.1m. A tax charge of £12.6m (2022: £11.3m), prior to exceptional items[1] and amortisation of intangible assets tax credit, resulted in a profit after tax prior to amortisation and exceptional items for the year of £50.2m (2022: £46.9m), an increase of 7.0 per cent. Corporation tax paid in the year amounted to £11.8m (2022: £7.6m).

Pension schemes
Both the Lovell and the Amco Schemes are now fully bought in. Work is ongoing on the finalisation of the "true-up" calculations for both of these buy-ins and is expected to complete in FY24.

Discontinued operations
The Group made a loss for the year from discontinued operations of £3.7m (2022: £2.2m) which relates to an additional provision to cover latent defect liabilities in Allenbuild Limited, a business that was sold to Places for People Group Ltd in October 2014, but where the Group retains a liability for a number of historic contracts.

Earnings per share
Earnings per share[1] before exceptional items and amortisation was 63.5p (2022: 59.5p) and on a statutory basis, after the impact of exceptional items, amortisation and loss for the year from discontinued operations was 54.9p (2022: 47.8p). The weighted average number of shares in issue for the period was 79.1 million.

Distributable profits
The distributable profits of Renew Holdings plc are £93.4m (2022: £66.9m). The Board is recommending a final dividend of 12.00p per share (2022: 11.33p) bringing the total for the year to 18.00p (2022: 17.00p).

Sean Wyndham-Quin CA
Chief Financial Officer
27 November 2023

Capital Allocation Policy

Capital allocation in priority order for the year ending 30 September 2024:

A — To maintain sufficient financial headroom to comfortably manage temporary variations in working capital and to provide headroom against known risks and contingencies.

B — To maintain a conservative approach to leverage by seeking to pay down debt quickly post acquisitions and by ensuring that our net debt: EBITDA multiple remains at an appropriate level.

C — To appropriately invest in the business to deliver organic growth.

D — To continue to pursue a progressive dividend policy whilst maintaining an appropriate level of dividend cover.

E — To build sufficient headroom to enable us to quickly respond to acquisition opportunities that are consistent with our stated strategy and which are earnings enhancing.

To the extent that all of these priorities have been achieved, we would consider returning additional excess cash to shareholders.

The Directors present the Group Strategic report for the year ended 30 September 2023. The Strategic report on pages 1 to 73 has been approved by the Board and signed on its behalf by

Paul Scott
Chief Executive Officer
27 November 2023

Sean Wyndham-Quin
Chief Financial Officer
27 November 2023

A strong cultural framework

Our beliefs and behaviours are guided by our values, vision, strategy and purpose which provide a structure to set the operational expectations across our business.

Our purpose

We provide essential engineering services to maintain and renew critical infrastructure networks. Our multidisciplinary engineering services are delivered through our independently branded subsidiary businesses that support the vital day-to-day running of these infrastructure networks.

Our strategy

Our long-term strategy is focused on developing our range of engineering services capabilities, both organically and through selective acquisitions. The Group targets acquisitions that bring complementary skills and allow us to deliver a wider range of services to our clients.

→ Read more on pages **30 and 31**

Our cultural blueprint

Our culture is built on our core values which are integrated in all aspects of our business.
We are committed to being a responsible business and strive to add value to all our stakeholders.

How we are shaping our culture as an organisation

Enabling forums to develop and embed positive change, including a diversity forum

Encouraging staff volunteering and a focus on positive social value

Continued focus on safety and quality improvement initiatives, including behavioural science

Focus on leading SHE indicators

Increasing diversity profile across the Group

Improving ESG performance against targets

Staff retention rates

Our cultural drivers

Embedding our core values

Group forum events

EMC/SEMG meetings

Executive/Board subsidiary visits

ESG targets

Our values

RISE leadership and executive training

Group Minimum Requirements

Internal subsidiary reviews

Focus on diversity/climate/sustainability

Second cohort of RISE programme complete

Ongoing focus on alignment with Group requirements

Development of a Climate Related Financial Disclosure awareness programme

Employee/climate/client feedback surveys

Development of initiatives around employee recruitment and retention

Group-wide early careers programme established

Sector Directors to more closely oversee Group strategy and performance in target markets

Working together

Protecting our employees

Putting our employees at the heart of everything we do, we have continued to roll-out the Mental Health First Aid training across our whole business.

Mental Health First Aiders

1:12

2022: 1:20

→ Read more on pages **60 and 61**

How we achieve our purpose

We operate across a range of markets, directly delivering essential engineering services. Our subsidiary businesses are leading providers in their markets and as such are able to develop long-term relationships with clients responsible for some of the country's critical networks.

We offer multidisciplinary engineering services, undertaking planned and reactive tasks for our clients. In addition we provide a 24/7 emergency support response across the networks we support.

We typically undertake a high volume of low-value tasks which are critical to keep the networks operational.

Our values

At the heart of what we do is our people; their safety and wellbeing is our priority. As a responsible employer we strive to ensure fair treatment of all our employees and those who work with us in the course of our business. Our sustainability agenda includes giving back through our employment initiatives, involvement with local communities and charitable donations.

Our future workforce

We operate a range of training and development programmes to support the future ambitions of our workforce and the need to develop the skills of the future. We are keen to support internal talent and try to promote internally where possible.

The Group's Leadership Development Programme recognises the need for skills training and supports a large number of employees across our organisation.

Our workforce engagement

Our subsidiary businesses engage with their workforce in a range of ways including staff briefing events, intranets and newsletters. Strong engagement is key to reinforcing our Company's values.

"The Group's Leadership Development Programme recognises the need for skills training and supports a large number of employees across our organisation."

The Renew Resilience Plan

Our purpose-led approach to ESG is based on our four commitments. These ensure we continue to align our business with the environmental, social and governance requirements of our stakeholders.

Create long-standing customer value

To achieve our purpose to

- Take climate action
- Operate responsibly
- Build social value
- Empower our people

Made possible through

Unique collaboration

Our commitment to the UN Sustainable Development Goals

The 17 Sustainable Development Goals ("SDGs"), launched in 2015 with the 2030 Agenda for Sustainable Development, provide a shared blueprint for tackling some of the planet's most pressing issues and will help create a better place in which we can all live.

8 Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

9 Industry, Innovation and Infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

12 Responsible Consumption and Production
Ensure sustainable consumption and production patterns.

13 Climate Action
Take urgent action to combat climate change and its impacts.

Developing our sustainability strategy

Our strategy

During the year we have continued to develop our sustainability strategy to reflect the evolving nature of our business and the environmental challenges. As a business we have committed to achieving net zero by 2040, ahead of the UK Government's target of 2050.

Renew's sustainability strategy is reported in the four key areas of:

- take climate action;
- operate responsibly;
- build social value; and
- empower our people.

We continue to engage with our stakeholders including employees, customers, suppliers and the community to understand their concerns and expectations regarding sustainability. During the year we have continued to embed sustainability into our corporate culture; this involves training and encouraging employees to participate in sustainability initiatives. The sustainability targets we have set for the business ensure we monitor and report our progress in these areas to ensure transparency and accountability.

Our Climate and Nature Steering Group, facilitated by external consultants, met 6 times in the year and supports the development of Renew's sustainability strategy.

The steering group serves as a driving force for change, working collaboratively to accelerate progress towards a more sustainable future, and the group members have been involved in making strategic decisions on climate and nature-related matters.

Our businesses are accredited to ISO 14001 and comply with an environmental management system and the relevant statutory requirements.

Renew's sustainability at a glance

We use a number of targets to measure the Group's performance against its sustainability goals. These targets are reviewed annually to ensure our subsidiary businesses remain focused on those areas where we can make the largest positive impact.

Our sustainability targets

Take climate action

To take a proactive approach against the climate crisis.

80%
low-carbon commercial fleet by 2030

100%
of energy from "green" tariffs

↓
reduction in carbon intensity ratio 1 (tCO_2e/£000)

Operate responsibly

To minimise our impact on the environment and people.

95%
eligible waste diverted from landfill

0
Lost Time Incident Frequency Rate ("LTIFR")

Build social value

To leave a positive lasting legacy in the areas that we operate.

1
working day per employee assisting community projects

50
STEM events supported in the year

Empower our people

To provide our people with the skills and knowledge to excel and grow.

70%
employee survey response rate

1:20
Mental Health First Aiders

4.5
training days per employee

Take climate action

As a Group we continue to focus on reducing our carbon production in two main areas, commercial vehicles and gas oil usage. Our subsidiary businesses concentrate their efforts in these areas in particular to effect the largest positive change.

80% of our commercial fleet will be low carbon by 2030

4%

2022: 4%

2023	4%
2022	4%

100% of energy we use will be derived from "green" energy tariffs

84%

2022: 41%

2023	84%
2022	41%

Reduction in carbon intensity ratio 1 (tCO_2e/£000)

0.032

2022: 0.036

2023	0.032
2022	0.036

Renew's 2023 Climate and Nature Steering Group

The Renew Climate and Nature Steering Group was set up to effectively manage climate and nature-related risks and to maximise opportunities across the Group. The Group was focused on two areas, a steering group to facilitate Renew's internal climate change strategy and develop a nature and biodiversity approach and climate-related scenario analysis development through a qualitative and quantitative scenario building process using internal and external data. More details on the outputs of this work can be found on pages 62 to 69.

The Renew Climate and Nature Steering Group met six times in the year, holding two in person and four virtual workshops. The workshops covered the following areas:

- Workshop 1: Developed the terms of reference and the purpose and objective of the working group.
- Workshop 2: Looked at climate risk heat mapping identifying opportunities and proposition development.
- Workshop 3: Analysed the impact of an increase in biodiversity net gain regulation.
- Workshop 4: Focused on action planning and maximising the identified opportunities.
- Workshop 5: Looked at scenario analysis validation.
- Workshop 6: Validated the heat mapping exercise and looked at next steps for the forum.

This programme of events brought together stakeholders from across the business to engage on the climate-related issues. The Climate and Nature Steering Group will continue to meet through 2024, to look at topics including biodiversity net gain, ongoing carbon reduction, best practice and management, climate-related innovation and sustainable supply chain management. The working group will continue to support the development of the Group's strategic approach in these important areas.

River Chess Association conservation efforts

In June, a 17 strong volunteer team from J Browne came together to work in the River Chess near Sarratt in the South East collaborating with the River Chess Association. The volunteer group from Browne engaged in a fulfilling day of conservation work aimed at safeguarding the river's ecosystem. The River Chess Association is committed to preserving and enhancing the biodiversity of the River Chess, a rare chalk stream with an abundance of wildlife; the river plays a vital role in the ecosystem providing a habitat for various species of invertebrates, fish, birds and plants. The Association's efforts include implementing measures to protect and restore the river's health, ensuring its sustainability for future generations. The primary focus of the day was on building and repairing deflectors, structures designed to catch debris, sediment and waste. These deflectors play a crucial role in maintaining the river's cleanliness and creating a conducive environment for local wildlife to breed and thrive. The team, dressed in their waders, tackled the physically tough task of constructing and repairing the deflectors, a task that demanded physical strength, teamwork and resilience as they navigated through the water.

The efforts on the day will ultimately contribute to a cleaner and more sustainable environment. By working with the River Chess Association, the team gained a greater understanding of some of the ecological challenges.

Take climate action continued

A focus on reducing emissions

As a business we understand the role we must play in taking action to address the emissions we produce. We remain committed to achieving net zero no later than 2040 which is ahead of the UK Government's target date of 2050.

Our subsidiary businesses measure the carbon emissions monthly in line with the Streamlined Energy and Carbon Reporting framework. The data shows that as a Group our largest sources of carbon emissions are gas oil usage and commercial vehicles. Our businesses therefore focus their carbon reduction efforts in these areas in particular. During the year our businesses have continued to look at ways to reduce carbon emissions, including innovative working practices and engagement with industry experts.

During the year, the Group's Climate and Nature Steering Group has assisted our businesses in bringing together best practice and knowledge in the areas of carbon emission reduction, different fuel types and more efficient processes. The Committee is made up of representatives from all 11 Renew subsidiary businesses, from a range of disciplines. The Committee is facilitated by external sustainability consultants and covers topics including innovative working practices, data collection and efficiencies of scale. In addition to the Group Climate and Nature Steering Committee, our businesses have established their own working groups, including on biodiversity and circular economy.

Transport Scope 1 is the highest contributor to our carbon emissions with site fuel coming second. The amount of site-based fuel used depends on the type of work undertaken and our businesses continue to review and trial the use of electric plant and equipment as well as continuing to monitor the price differential of low-carbon alternative fuels such as HVO. In order to further reduce our diesel consumption we are targeting the use of plant on our larger sites which are able to be converted to HVO. In the period, we committed to the use of a minimum of 300,000 litres of HVO fuel to reduce our carbon footprint as well as the installation of HVO stations at a number of our sites. In particular the trial of HVO on site required the purchase of a quantity of HVO at scale, allowing security of supply and for the mitigation of fluctuating HVO cost.

In a number of our businesses telematics have been employed as well as driving behaviour software into Company vehicles. Hybrid and electric vehicles are now routinely used across our businesses, with electric charging points being rolled out across main office and site locations. Our businesses continue to engage with their supply chains and some contractors with a view to influencing the procurement process and promoting the use of carbon friendly site equipment.

In order to support low-carbon ambitions our businesses have engaged with providers to define standardised eco-friendly site establishments and introduced a number of initiatives including programmes for the use of energy-efficient site lighting and office facilities and environmentally sustainable hoarding.

Streamlined Energy and Carbon Reporting ("SECR")

We measure and report our energy and carbon data across the entire Group, providing comprehensive data to substantiate our overall environmental impact. Our SECR statement includes all emission sources required under the 2019 regulations for the financial year ended 30 September 2023. Renew emitted 31,035.9 (2022*: 30,184.1) carbon dioxide equivalent tonnes ("tCO_2e") of energy during the year.

The two carbon intensity ratios that we have chosen to measure reflect our business performance. Our carbon intensity ratio was 7.117 tCO_2e per average employee headcount, and 0.032 tCO_2e per £000 of revenue.

The two carbon intensity ratios provide the most accurate reflection of our performance in the year. As Renew is a holding company, the acquisition or disposal of businesses from the Group means that a direct comparison to the absolute carbon emission data from previous years would not be a true reflection of the Group's performance.

In order to calculate the carbon emissions, we have used the emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023. The scope 1 and 2 emissions reported are for all facilities across the Group under our operational control. This includes all the Group's subsidiaries as listed at the back of this report. We have also voluntarily chosen to report Scope 3 emissions from grey fleet, i.e. employee vehicles driven on Company business, and emissions from leased vehicles. This will provide a full picture of our vehicle emissions.

Greenhouse gas emissions

Carbon emissions (tCO_2e)*	2023	2022	2021	Increase/ decrease from 2022
Transport (scope 1)	16,679.1	16,946.9	14,965.3	-267.8
Transport (scope 3)	2,584.7	2,015.3	1,983.9	+569.4
Electricity (scope 2)	731.2	654.0	802.9	+78.2
Purchased gas (scope 1)	249.5	314.0	241.3	-64.5
Gas oil (scope 1)	10,609.0	10,165.8	16,781.1	+443.2
Other fuels (scope 1)	182.3	88.0	58.3	+94.3
Total emissions	**31,035.9**	**30,184.1**	**34,832.7**	**+851.8**
Carbon intensity ratio 1 (tCO_2e/£000)	0.032	0.036	0.044	-0.004
Carbon intensity ratio 2 (tCO_2e/avg. headcount)	7.117	7.624	9.820	-0.507
Total UK energy usage (kWh)	**132,084,482.5**	**126,383,826.5**	**142,800,433.4**	**+5,700,656.0**

* tCO_2e/year defined as tonnes of CO_2 equivalent per year.

During the year, many of our businesses have developed their carbon reduction plans as well as new processes, procedures and methods for site implementation and principal supply chain member training. As a demonstration of our commitment, a number of our businesses have signed up to the Science Based Targets initiative ("SBTi") and are committed to restricting global temperature increases in line with the Paris Agreement.

Our businesses have committed to ensuring 100% of energy is supplied from green tariffs where we are able to influence supply.

Biodiversity

As part of the Group Climate and Nature Steering Committee, biodiversity is carefully considered by all of our businesses in the conduct of their operations. Our businesses work with their clients to better understand their biodiversity net gain aspirations and how we might support them in achieving these.

During the year our businesses were involved with many biodiversity and rewilding projects. Our businesses' biodiversity commitments have seen us contribute a significant number of volunteering hours in this area, including at the West Cumbria Rivers Trust, where teams undertook hedge planting and maintenance of the wildflower areas. Envolve Infrastructure, working alongside Bristol Water and Network Plus, provided resources to excavate ponds to assist with a community project at Wilf's Wood, a wilding project set up in 2020 to provide a biodiverse environment including wetlands and woodlands for carbon capture. At our subsidiary business QTS, the team has worked hard to create an efficient working environment whilst preserving the natural ecosystems. The site includes a 50kW solar array to assist with its net zero ambitions, 74 acres of peatland which have been restored, the protection of over 70 acres of woodland and a private apiary to help preserve the bees and pollinate the surrounding woodland.

London Stock Exchange's Green Economy Mark

Since 2019 we have been proud to hold the London Stock Exchange's Green Economy Mark. This recognises that we derive more than 50% of our revenue from products and services that contribute to the environmental objectives such as climate change mitigation and adaption, waste pollution reduction and the circular economy.

Climate-related risks and opportunities

As well as focusing on our own carbon emission reduction ambitions, Renew is uniquely positioned to provide services to support the transition to a low-carbon economy.

Energy usage remains the single largest share of carbon emissions around the world and the requirement for net zero carbon infrastructure continues to increase. We continue to position the business to ensure we benefit fully from this transition. The services we provide across all markets support our clients in achieving their own carbon reduction targets.

This year we have reviewed the climate related risks and opportunities as part of our climate-related reporting process, the output from which continues to inform our sustainability strategy. Material sustainability risks and opportunities will be integrated into the Group's wider risk framework.

In addition to climate-related reporting, we commissioned a report into the climate-related opportunities present in our Water market. The opportunities identified will be considered by the Group's Water Strategy Committee.

Operate responsibly

Operating responsibly encompasses a range of ethical and social considerations that go beyond profit. It reflects a recognition that businesses have an impact on a wide range of stakeholders, and they should strive to operate in a way that is ethical, sustainable, and beneficial to all these stakeholders.

95% of eligible* waste diverted from landfill

95%

2022: 99%

2023	95%
2022	99%

0 Lost Time Incident Frequency Rate ("LTIFR")

0.20

2022: 0.23

2023	0.20
2022	0.23

A focus on health and safety

Each subsidiary business in the Renew group operates under certified safety, health, environment and quality ("SHEQ") management systems which ensure compliance with all relevant legal, client and Group requirements. SHEQ is led by the subsidiary businesses' managing directors with oversight from the Group SHEQ Director for the Board and the executive leadership team. The businesses are supported by professional SHEQ advisors based in each of the Group companies and who hold formally recognised qualifications and professional body memberships.

Our subsidiary businesses maintain memberships with industry organisations such as the Royal Society for the Prevention of Accidents ("RoSPA") along with relevant trade organisations and locally based safety groups. Each SHEQ advisor is an expert in their own business operations and markets. Advisors in each business liaise directly with the Group SHEQ Director on common issues. As a group, Renew has a set of Group Minimum Requirements; in SHEQ these require each business to report and record all injuries, diseases, dangerous occurrences and near miss events.

The Group monitors its safety performance across the business at subsidiary management level and reports are discussed monthly by the Renew Board. Safety is the first item on any management meeting agenda and our businesses implement a range of working practices including senior manager site visits, SHEQ advisor site support and assurance visits, safety academy programmes and innovative working practices. Examples include the "Take 5 for safety" initiative which asks employees to consider five key safety-related questions as they work. Innovative technological improvements include the introduction of air fed hoods, improvements in PPE standards and improvements in incident analysis.

All Group companies commit to a rolling SHEQ training matrix for all employees as appropriate. Formal training is delivered alongside regular briefings, risk assessments, toolbox talks and SHEQ alerts. Health and safety covers every aspect of our business. The Group works in challenging and complex environments and our direct delivery model means we are able to ensure a consistent approach to training and safe working practices. We continue to invest heavily in this area to ensure the highest standards of safety are maintained.

Controller of Site Safety ("COSS") Academy

AmcoGiffen's Controller of Site Safety ("COSS") Academy programme is a one day module which aims to promote better understanding and positive behaviours as a COSS and covers how to deliver effective communication across the role.

AmcoGiffen delivers COSS Academy training internally with a large number of its workforce now having attended the Academy. AmcoGiffen has also developed a COSS mentoring programme for its COSSs who have completed the Academy training and commenced delivery of our COSS Academy to specialist labour suppliers.

The COSS is a critical role in maintaining safe working practices when working on the railway.

An area of focus during the year has been the development of our behavioural science initiative. Behavioural safety is designed to understand human behaviours and the factors behind them. In reviewing the outputs from our work in this area we are able to create environments that promote safe behaviours. During the year, we have introduced a behavioural incident analysis ("BIA") toolkit, which provides insight into human behaviours following specific safety events. Behavioural safety will remain an area of focus for the Group as we move through 2024 and look to further improve on the Group's safety performance.

During the year, QTS hosted Scotland's Safety Action Group for its quarterly meeting alongside Scotland's Railway. Attendees heard from safety critical staff on safety performance, occupational health requirements and safety campaigns. They also saw demonstrations of plant, machinery and technology at the QTS test track. There were discussions on the QTS Rail Skills Academy and environmental issues facing the industry.

> "Behavioural safety will remain an area of focus for the Group as we move through 2024 and look to further improve on the Group's safety performance."

Accreditations and awards

Our businesses are accredited with various health and safety schemes, including Constructionline, SafeContractor, the Contractors Health & Safety Assessment Scheme, Achilles Verify and the Railway Industry Supplier Qualification Scheme. Our businesses also conform to the ISO 14001 and ISO 45001 standards. We achieved many Royal Society for the Prevention of Accidents ("RoSPA") awards during the year.

Waste management

During 2023, we have improved our data collection tools to be able to better report how waste is created and managed across our Group. Our subsidiary businesses work in partnership with specialist waste management brokers which provide environmentally friendly waste management solutions. During the year our businesses implemented waste reduction improvement initiatives including environmental dashboards that actively track and monitor key environmental targets and site specific environmental trackers which allow for a more proactive approach to our environmental management.

Supply chain/materials

The industry's approach to the circular economy remains relatively underdeveloped. Renew recognises that embracing the circular economy where materials, resources and waste are managed with the goal of extending their lifespan starts at the design phase and encompasses resource efficiency, renewable energy and sustainable materials. Embracing the circular economy will be critical as we look to reduce greenhouse gas emissions, conserve natural resources and promote economic resilience and sustainability.

Waste management planning

A number of our businesses have implemented waste management plans for their site operations. Plans include evaluating recycled content for the project using the WRAP evaluation tool, introducing a recycled waste content target, considering waste reduction measures at the design phase of a scheme and developing a detailed programme of monitoring waste streams.

The site teams also ensure effective storage of materials to reduce deterioration and therefore waste, as well as the sale of segregated materials as recyclable.

The site waste management plan:

1. outlines our duty of care in line with current waste management legislation;
2. determines responsibilities for waste management;
3. identifies waste streams and disposal routes;
4. determines recycling options;
5. set specific targets for waste reuse reduction and recycling; and
6. provides a means for reporting on the targets for waste management.

The site waste management plans are a working document that develops with the scheme and provides an excellent opportunity for streamlining site activities to make cost savings and to improve environmental performance.

Safety and Environmental Management Group ("SEMG")

The SEMG, led by the Group SHEQ Director, is an event held each April and October where around 50 of our employees including Managing Directors, Safety, Health, Environment and Quality leads and executive team gather with remote participants to listen and participate in a range of SHEQ-related sessions.

Past session topics have included psychological safety, diversity, mental health and wellness, social value, digital plant people interface protection, sustainable site welfare and electric commercial vehicles. The event includes highly participative workshops incorporated into most sessions so the delegates from our subsidiary companies are able to share experience and ideas.

Build social value

Our businesses strive to create positive social impact alongside economic value. Social value promotes a more just, sustainable and harmonious society and aligns with the idea that businesses should not only pursue financial profit but also actively work to benefit the wellbeing of people and the planet.

1 working day per employee assisting community projects (measured in hours)

0.27

2022: 1.13

2023	0.27
2022	1.13

50 STEM events supported

166

2022: 122

2023	166
2022	122

Inspiring the next generation

In July, J Browne worked with Chace Community School, in Enfield, as part of the Town Schools' Partnership's Big Bang STEM Enrichment Fair. The event's aim was to inspire the next generation of innovators and problem solvers. The event educated the pupils about the intricate workings of the UK's water supply, from source to household. The session also emphasised the crucial role Browne plays in swiftly repairing network bursts and restoring the supply promptly. The workshop's interactive Thames Water Network Challenge left a lasting impression, as students were tasked to hypothetically manage distribution across Thames Water's network. They learned about the connection of water lines and gained insights into the associated costs and budgeting required for maintaining such critical infrastructure. It proved to be a highly beneficial and enriching experience and the feedback received from the enthusiastic students was overwhelmingly positive. Browne is dedicated to fostering educational opportunities and raising awareness of the critical infrastructure services it provides. By collaborating with schools and organisations within the local community, it aims to inspire school children to consider careers in STEM, nurturing a skilled workforce for the future.

Building social value

Social value across our businesses takes many forms including volunteering programmes, education and training, diversity and inclusion programmes, community engagement, sustainable business practices, and health and wellbeing. The social value activities our businesses choose to undertake align with their mission, values and the social and environmental issues most relevant to their industry and stakeholders.

During the year our businesses' social value initiatives included working to provide training for young offenders from low socioeconomic backgrounds either in direct or indirect employment, six days of trades training sessions for local community residents, adoption of a number of partner schools and participation at jobs fairs.

Our subsidiary businesses also partnered with a number of local schools and education providers. Envolve Infrastructure partnered with Glenboi Primary School in Wales, delivering educational school visits to site as well as helping to improve the outdoor learning facilities at the school, constructing footpaths to help with year-round use of the space.

Shepley delivered a four week Skills Academy course to local unemployed young individuals covering essential topics such as IOSH working safely, manual handling, CV writing and interview techniques.

Future skills

A number of our businesses are members of The 5% Club which targets 5% of employees in apprenticeship and graduate roles.

Seymour is committed to providing earn and learn opportunities for employees through the Seymour Skills Training Academy, in partnership with Hartlepool College of Further Education, Doncaster College, Leeds University and Teesside University to attract and recruit apprentices in site management, construction quantity surveying and civil engineering. During the summer the Academy celebrated finding its 400th learner a full-time position in work.

During the year, QTS was proud to be the first rail company to be awarded the Platinum Investors in Young People good practice award. QTS is committed to attracting, supporting, recruiting, developing and retaining young people. During the year QTS also delivered its Future of Rail event at Midland Railway, Butterley.

Almost 300 pupils from nearby schools and colleges took part in STEM activities, learned about plant machinery and tools and spoke with QTS and Network Rail apprentices about how to get into a career in rail. The event brings together rail industry leaders and local schools to discuss the future of the industry. The event is designed to encourage more young people to consider careers in the rail industry.

Teams from AmcoGiffen continue to work with Barnsley College as part of the AmcoGiffen Academy to sponsor the engineering department. The team has committed to meeting level two engineering students one afternoon a month to help bring their learning to life.

Walter Lilly identified the need to diversify the next generation's business network and knowledge and introduced an Inter-Industry Training Forum with fellow industry consultants. This initiative will continue to grow through 2024.

> "During the year, QTS was proud to be the first rail company to be awarded the Platinum Investors in Young People good practice award."

Charitable giving

Our businesses supported a wide range of charities during the year, including Cancer Research, the Samaritans, Macmillan Cancer Support and Save the Children.

QTS Group extended its support to KIND, a Liverpool-based charity that focuses on providing a safe environment for vulnerable children and families. The support involved QTS employees volunteering their time and services to repair a pond area at KIND's SEED Centre, a multi-purpose education and community resource in Merseyside. QTS Group also supported other charities such as Andy's Man Club, Whiteleys Retreat and The Kris Boyd Charity, all based across England and Scotland.

Envolve Infrastructure has also supported the Upper Rhymney Valley's Men's Health Club, as part of its community involvement activities. In collaboration with Dŵr Cymru Welsh Water, Envolve Infrastructure supported the local communities by donating and installing a pedestrian access bridge for the Cilcain Allotment Community.

Walter Lilly teams participated in the 2023 Construction Industry Dragon Boat Challenge, the largest charity dragon boat race in the country. The event was a success, raising over £17,000 in aid of CRASH.

Seymour's charitable activities included participating in the Loftus Woodland Task Day, hosting a Macmillan Coffee Morning and supporting the Alice House Hospice Colour Run.

→ Read about community engagement on pages 28 and 29

Donating to Help Bristol's Homeless charity

The Envolve Infrastructure team in Bristol donated two unused accommodation units to the Help Bristol's Homeless charity. The units will be used by the charity to provide accommodation for those in the care of the charity.

A valuable part of the journey from donation to being habitable is how the charity provides paid work to its community to fix up and transform the units into habitable accommodation.

The charity provides an opportunity for those in need to find a safe place to live and education, training and employment opportunities.

This is an extension of the support Envolve Infrastructure has already provided and further develops a strong relationship with the charity.

Empower our people

Our employees are our greatest asset. We work to empower our people through positive engagement, training and providing a supportive environment in which to work.

70% employee survey response rate

58%

2022: 72.5%

2023	58%
2022	72.5%

1:20 Mental Health First Aiders

1:12

2022: 1:16

2023	1:12
2022	1:16

4.5 training days per employee

5.2

2022: 4.4

2023	5.2
2022	4.4

Training and development

Our businesses continue to invest in developing the skills of the future to address the challenges facing the industry. AmcoGiffen's graduate program is designed to develop new talent in the civil engineering sector. The programme is a two-year course including a six-month business placement, rotational assignments, and opportunities for networking and development. Graduates are supported through structured career pathways, mentoring and connections with professional bodies. The programme aims to provide a thorough understanding of the industry, covering areas including civils, building, engineering, maintenance, design and experience across various sectors including rail, environment, highways, energy and infrastructure. On successful completion of the program, graduates can progress to a range of roles within AmcoGiffen.

The Seymour Skills Academy has been operational since 2020 and focuses on providing training programmes to aspiring engineers in the North East, and is aimed at building a skilled workforce in line with Seymour's commitment to fostering growth and development in the construction industry.

Carnell places a strong emphasis on nurturing future engineers through its apprenticeship programmes. It is committed to ensuring that at least 5% of its workforce comprises apprentices, participants in company-sponsored student programmes, or those engaged in company graduate programmes.

Walter Lilly is committed to nurturing talent and offers training and education programmes for graduates and trainees in the construction industry. Walter Lilly supports over 10% of its employees in various forms of further education and the company has had a longstanding involvement with Loughborough University, sponsoring construction courses since 1998 and fostering a close relationship with the university's Civil and Building Department. Additionally, Walter Lilly aids a number of trainees in completing their NVQs and degrees part-time in London through a day release programme, blending academic learning with practical experiences.

QTS graduate scheme

The QTS graduate scheme is aimed at developing talent within the rail construction sector and making the industry a more attractive career choice for young people. This program, which began as a pilot scheme in 2021, is offered across several of QTS Group's UK offices, including in South Lanarkshire, Scotland and Nottingham.

The graduate scheme involves placements in various departments, covering both operational and support functions, with the aim of settling the participants in permanent positions upon completion. It offers two pathways: one for business graduates, encompassing placements across all aspects of the company, and another for those with specific degrees like civil engineering or quantity surveying, focusing on role-specific divisions.

This initiative is part of QTS Group's broader strategy to encourage more young people to enter the industry. Additionally, the programme specifically aims to attract and nurture talent from under-represented groups, particularly women, to diversify the workforce and advance the overall education, training and skills of its employees.

Further reinforcing its commitment, QTS was previously signed up to the Government's Kickstart Scheme, which provided funding to enable businesses to offer work experience and tackle unemployment. The company secured Government funding for 20 placements and had a number of young people undertaking a variety of 6-month placements throughout the UK.

Employee wellbeing

Employee wellbeing is a holistic concept that encompasses various aspects of an individual's experience at work and its impact on their overall health and happiness. It goes beyond physical health to include mental, emotional and social wellbeing.

Our businesses employ a range of resources to support our employees' physical and mental health. All the Group subsidiary businesses have an Employee Assistance Programme which provides 24/7 support to employees on issues such as bereavement, finance, debt, mental health and child care. Our subsidiaries operate a variety of health, safety and wellbeing campaigns and events and support our employees with an increasing number of Mental Health First Aid trained personnel. Employees also have access to health and wellbeing awareness training through an online learning platform as well as other wellbeing resources including contact details for Mental Health First Aiders.

To assist with the cost of living crisis, some of our businesses have delivered financial management support through financial planning and pension review meetings and mortgage advice planning sessions.

Diversity, Equality and Inclusion

Our businesses strive to create a diverse workforce made up of employees from a wide range of different backgrounds and experiences. This includes, but is not limited to, diversity in race, gender, ethnicity, sexual orientation, age, physical abilities, religion and socioeconomic status.

Our businesses create a diverse workforce through fair hiring practices that encourage the selection of diverse candidates and the creation of an inclusive environment where all employees feel valued, respected and able to contribute to their fullest potential. As a Group we have developed bespoke leadership and training for all employees, especially leaders, on diversity, equality and inclusion as well as ensuring our policies promote diversity, equality and inclusion, such as flexible working hours, parental leave and anti-discrimination policies. Our businesses engage with a diverse range of suppliers and contractors and set measurable goals for diversity, equality and inclusion whilst regularly assessing progress.

The Group's Diversity, Equality & Inclusion ("DEI") Forum met twice during the year. The Forum provides support to each of the Renew subsidiary companies in developing their approach to DEI initiatives and working practices to help us with reaching our diversity, equality and inclusion goals.

The DEI Forum has also developed an "Empowering Differences" workshop. This one-day course is expected to be rolled out across all the Group's subsidiary businesses during 2024.

All the Group's subsidiary businesses are signed up with Investors in Diversity and will be working towards this important accreditation in 2024.

The Group also undertook a diversity, equality and inclusion survey to better understand the diverse nature of the Group's workforce and the challenges and opportunities this brings. The survey outputs will inform the development of a diversity, equality and inclusion road map to ensure the businesses are working towards a more diverse and inclusive workplace.

Employees from all the Renew Group companies undertook diversity, equality and inclusion training in the year.

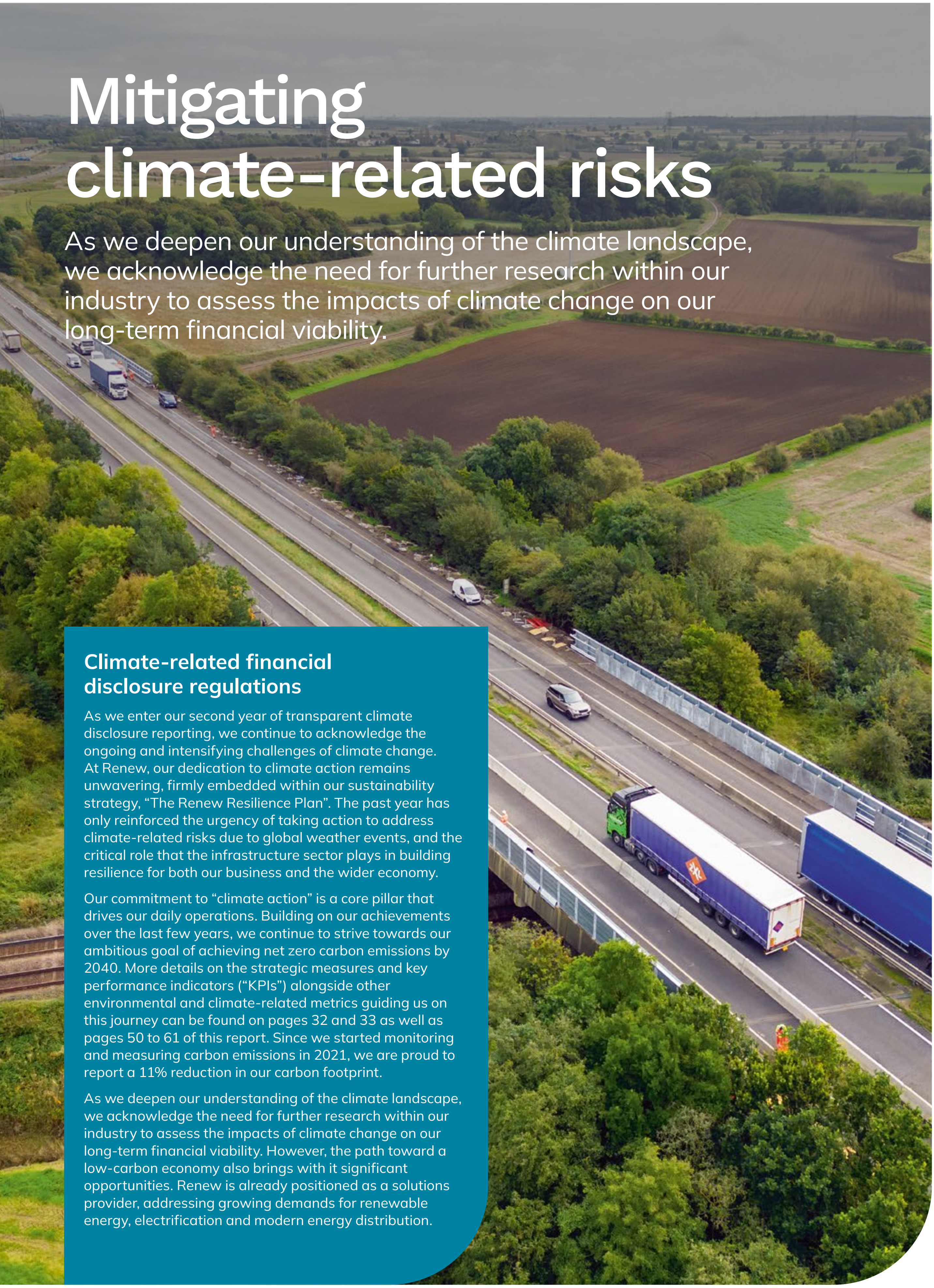
Other initiatives include the Women at AmcoGiffen Forum, Disability Confident Level 2 accreditations, D&I Champions, accredited "Living Wage" employers and family friendly policies.

Renew inspiring leadership

Our biggest asset is our people, and those who lead them, and as part of a programme of internal employee development, the Group continues to invest in its two leadership training programmes:

Renew Inspiring Successful Executives ("RISE") is the executive leadership programme where future leaders come together to be introduced to new methodologies, share their own insights, work with, and challenge each other and themselves. Modules include developing others, understanding conflict, negotiating and influencing and leading a committed team. The programme also offers delegates the support of trained internal mentors to deliver ongoing support and knowledge.

Purposeful Leadership is a management development programme which builds candidates' knowledge of day-to-day leadership and includes modules on leading people, personal effectiveness, leading inclusively, developing people and high performing teams.



Mitigating climate-related risks

As we deepen our understanding of the climate landscape, we acknowledge the need for further research within our industry to assess the impacts of climate change on our long-term financial viability.

Climate-related financial disclosure regulations

As we enter our second year of transparent climate disclosure reporting, we continue to acknowledge the ongoing and intensifying challenges of climate change. At Renew, our dedication to climate action remains unwavering, firmly embedded within our sustainability strategy, "The Renew Resilience Plan". The past year has only reinforced the urgency of taking action to address climate-related risks due to global weather events, and the critical role that the infrastructure sector plays in building resilience for both our business and the wider economy.

Our commitment to "climate action" is a core pillar that drives our daily operations. Building on our achievements over the last few years, we continue to strive towards our ambitious goal of achieving net zero carbon emissions by 2040. More details on the strategic measures and key performance indicators ("KPIs") alongside other environmental and climate-related metrics guiding us on this journey can be found on pages 32 and 33 as well as pages 50 to 61 of this report. Since we started monitoring and measuring carbon emissions in 2021, we are proud to report a 11% reduction in our carbon footprint.

As we deepen our understanding of the climate landscape, we acknowledge the need for further research within our industry to assess the impacts of climate change on our long-term financial viability. However, the path toward a low-carbon economy also brings with it significant opportunities. Renew is already positioned as a solutions provider, addressing growing demands for renewable energy, electrification and modern energy distribution.

Our approach

For annual periods commencing on or after 6 April 2022, new regulations in relation to climate-related financial disclosures ("CRFD") have been brought into legislation, and as a large AIM listed group, Renew plc is in scope of those regulations. The new requirements are based on the TCFD recommendations (a framework for reporting climate-related financial disclosures which the Group began to work towards in the prior year) and are organised under the same four pillars: Governance, Strategy, Risk Management and Metrics and Targets. There are eight required disclosures under the regulations, and we have set out our reporting under those eight disclosure requirements in the coming pages. This is the first year that the Group has undertaken climate scenario analysis. This analysis has accelerated our ability to identify potential risks and opportunities, enabling proactive financial and strategic planning to enhance our resilience in the face of a changing climate. The Group has used the CRFD framework, as set out below, to facilitate this assessment and build on the disclosures made in last year's Annual Report.

CRFD area	Reference	Summary of progress and next steps
Governance and risk management a) A description of the governance arrangements of Renew in relation to assessing and managing climate-related risks and opportunities b) A description of how Renew identifies, assesses and manages climate-related risks and opportunities c) A description of how processes for identifying and assessing and managing climate-related risks are integrated into the overall risk management process of Renew	See pages 64 and 65.	• First year of Renew's new cross-subsidiary Sustainability Steering Committee to assist the Board and senior management in oversight of sustainability-related issues including climate change. • Review of the Group's climate risk register. • We have continued to interact with our subsidiaries to improve the identification and assessment of climate-related risks and opportunities. • Further investigate how the development of an Enterprise Risk Management ("ERM") approach, with our climate-related risks embedded, will enable us to integrate stronger consideration for sustainability issues into our risk management facilities. • Set more ambitious objectives for the Climate Steering Committee.
Strategy d) A description of the principal climate-related risks and opportunities arising in connection with the operations of Renew ii) A description of the time periods by reference to which those risks and opportunities are assessed e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of Renew f) An analysis of the resilience of the business model and strategy of Renew taking into consideration different climate-related scenarios	See page 66 for an overview of the risks and opportunities identified. See page 68 for our scenario analysis.	• A more robust climate scenario analysis exercise was conducted to enhance understanding of Renew's identified climate risks. • Review the impact climate change will have on the availability of key materials for Renew. • Improve supply chain emission data. • Deepen our understanding of the potential financial impacts of climate risk on identified business units and geographies.
Metrics and targets g) A description of the targets used by Renew to manage climate-related risks and to realise climate-related opportunities and performance against those targets h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities	See page 52 for our key targets and progress against these. See page 54 for our emissions reporting.	• Started to explore climate-related metrics for each of its identified risks. AmcoGiffen, our largest subsidiary, has made extensive progress on measuring its scope 3 emissions and has submitted its science-based targets to the SBTi. • Continue to review the metrics and targets which will allow the Group to monitor and track climate-related performance.

"This is the first year that the Group has undertaken climate scenario analysis. This analysis has accelerated our ability to identify potential risks and opportunities, enabling proactive financial and strategic planning to enhance our resilience in the face of a changing climate."

Governance

Over the past 12 months, Renew Holdings has made significant strides in enhancing the governance of climate-related risks and opportunities across the Group. Building upon the foundation laid in the previous year, Renew's commitment to addressing climate change has become even more robust and integrated into its corporate structure.

One of the pivotal developments has been the establishment of a cross-subsidiary Climate and Nature Steering Group. This Committee comprises representatives from all eleven subsidiary businesses within the Renew Holdings group, bringing together expertise from various departments, including finance, procurement and sustainability. The Group has met six times this year, including twice in-person.

This collaborative approach ensures that climate-related considerations are thoroughly assessed and integrated across the business and key information is communicated to the Board. The Steering Group is led by the Group SHEQ Director, who acts as a direct conduit between the Board and management.

The Steering Group's purpose is: "To effectively manage climate and nature-related risks and to maximise opportunities across Renew Holdings plc. The Group aims to leverage the collective strengths of our 11 subsidiaries to deliver tangible business benefits, while also offering our clients long-term sustainable and resilient infrastructure solutions."

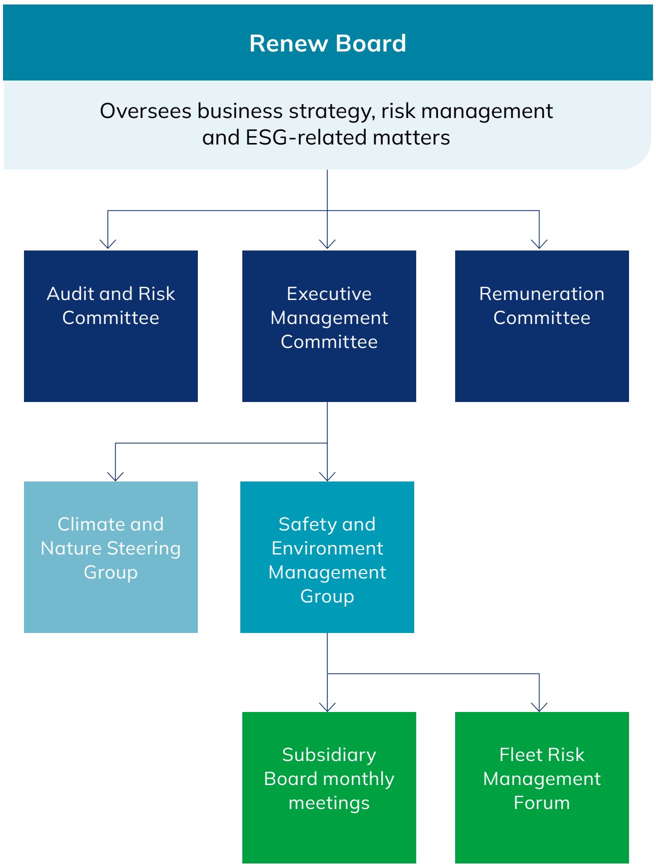
The primary achievement of the Group this year has been the climate literacy training that has been provided to our subsidiary boards and senior management teams across all of our eleven businesses by our external sustainability advisors. This training reinforces our competence and readiness to address both present and forthcoming climate-related challenges. In FY24, the Steering Group's objectives will be further defined, and reporting structures will be refined to further enhance transparency and accountability. This includes the creation of smaller cross-subsidiary working groups to focus on Scope 3 emissions and on-site energy efficiency, which have been identified as areas that present possible risk to the business. At a subsidiary level, carbon and carbon reduction initiatives continue to be discussed at monthly Board meetings.

Renew's governance framework continues to embed climate change and carbon management into its broader Environmental, Social, and Governance ("ESG") strategy. This includes the integration of climate-related matters into the annual subsidiary business and budgeting plans. These considerations are now part of the Group's risk management review process, emphasising the significance of climate-related issues at the highest decision-making level.

In the financial year to 30 September 2023 the Board considered sustainability matters at 11 meetings, receiving updates on the Group's progress to implement its sustainability strategy and the establishment of the Climate and Nature Steering Group. The Board's endorsement of Renew's refined sustainability strategy, Climate-related Financial Disclosures strategy, and risk map underscores its commitment to climate governance. These documents guide the Group in setting clear objectives, initiatives, and targets.

In FY24, we will further strengthen our governance efforts by providing more focused training to wider senior management teams across the businesses, AmcoGiffen has begun to develop a bespoke carbon literacy course, which has the potential to be rolled out across the Group in due course. Consideration will also be given on how climate-related matters can be brought into the remit of the Audit and Risk Committee.

Our streamlined climate risk governance structure



Risk management

Climate risk identification and assessment

In the previous financial year, the Board initiated a review of the critical climate-related risks and opportunities affecting the Group's business model, taking into account their expected timeframes and potential financial consequences. This evaluation encompassed the physical effects of changing weather, as well as the economic and regulatory transitions necessary for society to address climate change. As a result, we established a dedicated climate risk and opportunities register.

We understand that assessing the impact of climate change requires continuous monitoring of the latest policy developments and scientific and socioeconomic predictions. This year, aided by our external consultants, we carried out an annual assessment of climate-related risks. This encompassed an examination of current trends, review of political headwinds and collection of intelligence from internal and external stakeholders across the business. The information was then validated with the Climate and Nature Steering Group.

The review resulted in the streamlining of the overarching risk identification taxonomy from four categories (physical, transition, liability and transboundary) to two (physical and transition), which achieves greater consistency with the climate disclosure standards adopted by our industry. We also elected to consolidate our eleven identified risks to four risks, which further supports alignment to recognised climate risks impacting our industry and improves consistency with Renew's internal risk language.

However, the prioritisation of our risks has not moved within the past year, with supply chain disruption and policy and regulation still posing the biggest risks to the Group. We continually aim to improve our approach to identifying and prioritising risks and our aim is to more closely align our risk assessment criteria with the Company's wider risk evaluation frameworks, thereby bolstering the assessments made in our financial statements.

We consider climate-related risks whether they occur within our own operations, upstream or downstream and whether they will impact us in the short, medium, or long-term time, taking into consideration the lifespan of Renew's assets and the fact that climate-related issues often manifest themselves over the medium and longer terms. Our timeframes are defined as:

- Short term: 2023 – 2025
- Medium term: 2026 – 2035
- Long term: 2036 – 2050

These timeframes have been taken forward into our first climate scenario analysis assessment to help aid our evaluation of climate-related risks and will be used to monitor progress against potential metrics in alignment with the TCFD's recommendations on cross-sector metrics.

Risk assessment criteria

Renew considers the impact of climate-related risks as part of the Group's wider risk management review process. The Group's risk register is reviewed annually and updated accordingly. Whilst climate change and ESG-related risk are not yet defined as a principal risk, we have been working on improving the integration of our climate-related risk register into our wider risk management system.

We take a structured approach to ensure that the Group's climate risk register is representative of each of our subsidiaries.

When evaluating the potential risks and opportunities we consider the likelihood and magnitude of the identified risk and opportunity. Magnitude is defined as low (may result in loss of some tangible assets, resources or reputation up to 1% of turnover), moderate (may result in loss of major tangible assets, resources and reputation up to 3% of turnover), or high (significant loss of major tangible assets, resources or reputation up to 5% of turnover). Likelihood is defined as unlikely (the risk is not foreseen as likely to occur or may occur in exceptional circumstances), possible (a relatively infrequent occurrence for the Group), or likely (a relatively frequent occurrence for the Group).

Strategy

In FY22 we identified and assessed the Group's predominant climate-related risks and opportunities, building the findings into our climate risk and opportunity register. During the current year we have continued to refine this list and have focused our assessment on four risks which we believe are a mixture of the most likely and greatest potential impact on Renew. These risks are summarised below:

Summary of risks table

Given the uncertain and complex nature of climate risk and the challenges in predicting the timing and magnitude of their impacts, this year we conducted a more detailed scenario analysis exercise to better understand how our business could be impacted under different hypothetical futures to build our strategic resilience and flexibility. This has been a mainly qualitative process to build understanding and engagement across our different businesses, with the findings enabling more tailored analysis and exercises in FY24.

The scenarios use a combination of IEA and IPCC with some input from NGFS. The nature of our business and our climate risk profile creates natural alignment to the energy transition and resources focus of the IEA. Supplementing physical scenarios using IPCC data allows for more robust assessment of physical risks. NGFS provides additional data on financial and macroeconomic factors for different scenarios.

Risk	Extreme weather conditions	Energy costs and availability	New energy technology	Policy and regulation
Risk rating	Medium	Medium	Medium	High
Type	Physical (acute)	Transition (technology)	Transition (technology)	Transition (regulatory)
Area of impact	Own operations/upstream/ downstream	Own operations/upstream	Own operations/upstream	Own operations
Description	Extreme weather events such as heat, flooding and drought can impact all areas of our business. Extreme heat can damage buildings and infrastructure, increase energy demand and costs to cool buildings, and affect health. Extreme heat can produce operational disruption and affect our ability to provide key services to our clients. Floods and storms can cause damage to buildings/other physical assets, disrupt transport, and cause operational disruptions (supply chain failures, project delays, site safety issues). Supply chains that rely on specialised commodities and key infrastructure can be disrupted by weather and climate extreme events impacting supply facilities and causing production outages.	For various interconnected reasons, there are enhanced risks to the energy market and price volatility is inherent to the energy transition. This is particularly pertinent with HVO, which is widely used within the infrastructure sector as a low-carbon alternative fuel.	There is increasing concern on the lack of availability of nationwide EV infrastructure to meet business needs. There is concern around the availability of electric vehicles with an appropriate range to support business operations.	Government legislation designed to reduce emissions (such as emissions trading schemes/carbon tax requirements, biodiversity) changes specifications and increases costs of projects impacting their viability. Increase costs in our supply chain as their transition costs are passed through to Renew. In addition, as other nations transition to net zero, this could impact the availability of certain materials and impact costs.
Time horizon	Short, medium and long-term	Short to medium	Short to medium	Short to medium
Primary potential financial statement impact	Increase direct costs, loss of revenue due to disruption. Cost of contractual disputes if project delays experienced.	Increase direct costs.	Capital cost of replacing and upgrading plant and fleet.	Increase direct costs to fund carbon-related taxes and increase in human resourcing to manage rising regulatory requirements.
Mitigation	We conduct a review of key assets and equipment to ensure it is fit for purpose during times of extreme heat. If identified, additional safety measures to be put in place to protect people and sustain productivity during heatwaves. Disaster and resilience planning to ensure we are able to continue to deliver our service. Additional safety measures to be put in place to protect people and sustain productivity during times of floods and storms, if required.	We have started to reduce our reliance on fossil fuels by looking at HVO as a fuel source (see page 54).	We have already invested in converting our fleet to electric and have this as a key performance indicator which we monitor. See page 54 for further information.	Renew has committed to net zero for Scope 1 & 2 across its operations by 2040. Each business has developed carbon reduction plans as well as some committing to the Science Based Targets initiative. In relation to managing our supply chain, Renew's aim is to maintain margins on all projects, we continue to monitor our supply chain and engage proactively with our key suppliers to manage this risk.

As this was our first deep-dive scenario analysis exercise we kept a broad focus and have taken the assumption that the impact and financial quantification is unmitigated. Once we take action to mitigate or realise the related outcomes, the level of potential risk or opportunity will change and this will be reflected in our future disclosures.

This has enhanced our understanding of all identified climate-related risks and will enable further, more targeted scenario analysis in the future. In 2024, we will further refine this scenario analysis, with a tighter geographical UK focus and analysis of specific areas of our business, based on these initial findings.

A summary of our scenario analysis findings from this year are detailed below:

Net Zero 2050

Rationale for selection: The most ambitious outcome and closely aligned with the goals of the Paris Agreement to which our business is aligned - emphasis on transition risks.

Key characteristics:

- **Temperature:** Limited to 1.5°C
- **Category**: Orderly transition
- **Policy:** Ambitious climate policies and higher carbon prices from the outset
- **Technology:** High levels of innovation and rapid pace of change in low-carbon technologies
- **Energy:** Rapid phasing out of fossil fuels and switch to alternative sources of energy and fuels
- **Industry:** Growth in the green economy outstrips all other areas, emissions intensive sectors at risk
- **Macroeconomic:** Moderately negative impact on GDP, long-term interest rates tend to increase
- **Environment:** Physical climate impacts are limited, environmental protection is prioritised

Strategic considerations

We consider our business resilient against this scenario. Under this scenario, our ability to accelerate our investment programme to upgrade physical assets, transition to new energy technologies and reduce GHG emissions will be key to reducing our exposure to medium and longer-term cost impacts and meeting the increased demands from customers to reduce the impact of our services.

Whilst we would expect client demands in relation to our products and services to change significantly over time to align to a rapid transition, this represents a key opportunity for our business. This includes the rise in demand for EV charging infrastructure, climate resilient infrastructure and low-carbon plant and on-site energy generation, which we are already investing in (see pages 53 to 55).

Stated Policies

Rationale for selection: Assumes warming in line with current and pledged policy measures, giving a sense for what '"business as usual" would mean for our business - focus on transition and physical risk.

Key characteristics:

- **Temperature:** Limited to 2.6°C
- **Category:** Transition – current and pledged policies
- **Policy:** No significant change to the current policy context which is insufficient to achieve global targets
- **Technology:** Slow-medium technology change and lower use of low-carbon technologies
- **Energy:** Fossil fuels remain a large part of the energy mix despite the scaling up of renewable energy
- **Industry:** Faces challenges both in terms of mitigation and adaptation
- **Macroeconomic:** Negative impacts on GDP in the longer-term
- **Environment:** Marked increase in exposure to natural hazards globally, leading to some irreversible impacts like sea level rise

Strategic considerations

While our own operational resilience and that of our suppliers would be tested, requiring increased, ongoing investment in adaptation measures, this is likely to be offset by commercial gains as UK industry and infrastructure are forced to invest more in adaptation measures. This is a trend we are already seeing in our core rail and water sectors as they respond to increasing incidences of extreme heat, drought and flooding affecting critical services to customers. Our ability to respond to changing customer needs and expectations depends on our continued ability to evolve our products, services and competencies to support UK infrastructure to adapt to changing weather patterns.

Take the Highway

Rationale for selection: The most pessimistic outcome that gives a feel for how the business would need to adapt to potentially severe physical impacts - emphasis on physical risks.

Key characteristics:

- **Temperature:** Reaches up to 4.4°C
- **Category:** Physical – current and pledged policies
- **Policy:** No focus on progressive climate policies
- **Technology:** Low investment in low-carbon innovation and technologies
- **Energy:** Fossil fuels dominate, low electrification rate
- **Industry:** Fossil fuel and emissions-intensive sectors experience strong growth; industry increasingly challenged to adapt to physical climate impacts
- **Macroeconomic:** Strong economic growth initially which slows and gives way to major economic and social disruption
- **Environment:** Rapid increase in exposure to natural hazards, irreversible impacts like sea-level rise and high levels of environmental degradation in many regions

Strategic considerations

Whilst we understand that this scenario is perhaps less likely given the current trajectory, it is nevertheless important that we consider the resilience of our business model and strategy under this more extreme set of circumstances. We would expect the physical impacts of more frequent and extreme weather events to disrupt our business and value chain through this scenario, in particular from the availability and price of materials from affected geographies, and access to capital and costs of insurance. However, the increased need and demands for adaptation solutions from the market and the immediate needs for our clients to heavily invest in the protection of physical assets could position our business securely as a climate resilience solutions provider.

Strategy continued

Scenario heatmaps

Climate-related risks		Net Zero 2050 – 1.5 °C			Stated Policies – 2.5 °C			Taking the Highway – 4 °C		
		Short	Medium	Long	Short	Medium	Long	Short	Medium	Long
Physical	Extreme weather events	Possible	Possible	Possible	Possible	Likely	Likely	Possible	Likely	Likely
Transition	Energy costs and availability	Possible	Likely	Likely	Possible	Possible	Possible	Unlikely	Unlikely	Unlikely
	New energy technologies	Possible	Possible	Unlikely	Possible	Possible	Possible	Possible	Likely	Likely
	Policy and regulation	Likely	Likely	Possible	Possible	Possible	Possible	Unlikely	Unlikely	Unlikely

Potential likelihood of most of our significant risks to have a substantial financial impact (unmitigated)

Likely Possible Unlikely

Strengthening business collaboration

A key part of the process this year has been engaging the different businesses in this work to enhance their understanding of climate-related risk and opportunity in the context of their business strategies. The forum for this has been the Climate and Nature Steering Group which has validated and discussed the findings of the scenario analysis research. It is imperative that the different businesses understand the magnitude and likelihood of the four identified risks across the three different plausible futures. Our aim through this ongoing process is to identify the metrics that will enable monitoring and evaluation of our key climate-related risks and opportunities and support strategic decision-making across the business.

Climate-related opportunities

Understanding what climate-related opportunities could be financially viable has been an area that has had focus this year. We believe Renew Holdings is well positioned to take advantage of increasing investor and client focus on the transition to a low-carbon economy. Building resilient infrastructure is core to our business strategy and is reiterated through our sustainability strategy – The Renew Resilience Plan. Resilient infrastructure supports the deployment of sustainable technologies and practices, facilitating the transition to a low-carbon economy by providing a stable foundation for clean energy generation and efficient transportation and water systems.

Building resilience – Bristol Water ensuring safe water supply

Envolve Infrastructure undertook a 34-week scheme for Bristol Water in Glastonbury to provide a secondary supply route between Wells and Glastonbury for the purposes of maintaining a safe supply of water. The £6m investment by Bristol Water will ensure future resilience in the water supply to the residents of Glastonbury.

A permanent power supply connection for the main compound was installed, removing the need for temporary diesel power generation and a HVO fuelling station for plant also achieved a 90% reduction in CO_2 emissions.

This year, we commissioned a review of the possible climate-related opportunities that could be relevant to our water businesses over the next five years. We decided to focus on this sector first as it is a sector is that is particularly exposed to climate change and it will need to adapt quickly to increasing physical impacts. As such, there is an opportunity for Renew to provide services to build the water sectors resilience.

Overall, six key opportunities have been identified which are both proactive and reactive measures which respond to a variety of current climate-related challenges that are experienced by our clients and the wider infrastructure industry. Below is a summary of these opportunities, which have been built on the three broad categories that were identified last year:

Water sector climate-related opportunity	Proactive or reactive measure	Description
Expanding existing revenue streams to focus on new green infrastructure projects		
1. Water pollution measures	Reactive	Nature and infrastructure-based services to decrease pollution in local communities.
2. Sustainable flood management	Reactive	Increase the use of nature-based solutions which are supported by the UK Government.
Innovate in products and services		
3. Drought management	Reactive	Ability to offer innovative services to expand our drought resilience offering to clients.
4. Biodiversity net gain ("BNG")	Proactive	The creation of a BNG framework in alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures which would work to avoid biodiversity loss and contribute to net gain through our projects.
5. Water leakages	Reactive	Expansion of our services to move from reactive digging to more proactive tracking, to deal with the current nationwide issue with water leakages.
Decarbonisation across our supply chain		
6. Sector specific data tools	Proactive	The investment in data management tools for carbon and biodiversity could be used to support clients in the measurement of their environmental impacts.

Further work needs to be conducted in 2024 to understand the potential financial impacts of delivering on these possible opportunities.

Metrics and targets

We have made significant strides this year in comprehending and evaluating our climate-related risks by enhancing our governance approach and conducting scenario analyses related to these risks and the development of these metrics and targets is an ongoing process. Our continuing efforts within the Climate and Nature Steering Group are rapidly advancing our understanding of these risks and opportunities, and their potential implications for our business. We have identified targets on page 52 and continue to report our progress against these targets. We also include our emissions reporting on page 54.

Emissions reporting

Renew Holdings has been reporting Scope 1, 2 and limited Scope 3 emissions since the introduction of the Streamlined Energy and Carbon Reporting ("SECR") regulations in 2020. This has focused the Group's awareness of carbon and our approach to data collection has matured over the last three years. AmcoGiffen, the Group's largest subsidiary, has recently completed a review of the Scope 3 emissions and submitted its science-based targets to the Science Based Targets initiative ("SBTi") for approval. Clarke Telecom and QTS will also be submitting their SBTi applications in early 2024. Moving forwards, using the lessons learned from AmcoGiffen, we will be looking to roll out a process to collect more granular Scope 3 emissions data from across all of the businesses in a consistent way.

Details of our Scope 1, 2 and 3 emissions can be found in the Sustainability section on page 54.

How we manage risk

The Group keeps its principal risks under continuous review and ensures those identified risks are being effectively managed.

Board

- Review and agree risk profile
- Identify new risks
- Agree principal risks

Audit and Risk Committee

- Review results of the internal audit and controls process
- Review external audits
- Review Group risk register and actions taken to mitigate risks

Executive Directors

- Risk management reviewed in monthly management reports
- Oversee Group Minimum Requirements for risk

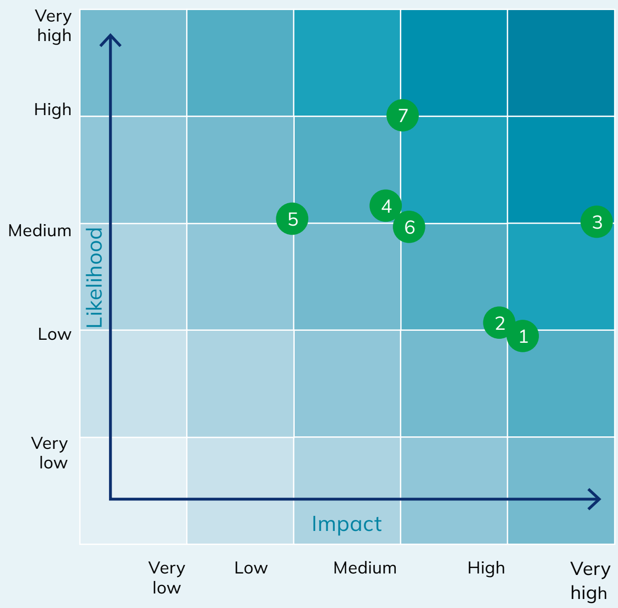
Operating subsidiaries

- Identify and control local risk
- Delivery of risk management processes and procedures
- Risk mitigation

Principal risks

The Group's principal risks are identified as those risks which have the potential for the highest impact on the Group. The Board reviews the principal risks regularly along with the mitigation measures in place.

1. Major accident or hazard
2. Loss of a major customer
3. Major project loss
4. Cost inflation
5. Business continuity
6. Cyber attack
7. Major economic downturn



Decrease Increase Same as last year

1 Major accident or hazard

Link to strategy

→ Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Renew senior management teams
- Group SHEQ Director

Risk and potential impact
A major accident or incident for which we are held primarily accountable could result in personal or environmental harm and lead to operational loss, regulatory, legal or financial penalties and/or reputation loss.

Tolerance to residual risk:
Reduce

Example mitigating actions
- Established and proven processes and policies.
- Broad nature of the sectors in which we are engaged.
- Directly employed safety practitioners within our subsidiaries.
- Advisors' specialist knowledge of the complex environments in which they work.
- Delivering safety workshops on a range of topics including behavioural science.

Change in the year
Taking account of the increasingly diverse activities of the Group, the Board has reassessed the impact of a major accident or hazard during the year and the investment in training. There has been no change to this risk during the year.

Opportunity
We undertake a high volume of safety training across our business. We directly employ our workforce which together means we are able to better control the environment and the competencies of the workforce we deploy.

2 Loss of a major customer

Link to strategy

→ Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact
As a consequence of the market in which we operate we inevitably have fewer, larger clients. The loss of one such client could result in both financial and reputational consequences for the business.

Tolerance to residual risk:
Accept

Example mitigating actions
- Keeping close to our clients.
- Responsive, compliant, safe, innovative and proactive.
- Delivery of innovative solutions.
- Ambition to expand our client base to further lessen the reliance on larger clients.

Change in the year
A number of appointments with new clients were made in the year. Our engineering services are usually provided through long-term framework agreements, often over many years. There has been no change to this risk during the year.

Opportunity
Having a number of larger clients means we are able to build strong relationships over many years. We understand our clients' long-term ambitions and assist them in the delivery of these through our culture of engagement.

Decrease | Increase | Same as last year

3 Major project loss

Link to strategy

→ Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact
A major project loss could result in a significant financial loss to the business. Discontinued activities could present legacy risk that could potentially incur financial costs.

Tolerance to residual risk:
Accept

Example mitigating actions
- Rigorous project selection process.
- Maintaining first-class records to enable effective management of any disputes.
- Projects within focus carrying risk are fully discussed in the business unit plans.
- Ensure that we remain focused on compliant delivery which meets our clients' expectations.

Change in the year
Progress has been made in the year to close out a number of remaining legacy issues. There remains the potential for legacy claims from the discontinued Allenbuild business. Given this, the likelihood has moved from low to medium for this risk. This risk has increased during the year.

Opportunity
The review of our contract vetting procedures and the improvements undertaken in the year mean we are more robust in our approach in this area.

4 Cost inflation

Link to strategy

→ Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact
A risk of our employment and other input costs increasing that we are not able to pass on.

Tolerance to residual risk:
Reduce

Example mitigating actions
- Ensure that the contractual terms and conditions are appropriate and properly understood.
- New contract vetting procedures are robust and in line with the Group Minimum Requirements.

Change in the year
The Board determined that the risk of cost inflation is medium likelihood, medium impact. The Board recognises that there has been a significant increase in the price of certain materials and labour during the course of the last financial year; however, the Group is largely able to mitigate these increases due to the short-term nature of our contracts and our ability to recover these additional costs through the contracts. There has been no change to this risk during the year.

Opportunity
The review of our contract vetting procedures and the improvements undertaken in the year mean we are more robust in our approach in this area.

5 Business continuity

Link to strategy

→ Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Group IT Director
- Subsidiary senior management teams

Risk and potential impact
Disaster resulting in significant impact on central functions, assets, people or systems that is not adequately prepared for, e.g. fire, flood, accident, terrorism, pandemic, health and safety breach, environment non-compliance.

Tolerance to residual risk:
Reduce

Example mitigating actions
- A business continuity approach to disaster recovery.
- Robust policies and procedures in place, referenced in Group Minimum Requirements.
- Ensuring appropriate insurance cover.

Change in the year
We continue to develop our approach to cyber risk management through improvements to IT security and through the continuation of our user awareness training programme. Minimum standards are in place, with all businesses audited to ensure compliance.

This risk has been split out from the cyber attack risk. There has been no change to the business continuity risk during the year.

Opportunity
We continue to reinforce our systems which alongside user training and awareness programmes means we are exposed to less risk in this area.

Decrease Increase Same as last year

6 Cyber attack

Link to strategy

Read more on pages **30 and 31**

Governance oversight
- Executive Directors
- Group IT Director
- Subsidiary senior management teams

Risk and potential impact
We recognise the importance of maintaining the integrity of the businesses electronic communications and management systems from cyber attacks.

Tolerance to residual risk:
Reduce

Example mitigating actions
- Industry best practice cyber attack defence tools.
- Automated off-site backup facilities and secondary communication systems.
- Ensuring a business continuity approach to disaster recovery is maintained.
- Minimum standards are in place with all businesses audited to ensure compliance.
- Continuous improvement to ensure all systems are fit for purpose.
- Underpinned by appropriate insurance cover.

Change in the year
The cyber attack risk has been split out from business continuity risk in the year.

Opportunity
We continue to reinforce our systems which alongside user training and awareness programmes means we are exposed to less risk in this area.

7 Major economic downturn

Link to strategy

Read more on pages **30 and 31**

Risk trend

Governance oversight
- Executive Directors
- Renew senior management teams
- Subsidiary senior management teams

Risk and potential impact
Risk of a major economic downturn which results in a significant reduction in public spending.

Tolerance to residual risk:
Accept

Example mitigating actions
- Focus on non-discretionary markets and activities where expenditure is delivered through long-term frameworks with committed levels of funding.

Change in the year
This principal risk reflects our continued response to current and potential future economic challenges.

There has been no change to this risk during the year.

Opportunity
We continue to focus on non-discretionary spending programmes and, as such, reduce the impact of economic volatility on the Group.

Strong leadership at our core

The members of the Board bring a range of expertise on issues of performance, strategy and governance, which supports the success of the Group. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience to deliver the Group's long-term strategy.

Creating the right culture through our governance framework

The Group's core values and governance framework form the structure for embedding our culture. As a Group we have a set of Group Minimum Requirements ("GMRs") which each of our subsidiaries is required to comply with.

The GMRs cover all aspects of the business operations and ensure we maintain high standards across all areas, including health and safety, financial control, ESG, information technology and human resources.

Playing to our strengths

Considering all our stakeholders

The Board carefully considered all of its stakeholders in the decisions it made during the year. The Board is conscious its decisions have wide-reaching consequences for a range of stakeholders and seeks to ensure these consequences are fully understood as part of any decision-making process.

Board performance evaluation

The Board understands the importance of self-evaluation and undertakes an annual performance review of its members and Committees. The results of the review form the basis of the annual Board improvement plans.

Skills and experience

The Board regularly reviews the range of skills and experience of its members through its annual Board performance evaluation process. Identified skills or experience gaps form the basis of future recruitment plans. More details of the Board's skills and experience can be found on pages 76 and 77.

The Board seeks to ensure that its range of skills and experience is aligned with both its current and future requirements.

Leadership

During the year, the composition of the Board was reviewed to ensure its members continue to provide the required skills and experience to support the Group's ongoing development.

During the year the Group appointed a new Non-executive Director to the Board.

Board recruitment

The Board undertakes a rigorous recruitment process supported by external specialist advisors to identify potential Board candidates that have the necessary skills and experience to complement the existing team.

Recruitment interviews are held by the Chairman and a Non-executive Director. Further meetings are held to introduce potential candidates to the rest of the Board.

How the Board adds value

The Board adds value by providing advice to the executive team and presenting challenge as appropriate. The Board works on behalf of the Group's shareholders and brings a wide range of experience and assistance across a broad range of topics.

Shareholder engagement activities

During the year the Board undertook a programme of shareholder engagement including results roadshows and one-to-one meetings.

Diversity

In recent years the Board has worked hard to improve its diversity profile. The Group has increased its gender and diversity profile through the recruitment of three new Non-executive Directors since 2019. Work continues to further diversify the Board, understanding the benefits that a well rounded Board offers.

How the Board works together

The Board, led by the Chairman, usually meets at least nine times a year in person unless this is not practicable. The Board reflects on the results of the period presented, reviews progress of agreed strategic implementation goals and discusses points raised by the executive team. The Board discusses, supports and challenges the executive team as necessary.

Outside of the formal Board meetings the Board provides additional support as required.

Succession planning

The Board undertakes an annual succession planning process and more frequently as situations dictate. Succession planning is undertaken by the Group's Nomination Committee, chaired by David Brown.

Board meetings held in the year

11

Board site visits

2

Board activities throughout the year

October 2022
Board engagement visit to AmcoGiffen including workshop tour and bridge lift

November 2022
Announcement of new Non-executive Director, Liz Barber

March 2023
Board engagement visit to Clarke Telecom including a site visit

June 2023
Formal HR review including focus on diversity and employee wellness

September 2023
Board reviews and approves the Group's Strategic Plan and budget for the next 3 years

Proven and experienced leadership

A Audit and Risk Committee
R Remuneration Committee
N Nomination Committee
Chair

David Brown
Chairman

Appointment date:
Non-executive Director from April 2017, Chairman since May 2022.

Experience:
40 years of experience in the transport sector with a proven track record in leading multi-site and multidiscipline commercial and public sector organisations with significant turnovers and large workforces. Former managing director of Surface Transport at Transport for London and over 10 years' experience as the former CEO of The Go-Ahead Group PLC.

External appointments:
Non-executive director of Velociti Ltd and chairman of Tripshift Ltd.

Skills brought to the Board:
Proven leadership of large organisations including a decade of running a FTSE 250 PLC. Strategic decision making including mergers and acquisitions combined with international expansion experience and operating at a high political level within publicly accountable bodies.

Number of Board meetings attended:
11 out of 11.

Sector experience:
Multidiscipline transport sector, highways, infrastructure, and SaaS.

Paul Scott
Chief Executive Officer

Appointment date:
As Chief Executive from 1 October 2016, previously as Group Engineering Services Director from 21 July 2014.

Experience:
A qualified engineer who has been with the Group for over 22 years. Having directly led subsidiaries through substantial growth in line with the Group strategy, Paul's responsibilities gradually developed into a wider Group role before being appointed as the CEO.

External appointments:
None.

Skills brought to the Board:
Strong experienced leadership capability with a track record of compliant delivery. Proven capability in terms of developing a culture to support the execution of our agreed growth strategy.

Number of Board meetings attended:
11 out of 11.

Sector experience:
Highly experienced across the UK infrastructure sectors that remain our strategic focus.

Sean Wyndham-Quin
Chief Financial Officer

Appointment date:
Appointed to the Board on 8 November 2017. Appointed Chief Financial Officer on 29 November 2017.

Experience:
Previously served as a partner at SPARK Advisory Partners, a business he co-founded in early 2012. Prior to that Sean worked for Brewin Dolphin and Ernst & Young where he qualified as a Chartered Accountant.

External appointments:
None.

Skills brought to the Board:
Track record in advising boards on strategy, corporate governance and mergers and acquisitions. Experience in financial modelling, forecasting and business planning.

Number of Board meetings attended:
11 out of 11.

Sector experience:
A broad range of experience across a number of sectors including support services and construction.

Andries Liebenberg
Executive Director

Appointment date:
Appointed as Executive Director on 31 March 2016.

Experience:
Previously managing director of Renew subsidiary AmcoGiffen, Andries has been with the Group for over twelve years. Prior to this Andries worked internationally in Africa and the UK overseeing multi million-pound multidisciplinary fast track construction projects and long-term framework agreements.

External appointments:
None.

Skills brought to the Board:
Experienced in strategic business management including mergers and acquisitions.

Number of Board meetings attended:
11 out of 11.

Sector experience:
Multidisciplinary infrastructure project delivery with a bias towards rail, energy and environmental sectors.

Shatish Dasani
Senior Independent Director

Appointment date:
Non-executive Director from February 2019. Senior Independent Director since May 2022.

Experience:
A Chartered Accountant with over 25 years' experience in senior public company finance roles across various sectors including building materials, advanced electronics, general industrial and business services. He was previously the chief financial officer of Forterra plc and chief financial officer of TT Electronics plc and has also been alternate non-executive director of Camelot Group plc and public member at Network Rail plc.

External appointments:
Chair of UNICEF UK. Non-executive director and audit committee chair at Genuit Group plc, SIG plc and Speedy Hire plc.

Skills brought to the Board:
Strategy development and execution, performance improvement, financial management, corporate finance, mergers and acquisitions.

Number of Board meetings attended:
11 out of 11.

Sector experience:
Building materials, advanced electronics, general industrial, business services and infrastructure.

Stephanie Hazell
Non-executive Director

Appointment date:
Non-executive Director from 1 March 2020.

Experience:
Over 20 years' relevant experience working in high-profile businesses including PricewaterhouseCoopers LLP, Orange SA, Virgin Management Ltd and National Grid Plc where she held the position of director, strategy and corporate development.

External appointments:
Non-executive director at NSMP Limited and Neos Networks. Senior advisor to Shell Renewables and Energy Services.

Skills brought to the Board:
Infrastructure, strategy, business development and M&A experience.

Number of Board meetings attended:
11 out of 11.

Sector experience:
Utilities and telecoms.

Liz Barber
Non-executive Director

Appointment date:
Non-executive Director from 1 November 2022.

Experience:
A Chartered Accountant, Liz was the CFO then CEO of Kelda Group/ Yorkshire Water. Previously a partner at EY LLP where she was head of audit for the north region and previously independent non-executive director and audit committee chair at KCOM PLC from 2015 until 2019. Liz held various senior non-executive positions including deputy chair of the University of Leeds.

External appointments:
Non-executive director and senior independent director and remuneration committee chair (interim) for Cranswick plc. Non-executive director of HICL plc, non-executive director and audit committee chair of Encyclis Limited. Chair of the ICAEW Sustainability Committee and chair of the Yorkshire and Humber Climate Commission.

Skills brought to the Board:
Infrastructure, strategy, business development, financial management and sustainability.

Number of Board meetings attended:
9 out of 10.

Sector experience:
Utilities, in particular water infrastructure.

David Brown
Chairman

Supported by good governance

Dear shareholder,

The Board of Renew continues to uphold the highest standards of corporate governance and continues to comply with the Quoted Companies Alliance ("QCA") Corporate Governance Code 2018 to the extent considered appropriate for a company of this size. In many areas we exceed and continue to improve on the requirements of the Code where we are able to. Details of how Renew complies with the Code or an explanation as to why it does not are included on the following pages.

The Board has again been focused on improving the diversity of the Board during the year with the appointment of an additional Non-executive Director. We continue to work on developing the Board's diversity to strengthen our leadership. The Board also supports the Group's Diversity, Equality and Inclusion forum and its work to develop diversity in the wider workforce.

Shareholder engagement

The rest of the Board and I continue to welcome the views of all our shareholders. During the year we have communicated with our shareholders through the delivery of our results information, and at the Company's Annual General Meeting ("AGM").

Outside of our regular shareholder events, I can be contacted by email at chairman@renewholdings.com.

Future focus

The Board is focused on ensuring that the business continues to grow in a sustainable manner leading to its long-term success and believes that adopting good governance processes contributes to that aim.

The Board recognises also that it has an integral role to play in setting the Group's values and culture and part of this involves positive interaction with the subsidiary companies of Renew through site visits, Group events and safety conferences. The Board continues to remain committed to the issues of diversity on the Board and across the wider Group and ensuring that succession plans are in place. The Board will also continue to oversee the developing response to climate change and the overall importance of its sustainability activities including its climate-related financial disclosure reporting as we move through 2024.

David Brown
Chairman
27 November 2023

Board induction process

The Board has a robust induction process led by the Chief Executive Officer. New Board members are provided with:

- a comprehensive set of documents to facilitate their understanding of the Group including, amongst others, minutes of previous meetings, overview of Committees and their membership, the Group's three year Strategic Plan, details of the Group's subsidiary businesses, organisation charts and details of the executive team;
- detailed meetings with the Chief Executive Officer to outline how the business operates based around the Group's Strategic Plan and covering in detail areas such as health and safety, risk management, strategy and culture;
- an introduction to the senior team; and
- a site visit to a Group subsidiary business shortly following their appointment.

Whilst the core elements of the on-boarding process are the same for all new Board members, the process is also flexible to take account of a new member's Board experience. This approach ensures the process fits the needs of each new member.

Quoted Companies Alliance Corporate Governance Code 2018

Principle 1

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

→ Read more about how we manage risk to ensure the successful delivery of our strategy on pages **70 to 73**

→ Read more about our strategy on pages **30 and 31**

→ Read more about our business model on pages **20 and 21**

Principle 2

Seek to understand and meet shareholder needs and expectations.

Individual shareholders
Members of the Board have dialogue with individual shareholders during the year and the Chairman addresses shareholders at the Group's Annual General Meeting ("AGM") where questions are invited. Notice of the Group's AGM is provided to shareholders at least 21 days in advance of the meeting. Where resolutions at the AGM are dealt with by show of hands, the results of proxy votes are also announced by the Company Secretary.

Financial and other information about the Group is available via the Company's website: www.renewholdings.com.

Shareholders can find a link to the website of Link Group for details of their shareholding.

Shareholders wishing to contact the Company directly should address communication to the Group's Company Secretary, Sean Wyndham-Quin, by email to info@renewholdings.com or by post to Renew Holdings plc, 3175 Century Way, Thorpe Park, Leeds LS15 8ZB.

Institutional shareholders
The Chief Executive Officer and Chief Financial Officer communicate with institutional investors frequently through formal meetings immediately following the Group's interim and preliminary financial results as well as through capital markets presentations and informal briefings. It is the intention of the Directors to understand the objectives and concerns of its institutional shareholders through both direct communications and through analyst and broker briefings.

The Chief Financial Officer is responsible for informing the Board of the views and concerns of its major shareholders. The Board makes itself available to meet with institutional investors as required to discuss matters as they arise.

Shareholder engagement activities

November	Preliminary results roadshow
January	Annual General Meeting
May	Interim results roadshow

→ Read more about how we engage with our shareholders on page 24

Principle 3

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

→ Read more about how we engage with our stakeholders on pages **24 to 29**

→ Read more about our sustainability progress and ambitions on pages **50 to 61**

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation.

→ Read more about how we identify and manage risk on pages **70 to 73**

Internal controls
The Directors acknowledge that they have overall responsibility for the Group's system of internal control and for reviewing and monitoring its effectiveness. The system of internal control is designed to manage and mitigate, rather than eliminate, the risks to which the Group is exposed and therefore provides a reasonable, but not absolute, assurance against a company failing to meet its business objectives or against material misstatement or loss. The Group operates a risk management process, which is embedded in normal management and governance processes. There is a system of self-examination of risk areas and controls by subsidiaries and departments within the Group. Where significant risks are identified, the probability of those risks occurring, their potential impact and the plans for managing and mitigating each of those risks are reported.

The Group operates a series of controls which include the annual strategic planning and budgeting process; short, medium and long-term cash monitoring achieved by means of daily, weekly and monthly forecasts which are compared against budget and previous forecasts; clearly defined capital investment guidelines and levels of authority; and a clear organisational structure within which individuals' responsibilities are identified and monitored. These results and processes are monitored, updated, reviewed and considered by the Board.

Principle 4 continued

Embed effective risk management, considering both opportunities and threats, throughout the organisation. continued

Internal controls continued
The Group has established a series of Group Minimum Requirements in a number of financial, commercial and operational areas with which each business within the Group must comply. The senior management team monitors and reviews compliance with these requirements on a regular basis. Due to the size and nature of the Group, the Board does not consider that a separate internal audit function is necessary. For the last 17 years and including 2023, the Group has carried out a programme of internal audit conducted by the Group Commercial Director and by members of the various subsidiaries' finance teams. This system of peer review promotes best practice and ensures that Group Minimum Requirements, along with procedures and internal controls, are being complied with.

The reports from these internal audits are made available both to the Board and to the external auditor. Senior management and employees play a critical role in the identification of risk. Employees are often the first to become aware of risk and the effective communication between employees and senior management is considered key in this area.

Principle 5

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

Independence of Non-executive Directors
The Board adopts the principles of the QCA Corporate Governance Code 2018 regarding tenure of the Board and seeks to balance experience and the need to refresh the Board. In assessing the continued independence of Directors, where they have served more than nine years, the Board considers their independence of judgement and ability to continue to challenge the Board.

Renew complies with the provision of Board independence as the Group has at least two independent Non-executive Directors.

		Board member duration
D A Brown	Non-executive Chairman Independent	6 years
S D Dasani	Non-executive Director Independent	4 years
S A Hazell	Non-executive Director Independent	3 years
L Barber	Non-executive Director Independent	1 year
P Scott	Chief Executive Officer	7 years
S C Wyndham-Quin	Chief Financial Officer	6 years
A P Liebenberg	Executive Director	7 years

Board Committees
The Board operates with a number of Committees. Shatish Dasani, the Senior Independent Non-executive Director, acts as Chair of the Audit and Risk Committee, David Brown acts as Chair of the Nomination Committee and Stephanie Hazell chairs the Remuneration Committee. The Board delegates clearly defined powers to its Remuneration, Nomination and Audit and Risk Committees. Each of the Board's Committees has carefully drafted terms of reference.

Remuneration Committee
→ Read more about the Remuneration Committee's key responsibilities and activity during 2023 on pages **91 to 97**

Nomination Committee
→ Read more about the Nomination Committee's key responsibilities and activity during 2023 on pages **89 and 90**

Audit and Risk Committee
→ Read more about the Audit and Risk Committee's key responsibilities and activity during 2023 on pages **86 to 88**

General Purposes Committee
The Board forms a General Purposes Committee from time to time as it deems necessary. This Committee comprises any two of the Executive Directors as determined by the Board to consider individual business matters, which have been specifically delegated to it by the Board.

Board and Committee meetings
The Board met formally 11 times in the year ended 30 September 2023 with all Directors in attendance other than on one occasion.

Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

Board effectiveness
Board composition
The Board comprises the independent Non-executive Chairman, the Chief Executive Officer, two Executive Directors and three independent Non-executive Directors.

The Board comprises four independent Non-executive Directors and three Executive Directors.

Time commitment
Directors are expected to commit as much time as is necessary to fully undertake their duties. Board members are expected to attend all Board meetings and Committee meetings as well as any additional meetings as requested.

→ Brief biographies of the Directors can be viewed on pages **76 and 77**
→ Read more about how our Board works on pages **74 and 75**

Principle 6

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

→ Brief biographies of the Directors can be viewed on pages **76 and 77**

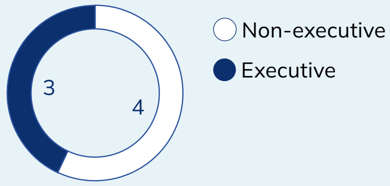
The members of the Board bring a range of expertise on issues of performance, strategy and governance, which are vital to the success of the Group. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience.

Senior Independent Director
Shatish Dasani is the Senior Independent Director and undertakes a key role in supporting the Chairman in the effective running of the Board.

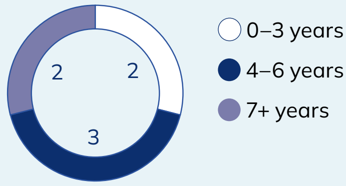
Company Secretary
Sean Wyndham-Quin is responsible for assisting the Board in discharging its statutory duties and responsibilities as well as liaising with the Group's shareholders and other stakeholder groups. He is assisted by Louise Jones, the Assistant Company Secretary.

Our Board

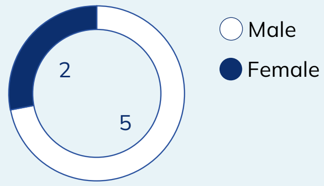
Members



Length of tenure



Diversity



External advisors
For the appointment of new Non-executive Directors, a specialist executive search agency will be engaged.

Professional development
Appropriate training, briefings and inductions are available to all Directors on appointment and subsequently as necessary, considering existing qualifications and experience. The Board members have many years of relevant experience and each is responsible for ensuring their continuing professional development to maintain their effective skills and knowledge.

Independent advice
Procedures are in place for the Directors to seek independent professional advice, if necessary, at the Company's expense.

Principle 7

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Chairman and fellow members of the Board are responsible for making sure Board members are updated with information concerning the state of the business and its performance, and information necessary for them to effectively discharge their duties and responsibilities, in a timely manner.

Every year Board members are required to complete a questionnaire to evaluate both the Board as a whole and its individual members providing an opportunity for comments and suggestions for improvements. The responses to the surveys are provided to the Chairman who prepares a report and actions are shared with the Board.

It is the ambition of the Board that the evaluation of the Board will be externally facilitated every three years to assess the Board and its Committees to ensure they are equipped to support the Group's evolving requirements. The Board took the view that an external review was not appropriate during 2023 and this will be reviewed again in 2024.

Succession planning
Continuity of leadership is recognised as a critical factor in maintaining both short-term and longer-term business success. Succession planning and management are key to delivering this continuity. Each year the Board carries out its annual review of succession planning at both Board and subsidiary business level as part of its strategic review process.

Board
The Nomination Committee considers succession planning for the Board each year, considering the challenges specific to the required role. The Chairman is responsible for overseeing the process of succession planning for the Board.

Senior management
The executive level succession framework, which addresses senior management succession in the Group's subsidiary businesses, forms part of the subsidiary budget and strategic planning process and is reported to the Board on an annual basis.

→ Read more about our Board performance evaluation process and how the Board works together on pages **74 and 75**

Principle 8

Promote a corporate culture that is based on ethical values and behaviours.

The Board monitors and promotes its corporate culture assisted by its senior management team which plays a vital role in disseminating the Company's shared values with its employees. Within our subsidiary businesses, monthly management meetings are attended by at least one member of the senior management team. Regular Executive Management Committee meetings are held with the involvement of all the Managing Directors and the wider senior management team. In conjunction with annual events, including the Senior Managers' Conference, the Board can assess the Group's culture on an ongoing basis.

To better understand our corporate culture, value and behaviours, during the year the Board visited two of the Group's subsidiary businesses. The visits involved business presentations and meeting employees from across the businesses.

→ Read more about our culture on pages **48 and 49**
→ Read more about our core values on page **49**

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision making by the Board.

Roles and responsibilities

Chairman

The Board, run by Chairman David Brown, is responsible for Group strategy, results, direction, risk management and business performance. The Board is ultimately responsible for overseeing the success of the Group.

Chief Executive

Chief Executive Paul Scott oversees the management of the business supported by his executive team with responsibility for delivery of the Group's strategic direction and management of its day-to-day performance.

The Senior Independent Director

Shatish Dasani is the Senior Independent Director and undertakes a key role in supporting the Chairman in the effective running of the Board.

Chief Financial Officer and Company Secretary

Sean Wyndham-Quin is responsible for assisting the Board in discharging its statutory duties and responsibilities as well as liaising with the Group's shareholders and other stakeholder groups.

Appropriate training, briefings and inductions are available to all Directors on appointment and subsequently as necessary, taking into account existing qualifications and experience.

Procedures are in place for the Directors to seek independent professional advice, if necessary, at the Company's expense.

Board and Committee meetings

The Board met 11 times during the year. Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

Board Committees

The Board delegates clearly defined powers to its Remuneration, Nomination and Audit and Risk Committees. Each of the Board's Committees has carefully drafted terms of reference.

Remuneration Committee

→ Read about the Remuneration Committee's responsibilities and activity during 2023 on pages **91 to 97**

Nomination Committee

→ Read about the Nomination Committee's responsibilities and activity during 2023 on pages **89 and 90**

Audit and Risk Committee

→ Read about the Audit and Risk Committee's responsibilities and activity during 2023 on pages **86 to 88**

The Board is responsible for ensuring thorough corporate governance is applied throughout its business and will be continuing to work towards improving its governance framework throughout 2024.

→ Read more about how we manage risk on pages **70 to 73**

Understanding our business

As part of the Board's commitment to undertake at least two site visits per year, during 2023 the Board visited the AmcoGiffen and Clarke Telecom subsidiary businesses. The visits included site tours, displays of their specialist equipment and meetings with the senior management teams.

These Board visits are an important part of the Board's engagement programme and provide the Board with an opportunity to meet a wide cross-section of employees across the businesses.

Board and Committee meetings
The Directors attended the following meetings in the year ended 30 September 2023:

	Main Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
D A Brown	11/11	3/3	6/6	2/2
S A Hazell	11/11	3/3	6/6	2/2
S D Dasani	11/11	3/3	6/6	2/2
L Barber*	9/10	3/3	6/6	2/2
P Scott	11/11	—	—	—
S C Wyndham-Quin	11/11	—	—	—
A P Liebenberg	11/11	—	—	—

* Liz Barber was appointed to the Board as a Non-executive Director on 1 November 2022.

Principle 10

Communicate how the Company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.

Board and Committee meetings
The Board met formally 11 times in the year ended 30 September 2023 with all Directors in attendance except for on one occasion.

Committee meetings dealing with the daily business of the Company were held as necessary. The Board receives written and oral reports from the Executive Directors ensuring matters are considered fully and enabling Directors to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision ensuring the maintenance of control over strategic, financial and operational matters.

Committee reporting

→ Read about the Remuneration Committee's responsibilities and activity during 2023 on pages **91 to 97**

→ Read about the Nomination Committee's responsibilities and activity during 2023 on pages **89 and 90**

→ Read about the Audit and Risk Committee's responsibilities and activity during 2023 on pages **86 to 88**

Shareholder engagement

→ Read more about how we deliver value for our stakeholders on pages **22 to 29**

The Chief Financial Officer and Company Secretary, Sean Wyndham-Quin, is the primary contact for all investor relations queries and can be contacted by email at info@renewholdings.com or by post at Renew Holdings plc, 3175 Century Way, Thorpe Park, Leeds LS15 8ZB.

Shareholder voting
The table on pages 84 and 85 shows the votes cast at the 63rd Annual General Meeting of Renew Holdings plc which was held at Principal York Hotel on 1 February 2023 at 11.00am.

Details on how to vote on the resolutions at the Annual General Meeting and how to ask questions of the Board of Directors were included in the Notice of Meeting.

Working together

Our Board evaluation process

As part of the Board's commitment to continuous improvement, a Board performance evaluation process is undertaken annually. The evaluation looks at how the Board members feel they perform as individuals as well as how they interact with the rest of the Board. The Board performance evaluation takes the form of an online questionnaire with the anonymised results reviewed by the Chairman. Areas for further discussion or action are agreed at subsequent Board meetings. The last Board performance evaluation took place in 2023.

Timeline for the 2024 Board performance evaluation process

January 2024	Board performance evaluation survey distributed to Board members electronically.
February 2024	Board performance evaluation survey responses received.
March 2024	Confidential survey responses collated for Chairman's review.
May 2024	Key areas for discussion outlined at the Board meeting and an action plan agreed.
June 2024+	The Board will work through the areas raised in the Board performance evaluation process.

2023 Annual General Meeting voting results

	Voting for	Voting against	Voting withheld
Ordinary resolution 1			
To receive, approve and adopt the Company's audited financial statements for the year ended 30 September 2022 and the reports of the Directors and auditor thereon.	45,909,905	6,000	3,700
Ordinary resolution 2			
To declare a final dividend for the year ended 30 September 2022 of 11.33p per Ordinary Share in the capital of the Company to be paid on 3 March 2023 to shareholders who appear on the register at the close of business on 10 February 2023.	45,921,430	0	2,200
Ordinary resolution 3			
To re-elect Paul Scott as a Director of the Company.	45,900,774	18,366	4,490
Ordinary resolution 4			
To re-elect Shatish Dasani as a Director of the Company.	45,811,234	106,000	6,396
Ordinary resolution 5			
To re-elect Liz Barber as a Director of the Company.	45,813,628	7,012	102,990
Ordinary resolution 6			
To approve the Directors' remuneration report for the year ended 30 September 2022.	45,436,277	381,579	104,868
Ordinary resolution 7			
To appoint Ernst & Young LLP as auditor of the Company.	45,545,826	375,604	2,200
Ordinary resolution 8			
To authorise the Audit and Risk Committee of the Board of Directors of the Company to determine the remuneration of the auditor.	45,803,961	107,867	3,802
Ordinary resolution 9			
THAT the Directors of the Company (the "Directors") be and are generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the capital of the Company ("Shares") or grant rights to subscribe for or to convert any security into Shares ("Rights") up to an aggregate nominal amount of £2,628,758, such authority to apply in substitution for all previous authorities pursuant to Section 551 of the Act to the extent unutilised and to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 1 April 2024 (unless renewed, varied or revoked by the Company prior to or on such date) but, in each case, save that the Company may make offers and enter into agreements before this authority expires which would, or might, require Shares to be allotted or Rights to be granted after this authority expires and the Directors may allot such Shares or grant such Rights pursuant to any such agreement as if this authority had not expired.	45,804,550	106,319	4,661

	Voting for	Voting against	Voting withheld
Special resolution 10			
THAT, subject to the passing of resolution 9, the Directors of the Company (the "Directors") be empowered to allot equity securities (as defined in the Companies Act 2006 (the "Act")) for cash under the authority given by resolution 9 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be limited: (a) in connection with an offer by way of a rights issue or other pre-emptive issues to holders of Ordinary Shares in the capital of the Company in proportion (as nearly may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates, or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £788,626; and (c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Board of Directors determines to be of a kind contemplated by Paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, such power to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 1 April 2024 but, in each case, prior to its expiry the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the power had not expired.	44,738,133	1,172,480	5,017
Special resolution 11			
THAT, subject to the passing of resolution 9, the Directors of the Company (the "Directors") be empowered in addition to any power granted under resolution 10 to allot equity securities (as defined in the Companies Act 2006 (the "Act")) for cash under the authority given by resolution 9 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be: (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £788,626, such power to be used only for the purposes of financing (or refinancing, if the power is to be used within 12 months after the original transaction) a transaction which the Board of Directors determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice; and (b) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of Directors determines to be of a kind contemplated by Paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, such power to expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on 1 April 2024 but, in each case, prior to its expiry the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the power had not expired.	44,827,030	1,083,294	5,306
Special resolution 12			
THAT the Articles of Association produced to the meeting and initialled by the Chair of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.	45,149,644	759,089	6,897

Ensuring the integrity of the Group's financial reporting

"Continued focus on a robust internal control environment, clear and relevant financial reporting and proactive management of key risks."

Shatish Dasani
Chair of the Audit and Risk Committee

Key responsibilities and terms of reference

- Monitor the integrity, clarity and completeness of the financial statements, the half year report and any other announcements relating to the Group's financial performance or position
- Review and challenge, where necessary, the appropriateness of accounting policies, key accounting judgements and sources of estimation
- Keep under review the adequacy and effectiveness of the Group's internal control and risk management systems
- Evaluate the effectiveness of the Group's internal audit process
- Review the policies and process for identifying and assessing business risks and managing their impact on the Group
- Review the Group's systems and controls for preventing bribery, fraud and ensuring compliance with relevant legal and regulatory requirements
- Ensure that the Group has adequate whistleblowing policies and procedures
- Review the effectiveness and independence of the external auditor, negotiate and agree its remuneration and make recommendations to the Board in respect of its appointment

Focus in the reporting year

- Delivery of the internal audit programme
- Continued focus on risk management and internal controls
- Business continuity planning and cyber risk
- ESG reporting

Priorities for 2024

- Continued focus on financial reporting of the Group's performance with appropriate disclosure
- Review of key current and emerging risks faced by the business and measures taken to address these risks
- Internal controls framework in the Group including monitoring of any weaknesses identified by internal and external audit

Membership

Shatish Dasani (Committee Chair)
David Brown
Stephanie Hazell
Liz Barber (with effect from 1 November 2022)

Meeting attendance[1]

Shatish Dasani	
David Brown	
Stephanie Hazell	
Liz Barber	

1. There were three meetings held during the year ended 30 September 2023.

Introduction

Dear shareholder,

I am pleased to present the Audit and Risk Committee report for the financial year ended 30 September 2023. The role of the Audit and Risk Committee is to protect the interests of shareholders by ensuring the integrity of the Group's financial reporting and by monitoring the ongoing effectiveness of the Group's internal controls. The Committee is appointed by the Board, comprises independent Non-executive Directors and provides independent monitoring, guidance and challenge to the Executive Directors. The Audit and Risk Committee report sets out the responsibilities of the Committee, its composition and the work undertaken during the year.

Responsibilities and terms of reference

The terms of reference are approved by the Board and are available for review on the Company website (www.renewholdings.com). The principal responsibilities of the Committee are set out opposite.

Committee composition

The Audit and Risk Committee consists of all four Non-executive Directors and is chaired by me as Senior Independent Non-executive Director with recent and relevant financial experience. The Board believes that the members have sufficient skills, qualifications and experience to discharge their duties in accordance with the Committee's terms of reference and as a Committee has competence in the sector within which the Group operates. The work of the Committee has been strengthened by the appointment of Liz Barber during the year.

Summary of activity

The Audit and Risk Committee formally met on three occasions since the date of the last report. The Chief Executive Officer, the Chief Financial Officer and the Executive Director attend Committee meetings by invitation to ensure that the Committee is fully informed of material matters within the Group. The external auditor attended all of the meetings and on one of these occasions also met separately with the Audit and Risk Committee without any of the Executive Directors present.

During the period to the date of this report, the principal activities of the Committee were as follows:

- review the Group's financial statements and preliminary results announcements including consideration of significant financial reporting issues and matters of judgement inherent within the above;
- review the content of the Annual Report and Accounts to ensure it provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy;
- monitor and review the Group's internal control and risk management systems; and
- consider the external auditor's audit plan, scope and coverage of audit work, internal quality procedures and independence and agree the audit fee.

Significant financial reporting risks and judgement areas considered

The following judgement areas and significant estimates were considered by the Committee in the review and approval of the 2022/23 financial statements:

Revenue recognition and valuation of contract balances
In accordance with IFRS 15, the Group makes assessments as to the stage of completion of a contract in order to determine the amount of revenue it is able to recognise. The Committee has critically reviewed the process adopted to make these assessments and discussed key contract issues with exposure to recognition risks with management. It also considered the work undertaken by the external auditor in relation to key contract judgements.

Risk management and internal control

The Committee has undertaken a review of the Group's financial, operational and compliance controls and is satisfied that these remain appropriate for the Group.

A rolling programme of internal financial audits is carried out to review the processes and procedures used in the Group's financial management. Undertaken by senior members of the finance team, the findings include recommendations for corrective or preventive action. Results of the internal audits are reviewed with the business and the Audit and Risk Committee. Each subsidiary is audited at least once every three years and agreed actions are monitored to ensure that they are completed on a timely basis. During the year the finance team responsible for undertaking the internal financial audits undertook additional training to ensure consistency of approach in the process across the Group.

Summary

Ernst & Young LLP has audited the Group's accounts for the year ended 30 September 2023. With input from management, the Committee was satisfied with the external audit team's knowledge of the business, that the scope of the audit was appropriate and that all significant accounting judgements had been challenged robustly.

The use of the external auditor for performing non-audit services is only permitted where the service is not prohibited by the FRC Ethical Guideline and where the external auditor is best placed to provide the service. In this case, the engagement needs to be authorised in line with the policy agreed by the Committee which is summarised below.

Policy on the provision of non-audit services

- Provision of certain non-audit services by the Group's auditor is prohibited and must not be provided under any circumstances.
- Fees for permissible non-audit services should not exceed 70% of the average audit fees paid in the last three consecutive financial years with effect from 1 January 2020.
- A register is kept of all permitted non-audit services provided by the auditor and the fees agreed.
- Any individual engagement with a fee exceeding £10,000 or where the cumulative fee for the calendar year would exceed 25% of the audit fee should be approved by the Chair of the Audit and Risk Committee.
- Any individual engagement with a fee exceeding £25,000 or where the cumulative fee exceeds 40% of the audit fee should be approved by the Audit and Risk Committee.
- Permissible non-audit services are generally assurance related. Audit-related services are those non-audit services specified in the FRC Ethical Standard 2019 that are largely carried out by members of the audit engagement team, and where the work involved is closely related to the work performed.

Fees of external auditor

During the financial year, the Group external auditor's fees were £1,067k (2022: £864k). The Committee confirms that no non-audit services were undertaken by the Group's auditor, EY LLP, in the period.

Whistleblowing policy

During the year the Group reviewed its whistleblowing policy to ensure any fraud, misconduct or wrongdoing by employees or officers of Renew is reported and appropriately dealt with. The policy clearly sets out the procedure and protection for whistleblowers and includes contact details for an independent third-party whistleblowing helpline.

2024 and beyond

We are committed to providing the highest levels of oversight to the Group's reporting and control processes. In 2024, the Committee will continue to focus on risk management and the control environment, business continuity planning, cyber risk and ESG reporting.

Approval

The Audit and Risk Committee report was approved by the Board on 27 November 2023 and signed on its behalf by:

Shatish Dasani
Chair of the Audit and Risk Committee
27 November 2023

Continued Board development

"The Committee has reviewed the composition of the Board and its Committees to ensure they continue to have the appropriate balance of skills and experience necessary to support the delivery of the Group's long-term strategy."

David Brown
Chair of the Nomination Committee

Priorities for 2024

- Succession planning for Directors and the Group's senior executives
- Driving improvements in diversity and inclusion across the business
- Reviewing the internal Board evaluation process and the benefits of an externally facilitated process

Key responsibilities and terms of reference

- Review the structure, size and composition of the Board and its Committees
- Review skills, knowledge, experience and diversity of the Board
- Review time commitments and external directorships
- Succession planning for Directors and senior executives
- Keep under review the leadership needs of the organisation, both Executive and Non-executive
- Leadership talent development
- Board performance evaluation
- Committee effectiveness and terms of reference

Focus in the reporting year

- Continue to develop the Group's approach to diversity and inclusion
- Onboarding of new Non-executive Director
- Continued QCA Corporate Governance Code compliance
- Board, executive and senior management succession planning
- Annual Board performance evaluation

Membership

David Brown (Committee Chair)
Shatish Dasani
Stephanie Hazell
Liz Barber (with effect from 1 November 2022)

Meeting attendance[1]

David Brown	
Shatish Dasani	
Stephanie Hazell	
Liz Barber	

1. There were two meetings held during the year ended 30 September 2023.

Introduction

Dear shareholder,

As Chair of the Nomination Committee, I am pleased to present my report on the Committee's activities during the year.

Board changes

Following a recruitment process in 2022 to appoint a new Non-executive Director, we were pleased that Elizabeth Barber joined the Board effective from 1 November 2022.

Board effectiveness

During the year the Committee undertook its annual Board performance evaluation process to assess the performance and effectiveness of the Board and its Committees. The results of this process have informed the Board's plans for 2024.

Board composition and succession planning

The Committee has reviewed the composition of the Board and its Committees to ensure they continue to have the appropriate balance of skills and experience necessary to support the delivery of the Group's long-term strategy. Over the last four years the Board has continued to develop its range of skills and experience through the appointment of three Non-executive Directors.

Succession planning for the Board members and senior executives is reviewed on an annual basis as part of the Group's strategic planning process. Succession for all identified roles is reviewed for the short, medium and long term and the results of this underpin the development of individuals at both Group and subsidiary business level.

During the year the Group continued its leadership development programme, Renew Inspiring Senior Executives ("RISE"), which will support the development of senior management talent across the Group. Since the start of the RISE programme in November 2021, 28 employees have taken part and we continue to roll out the programme to help develop the leadership of the future.

Diversity and inclusion

It is the Board's view that a diverse membership enhances the quality of debate and decision making to the benefit of all stakeholders. The Board is keen for its membership to reflect its wider workforce and the communities in which the Group operates.

During the year we continued to support both Group and subsidiary diversity, equality and inclusion forums which look at many aspects of diversity, equality and inclusion across the businesses including how we attract and retain a more diverse workforce. We will be working with our subsidiaries to further develop our diversity road map including improving our gender pay profile through 2024. In addition all the Group's subsidiary businesses are signed up to the Investors in Diversity accreditation programme.

As a Group we feel it is important to measure our progress in this area and, as such, we have introduced a new diversity target which measures the number of female leaders across our business. We are working to improve on this during 2024 and beyond through a number of initiatives.

Over recent years we have worked to improve the diversity of the Board in its widest sense with three new appointments. The Group works to support an inclusive culture across the business and this will continue to be an area of focus during 2024 as we seek to ensure our workforce better represents the diversity of the communities in which we operate. The Board considers diversity as part of the overall recruitment requirements for any new Board members.

The Group is very much aware that the engineering sector has traditionally been male dominated and therefore the Group is fully committed to promoting gender diversity in all areas of its workforce. Our subsidiaries continue to work with education providers in their local areas to improve the perception of our industry for diverse young people, including girls across all economic and social backgrounds. Also as part of this process, the year-on-year improvement in the number of female leaders across the business target will ultimately help to reduce the gender pay gap.

Assessment of independence of the Non-executive Directors

The Committee undertakes an annual assessment of the independence of our Non-executive Directors. The Committee was satisfied all the Non-executive Directors remained independent in the period.

Time commitments and external appointments of Non-executive Directors

The Committee reviewed the Non-executive Directors' time commitments and external appointments during the year and confirms that the Non-executive Directors have sufficient time to be able to fulfil their Group responsibilities. The Committee did not identify any instances of overboarding.

Retirement by rotation

In line with the UK Corporate Governance Code 2018, all Directors will be subject to re-election at the Group's 2024 Annual General Meeting ("AGM") and offer themselves for re-election.

Details setting out how each Board member continues to be important for the Company's long-term success is included on pages 76 and 77.

2024 and beyond

The Nomination Committee will continue to focus on ensuring the Board retains the appropriate set of skills, experience and diversity that is required to execute the Group's long-term Strategic Plan, supporting the continued success of the Group.

David Brown
Chair of the Nomination Committee
27 November 2023

Remuneration to support our long-term strategy

"The Committee continues to ensure that our remuneration policies are appropriate for the Company at its current stage of development, align management and shareholders and continue to support our long-term business strategy, culture and values."

Stephanie Hazell
Chair of the Remuneration Committee

Membership
Stephanie Hazell (Committee Chair)
David Brown
Shatish Dasani
Liz Barber (from 1 November 2022)

Meeting attendance[1]

Stephanie Hazell
David Brown
Shatish Dasani
Liz Barber

1. There were six meetings held during the year ended 30 September 2023.

Key responsibilities and terms of reference
- Determine and agree with the Board the framework and policy for the remuneration packages, including bonuses, incentive payments and share options or share awards of the Executive Directors and members of the executive management
- Review and approve the design of all share incentive plans and performance related pay schemes for approval by the Board and shareholders as applicable
- Determine targets and awards made under share incentive plans and performance related pay schemes
- Determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives
- Ensure that the contractual terms and payments made on termination are fair to the individual and the Company and that failure is not rewarded

Non-executive Directors do not have any personal interests in the matters to be decided by the Committee other than as shareholders, nor any potential conflicts of interest arising from cross-directorships and no day-to-day involvement in the running of the Company. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate to provide advice. However, no Director is present or takes part in discussions concerning their own remuneration.

Focus in the reporting year
- Ensured continued compliance with best practice and the QCA Corporate Governance Code 2018
- Set targets for the FY23 LTIP award and FY24 annual performance related bonus
- Approved the FY22 annual performance related bonus payout and vesting of the 2019 LTIP award
- Approved the 2023 Directors' remuneration report
- Reviewed Board and senior management remuneration
- Following a review of pension provision during 2023, the Committee agreed to introduce a workforce aligned pension policy, as a percentage of salary, for new Executive Director appointments. This has been incorporated into the Remuneration Policy overleaf
- Updated malus and clawback provisions in the LTIP and annual bonus for best practice

Priorities for FY24
- Ensure continued compliance with the QCA Corporate Governance Code 2018 and continue to develop best practice disclosures
- Review the wider workforce pay to ensure an appropriate response to the cost of living increases
- Review metrics and structure of short and long-term bonus plans

Advisors to the Committee
FIT Remuneration Consultants LLP ("FIT") was appointed by the Remuneration Committee during FY23 after a tender process to provide the Remuneration Committee with independent advice as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at www.remunerationconsultantsgroup.com. FIT provides no other services to the Company.

Advisory shareholder vote

At the 2023 Annual General Meeting, votes on the advisory resolution relating to the Remuneration report were cast as follows:

In favour	45,436,277	99.2%
Against	381,579	0.8%
Withheld[1]	104,868	—

1. A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "for" and "against".

Annual Statement

Dear shareholder,

I am pleased to introduce the Directors' remuneration report for the year ended 30 September 2023. This report is divided into three sections, being:

- this **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in the year ended 30 September 2023 and how the Remuneration Policy will be operated for the year ending 30 September 2024;
- the **Remuneration Policy Report**, which summarises the Company's current Remuneration Policy; and
- the **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in the year ended 30 September 2023 and how the Policy will operate for the year ending 30 September 2024.

The auditor is not required to report to the shareholders on the Remuneration report. The Remuneration report will be presented at the Annual General Meeting on 30 January 2024 and will be the subject of an advisory vote.

Corporate governance

As an AIM company, whilst we are not required to prepare this Remuneration report in accordance with the UK Corporate Governance Code 2018, we follow it to the fullest extent considered appropriate for an AIM-listed company of our size. The Remuneration Committee will continue to ensure that this report provides disclosures that meet best practice for AIM-listed companies.

Pay for performance

The Group achieved a record financial performance in FY23, with continued growth in revenue, profit and strong operating cash generation.

Following a review of performance in respect of the FY23 annual bonus, the Committee determined that the Group's operating profit performance for the year ended 30 September 2023 resulted in a bonus of 103% of salary. Following a review of health and safety performance, no reduction in annual bonus award was considered necessary.

During the year, LTIPs awarded on 20 February 2020 vested at 84.6 per cent of the maximum based on partial vesting against the relative TSR measure and partial vesting against the absolute TSR measure. In respect of LTIPs granted on 14 December 2020 where vesting is based on three year TSR to 30 September 2023, awards will vest at 42.25 per cent of the maximum based on partial vesting against the relative TSR measure and partial vesting against the absolute TSR measure.

Implementation of the Remuneration Policy for the year ending 30 September 2024

In respect of the implementation of the Remuneration Policy for Executive Directors for FY24:

- Base salaries were increased by 5 per cent from 1 October 2023 which is consistent with the workforce. Current salaries are therefore as follows:

	2024	2023	% change
CEO	**£404,250**	£385,000	5%
CFO	**£309,750**	£295,000	5%
Executive Director	**£294,000**	£280,000	5%

- No changes were made to benefits or the pension provision. However, the Committee has agreed that any new executive appointment to the Board will receive a workforce-aligned pension provision.
- Annual bonus potential will continue to be capped at 130% of salary based on sliding scale operating profit targets with a review of health and safety performance over the reporting period. Any bonus award above 100 per cent of salary will usually be deferred into shares.
- LTIP awards in the year ending 30 September 2024 will be granted to Executive Directors up to 150 per cent of salary. Performance targets will continue to be based on absolute and relative Total Shareholder Return.
- Shareholding guidelines will continue to operate at 100 per cent of salary for the current Executive Directors.
- The fee for the Chairman and Non-executive Director base fees were increased by 5 per cent effective from 1 October 2023.

	FY24	FY23	% change
Chairman	**£110,250**	£105,000	5%
Non-executive Director base fee	**£55,125**	£52,500	5%
Senior Independent Director	**£5,000**	£5,000	0%
Committee Chair	**£5,000**	£5,000	0%

Engagement with shareholders

We encourage our shareholders and representative bodies to engage with the Remuneration Committee at any time. This helps inform the Committee's decision-making process. The Remuneration Committee typically consults with major shareholders when any significant change in the structure or scale of Directors' remuneration is being considered and will continue to do so where appropriate. No material matters have been raised by shareholders relating to Directors' remuneration during the year ended 30 September 2023.

Remuneration Policy Report

The Company's Remuneration Policy is that the remuneration packages of the Executive Directors should be sufficiently competitive to attract, retain and motivate those Directors to achieve the Company's long-term strategic objectives, including the creation of sustainable shareholder returns, without making excessive payments. The annual performance related bonus rewards Executive Directors for delivering our short-term financial and operational goals. The long-term focus of our strategy is supported through our LTIP under which performance is tested over three years.

Summary of Directors' Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To attract, retain and motivate the best candidates to deliver the Group's strategic objectives.	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide market-competitive benefits package.	Offered in line with market practice, and may include car allowances and certain medical cover for Directors and their immediate family. The Company also has a permanent health insurance policy to provide cover for the Executive Directors.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Workforce-aligned pension provision for new appointments.	Workforce aligned for new appointments	n/a
Annual bonus	To incentivise Executive Directors to drive the in-year performance of the business and rewards strong performance, thereby driving longer-term shareholder returns.	Awards are based on annual performance and are normally payable in cash up to 100% of salary. Bonus in excess of 100% of salary will usually be deferred into shares at the discretion of the Committee. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	130% of salary	Sliding scale financial and/or personal and/or ESG and/or strategic targets
LTIP	To closely align a material part of an Executive Director's remuneration with the delivery of the Group's long-term strategy and shareholder returns.	Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	150% of salary	Sliding scale financial and/or share price and/or strategic and/or ESG performance
Shareholding guidelines	To align the financial interests of the Executive Directors with those of the Group's shareholders.	Executive Directors are expected to build a shareholding in the Group over time by retaining the net of tax LTIP awards which vest.	100% of salary	Not applicable
Non-executive Directors	The Committee determines the Chairman's fee and fees for the Non-executive Directors are agreed by the Chairman and Chief Executive.	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees may include a basic fee and additional fees for further responsibilities. Fees are paid in cash.	n/a	n/a

Malus and clawback

Malus and clawback provisions are operated in respect of the annual bonus and LTIP. Triggers include a subsequent reassessment of performance conditions, a breach of contract or fiduciary duties, material reputational damage and corporate failure. In the event that clawback is enacted, the Committee has the discretion to require repayment or to reduce any unvested or unpaid award made under any annual or share-based incentive plan.

Discretion

The Committee may apply discretion when considering the amounts earned under the annual bonus and LTIP vestings to ensure outcomes are fair and appropriate in light of the overall performance of the Group, health and safety performance, broader stakeholder experience and any exceptional factors.

Remuneration Policy Report continued

Service contracts and letters of appointment

The Company's policy is for all of the Executive Directors to have rolling service contracts that provide for a 12-month notice period. The fees of Non-executive Directors are determined by the full Board within the limits set out in the Articles of Association. The Non-executive Directors are not eligible for bonuses, pension benefits, share options or other benefits. The Directors are indemnified to the full extent permitted by statute under the Articles of Association. All Non-executive Directors are subject to re-election annually by shareholders. The service contracts of the Directors who served during the year ended 30 September 2023 and were in post on that day include the following terms:

Directors	Executive/Non-executive	Date of contract	Unexpired term	Notice period (months)
D A Brown	Non-executive	2 April 2017	Rolling one month	1
S D Dasani	Non-executive	8 February 2019	Rolling one month	1
S A Hazell	Non-executive	1 March 2020	Rolling one month	1
E Barber	Non-executive	1 November 2022	Rolling one month	1
P Scott	Executive	1 July 2014	Rolling one year	12
A P Liebenberg	Executive	31 March 2016	Rolling one year	12
S C Wyndham-Quin	Executive	8 November 2017	Rolling one year	12

Annual Report on Remuneration

Directors' remuneration for the year ended 30 September 2023

The table below sets out total remuneration for Directors for the year ended 30 September 2023.

	Notes	Salary/fees £000	Taxable benefits[2, 3] £000	Annual bonus[4] £000	LTIP[5] £000	Total remuneration 2023 £000	Total remuneration 2022 £000
Executive Directors							
P Scott	1,2,3,4,5	416	77	396	712	**1,601**	1,918
A P Liebenberg	2,3,4,5	303	59	288	511	**1,161**	1,383
S C Wyndham-Quin	2,3,4,5	319	62	303	534	**1,218**	1,457
Subtotal						**3,980**	4,758
Non-executive Directors							
D A Brown	6	105	—	—	—	**105**	73
S D Dasani		63	—	—	—	**63**	57
S A Hazell		58	—	—	—	**58**	52
E Barber	8	48	—	—	—	**48**	—
D M Forbes	6	—	—	—	—	**—**	63
L Hardy	7	—	—	—	—	**—**	14
Total						**4,254**	5,017

Notes:

1. The highest paid Director for 2023 was P Scott who received emoluments of £1,601,000 (2022: £1,918,000).
2. Benefits include car allowances and certain medical cover for the Director and immediate family.
3. Executive Directors received payments amounting to 15 per cent of their basic salary, in lieu of Company pension contributions. These were paid through the payroll and taxed as salary and are included in benefits above.
4. Bonuses were earned by P Scott, A P Liebenberg and S C Wyndham-Quin during the current financial year and will be paid in the year ending 30 September 2024.
5. Details of the LTIP options exercised during the year can be found on page 95.
6. D M Forbes resigned as a Non-executive Director on 17 May 2022. D A Brown replaced D M Forbes as Chairman from 17 May 2022.
7. L Hardy was appointed as a Non-executive Director on 9 December 2021 and resigned on 10 March 2022.
8. E Barber was appointed as a Non-executive Director on 1 November 2022.

Annual bonus awards

The annual bonus award for the year ended 30 September 2023 was determined by operating profit targets and health and safety performance.

Operating profit target
The operating profit targets, actual performance and bonus payout were as follows:

	Target	Maximum	Actual	Bonus award
Operating profit*	£61.8m	£80.4m	£63.6m	103% of salary

* Before exceptional items.

Health and safety target
The annual bonus includes a review of health and safety performance over the reporting period. The Committee may use its discretion to reduce bonus awards in line with performance in a manner that is fair to the individual and the Company. Following a review of health and safety performance in the year to 30 September 2023, no reduction in annual bonus award was considered necessary.

The Committee agreed to pay all of the bonus awards in cash to avoid the additional complexity and administration in respect of deferring the excess over 100 per cent of salary (equating to 3 per cent of salary) in shares.

Share awards vesting in the year ended 30 September 2023

During the year, LTIPs awarded on 20 February 2020, amounting to 299,570 shares in aggregate, vested in part in accordance with their vesting conditions on 20 February 2023. This represented 100 per cent of the relative TSR measure and 69.2 per cent of the absolute measure. These options were subsequently exercised on 9 March 2023, and 100,050 shares were issued to P Scott, 71,828 shares to A P Liebenberg and 75,038 shares to S C Wyndham-Quin.

In respect of LTIPs granted on 14 December 2020 amounting to 242,161 shares in aggregate, awards will vest in December 2023 at 42.25 per cent of the maximum based on 25 per cent of the relative TSR measure vesting and 59.50 per cent of the absolute measure vesting.

LTIP awards granted in the year ended 30 September 2023

The following LTIP awards were granted to the Executive Directors on 21 December 2022:

Director	Basis of award	Number of shares under award
P Scott (Chief Executive)	150% of salary	83,696
A Liebenberg (Executive Director)	150% of salary	60,870
S C Wyndham-Quin (Chief Financial Officer)	150% of salary	64,130

The LTIP options are exercisable at a nominal cost but are only exercisable to the extent that the following performance criteria are achieved by the Company over a three year performance period:

50% of awards	Absolute TSR over the three years to 30 September 2025: 0% of this part of an award vests for delivering a 25% TSR growth increasing pro-rata to 100% of this part of an award vests for delivering 100% TSR growth.
50% of awards	Relative TSR over the three years to 30 September 2025 as measured against a bespoke group of peers (Babcock, Balfour Beatty, Costain, Galliford Try, Keller, Kier, Marlow, Mitie, Morgan Sindall, Nexus Infrastructure, Van Elle): 0% of this part of an award vests for median TSR increasing pro-rata to 100% of this part of an award vests for upper decile TSR.

Outstanding LTIP awards

Information is provided below for Directors who served during the financial year and as at 30 September 2023. Pursuant to the Long Term Incentive Plan ("LTIP"), the Board has granted options to the Executive Directors as set out in the following table:

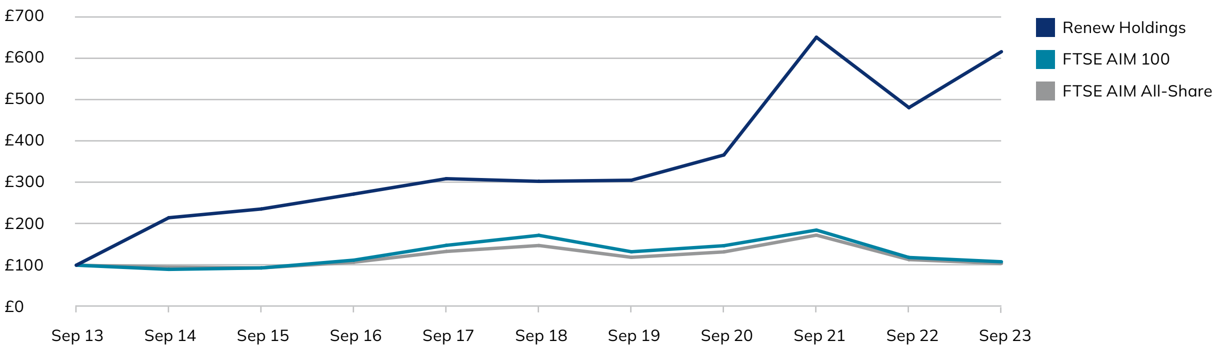
	Exercisable between 15 Dec 2023 and 14 Dec 2030	Exercisable between 16 Dec 2024 and 15 Dec 2031	Exercisable between 20 Dec 2025 and 19 Dec 2032
P Scott	89,785	59,535	83,696
A P Liebenberg	65,267	43,278	60,870
S C Wyndham-Quin	68,702	45,556	64,130

The market price of the Company shares at 30 September 2023, being the last trading day of the month, was 713p and the range of market prices during the year was between 555p and 760p.

Annual Report on Remuneration continued

Total shareholder return ("TSR") performance graph

The graph below shows a comparison of Renew Holdings plc's TSR against that achieved by the AIM 100 Index and AIM Index for the last ten financial years to 30 September 2023.



Chief Executive Officer historical remuneration

The table below shows the remuneration of the Chief Executive Officer over the six year period to 30 September 2023 (building to 10 years). The total remuneration figure includes the performance related bonus and LTIP awards.

Year ended 30 September	Group Chief Executive	Single total remuneration figure £000	Annual performance related bonus £000	Long-term incentive vesting £000
2023	**Paul Scott**	**1,601**	**396**	**712**
2022	Paul Scott	1,918	372	1,123
2021	Paul Scott	1,010	359	274
2020	Paul Scott	833	270	208
2019	Paul Scott	797	309	127
2018	Paul Scott	663	163	155

The increase in the CEO's single total remuneration reflects Company performance over the same period (since 1 October 2017, Renew's TSR growth has been c.100% compared to -27% and -22% for the AIM 100 and AIM All-Share respectively).

Chief Executive Officer pay ratio

The table below sets out the ratio of the Chief Executive Officer to the equivalent base salary pay for the lower quartile, median and upper quartile of the Group's employees (calculated on a full-time basis). The ratios have been calculated in accordance with The Companies (Miscellaneous Reporting) Regulations 2018.

Year ended 30 September	Method option	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2023	**A**	**14:1**	**11:1**	**8:1**
2022	A	13:1	10:1	7:1
2021	A	13:1	10:1	7:1

1. "Option A" methodology was selected on the basis that it provides the most robust and statistically accurate means of identifying the median, lower quartile and upper quartile colleagues.
2. The workforce comparison is based on actual payroll data for the period 1 October 2022 to 30 September 2023.
3. Part-time workers have been included by calculating the full-time equivalent value of their base pay.
4. Leavers, joiners and employees on reduced pay (due to sick pay, maternity leave, etc.) have been included.
5. Zero-hour contract data has not been included.

Directors' share interests

Those Directors serving at the end of the year and their immediate families had interests in the share capital of the Company at 30 September 2023 as follows.

Ordinary Shares of 10p each	01/10/2022	30/09/2023	Shareholding guideline[1] (% of base salary)	Shareholding[1] (% of base salary)
P Scott	175,043	**232,932**	100%	399%
A P Liebenberg	127,718	**49,481**	100%	116%
S C Wyndham-Quin	89,063	**132,532**	100%	296%
D A Brown	12,920	**12,920**	—	n/a
S D Dasani	19,000	**19,000**	—	n/a
S A Hazell	7,868	**7,868**	—	n/a

1. Executive Directors are encouraged to build up and hold their personal shareholding as soon as possible to ensure their financial interests are aligned with those of our shareholders. The shareholding guidelines require current Executive Directors to hold Ordinary Shares equal in value to 100 per cent of their salary. The current shareholding as a percentage of salary has been calculated using the Group Chief Executive's, Chief Financial Officer's and Rail Director's base salaries for the year ended 30 September 2023 and the share price on 29 September 2023, being £7.13. Unvested LTIP shares do not count towards satisfaction of the shareholding requirement, but the Board notes that, in addition to the shareholdings, the Executive Directors also have a significant interest in the unvested share awards.

External appointments

The Chief Executive Officer and Chief Financial Officer did not have any external appointments during the year ended 30 September 2023.

Payments to former Directors and payments for loss of office

There were no payments made to former Executive Directors or payments for loss of office during the year ended 30 September 2023 (2022: £nil).

Employee share ownership scheme

The Committee reviewed the benefits of introducing an employee share ownership scheme to allow the Group's employees to share in the success of the Company during 2023. The Committee is currently of the view that the Group's devolved business model makes such a scheme unsuitable at this time albeit this will continue to be reviewed annually.

Approval

The Directors' remuneration report was approved by the Board on 27 November 2023 and signed on its behalf by:

Stephanie Hazell
Chair of the Remuneration Committee
27 November 2023

Directors' report

The Directors present their report and the audited accounts for the year ended 30 September 2023.

Principal activities
For the year ended 30 September 2023 the principal activity of the Group continued to be as contractors in Engineering Services and Specialist Building. The main activities are carried out in the United Kingdom. More details of these activities, the year's trading and future developments are contained in the Chairman's statement, the Chief Executive's review, the Strategic report and the Financial review. A list of the Group's subsidiaries as at 30 September 2023 is listed in Note R to the Company's financial statements.

Results and dividends
The Group profit for the year after tax and after accounting for discontinued operations was £43,384,000 (2022: £37,665,000). The Directors recommend the payment of a final dividend on the Ordinary Shares of 12.00p (2022: 11.33p) giving a total for the year of 18.00p (2022: 17.00p).

Business review
Information that fulfils the business review requirements applicable to the Group can be found in this report, the Chief Executive's review and the Strategic report.

Derivatives and other financial instruments
The Group's financial instruments include bank loans, cash and short-term deposits and obligations under leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk.

Interest rate risk
Interest bearing assets comprise cash and bank deposits and earn interest at floating rates. The Group's revolving credit facility and overdraft facility bear interest at floating rates. The RCF and overdraft are nil and undrawn at the year end.

Liquidity risk
The Group's policy is to ensure availability of operating funds by maintaining an appropriate cash balance in both current and deposit accounts and, when necessary, to establish appropriate levels of borrowing facilities to provide short-term flexibility.

Foreign currency risk
The Group has no foreign currency risk exposure. The Group does not use derivative financial instruments in its management of foreign currency risk.

Credit risk
The Group's principal financial assets are bank balances, cash, contract assets and trade receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its contract assets and trade receivables. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and its assessment of the current economic environment.

Payment of creditors
The Group recognises the importance of good relationships with its suppliers and sub-contractors and has established the following payment policy:

(a) agree payment terms in advance of any commitment being entered into;

(b) ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract; and

(c) ensure that payments are made in accordance with the terms of the contract or order providing that the presented documentation is complete and accurate.

Employees
The Directors recognise the need for communication with employees at every level. All employees have access to a copy of the Annual Report and Accounts which, together with staff briefings, internal notice board statements and newsletters, keeps them informed of the Group's progress.

The Group continues to be committed to the health, safety and welfare of its employees and to observe the terms of the Health and Safety at Work Act 1974, and all other relevant regulatory and legislative requirements.

It is the policy of the Group that there shall be no discrimination or less favourable treatment of employees, workers or job applicants in respect of race, colour, ethnic or national origins, religious beliefs, sex, sexual orientation, disability, political beliefs, age or marital status. Full consideration will be given to suitable applications for employment from disabled persons, where they have the necessary abilities and skills for that position, and wherever possible to retrain employees who become disabled, so that they can continue their employment in another position. The Group engages, promotes and trains staff on the basis of their capabilities, qualifications and experience, without discrimination, giving all employees an equal opportunity to progress.

Health and safety management
Paul Scott, the Chief Executive Officer, was the designated Director of Health and Safety with Group responsibility for safety and environmental management throughout the year. Health, safety and environmental management issues and reports are reviewed at every Group Board meeting with the Head of Department in attendance when necessary.

The Executive Management Committee, chaired by the Chief Executive Officer, discusses and progresses policy, legislative changes, best practice, training needs, inspections, audits (internal and external), performance measurement and statistical information. All topics are discussed with a specific focus on improvement.

Control at business level remains with subsidiary Managing Directors who are required to appoint a Director who is responsible for safety and environmental matters. Health, safety and environmental issues are discussed as the first agenda item at monthly Board meetings. Each business safety and environmental meeting encourages open communication between all employees and is a key part of the Group's efforts to gather and disseminate good practice for inclusion in business-based management systems. Our safety and environmental standards are contained within bespoke business safety and environmental management systems. This system is based on Group activities and provides specific standards, procedures, information, forms and advice which accommodate changes in legislation expected during the coming financial year.

Management advice is provided by the Group Safety, Health, Environmental and Quality ("SHEQ") Director.

Group companies operate under certified management systems for SHEQ. These systems ensure compliance with all relevant legal, client and Group requirements whilst having proactive leadership and worker participation at their core.

Group companies employ their own competent professional SHEQ advisors, each holding formally recognised qualifications and professional body memberships. Lead advisors in each company liaise directly with the Group SHEQ Director on common issues. Group companies also maintain memberships with organisations such as the Royal Society for the Prevention of Accidents ("RoSPA") along with relevant trade organisations and locally based safety groups.

All Group companies maintain a training matrix and plan identifying SHEQ training requirements for all personnel. Formal training is augmented by the provision of regular briefings into work methods, risk assessments, toolbox talks and SHEQ alerts.

Group Minimum Requirements ("GMRs") require each business to report and record all injuries, diseases, dangerous occurrences and "near-miss" events. These events are investigated, based on actual and potential severity, to determine root cause and to prevent recurrence. Incident statistics and causal trends are collated and evaluated on an ongoing basis allowing performance to be measured and the determination of any necessary system amendments. A system of SHEQ alerts ensures lessons learned and changes to working practices are rapidly transmitted across our businesses, workforce and contractors.

The Group measures a number of leading and lagging SHEQ performance indicators including: senior manager tours, SHEQ advisor site support and assurance visits, near-miss report ratio against hours worked, diversion of waste from landfill, carbon emissions and Lost Time Incident Frequency Rate ("LTIFR").

Sustainability

The Group's Sustainability report is on pages 50 to 61.

Directors

The Directors of the Company who served, or were appointed, during the year and their brief biographical details are set out below.

Non-executive Directors

David Brown – Director, was appointed to the Board on 3 April 2017 and became Chairman on 17 May 2022. David was former managing director of Surface Transport at Transport for London and former CEO of The Go-Ahead Group PLC. David is non-executive director at Velociti Ltd and Chairman of Tripshift Ltd. David has 40 years of experience in the transport sector with a proven track record in leading multi-site and multidiscipline commercial and public sector organisations with significant turnovers and large workforces.

Shatish Dasani – Director, was appointed to the Board as a Non-executive Director in February 2019. He is currently chair of UNICEF UK. Non-executive director and audit committee chair at Genuit Group plc, SIG plc and Speedy Hire plc. Shatish is a Chartered Accountant with over 25 years' experience in senior public company finance roles across various sectors including building materials, advanced electronics, general industrial and business services. Previously he was the chief financial officer of Forterra plc and TT Electronics plc and has also been alternate non-executive director of Camelot Group plc and public member at Network Rail plc.

Stephanie Hazell – Director, was appointed to the Board as a Non-executive Director in March 2020. Stephanie is currently non-executive director at NSMP Limited and Neos Networks and senior advisor to Shell Renewables and Energy Services. Stephanie has over 20 years' relevant experience working in high-profile businesses including PricewaterhouseCoopers LLP, Orange SA, Virgin Management Ltd and National Grid Plc where she held the position of director, strategy and corporate development.

Elizabeth (Liz) Barber – Director, was appointed as a Non-executive Director on 1 November 2022. Liz is currently non-executive director and senior independent director and remuneration committee chair (interim) at Cranswick plc. A non-executive director of HICL plc, non-executive director and audit committee chair of Encyclis Limited, Chair of the ICAEW Sustainability Committee and chair of the Yorkshire and Humber Climate Commission. A Chartered Accountant, Liz has previously been CFO then CEO of Kelda Group/Yorkshire Water, partner at EY LLP where she was head of audit for the north region and independent non-executive director and audit committee chair at KCOM PLC from 2015 until 2019. Liz held various senior non-executive positions including deputy chair of the University of Leeds.

Executive Directors

Andries Liebenberg – Director, was appointed to the Board on 31 March 2016. Andries was previously managing director of Renew's largest business, Amalgamated Construction Limited, and has been with the Group over twelve years.

Paul Scott – Director, was appointed to the Board as Engineering Services Director on 21 July 2014 and as Chief Executive on 1 October 2016. Paul has been with the Group for 22 years, serving as managing director of Shepley Engineers Limited, the Group's nuclear services business, prior to assuming the Group-wide Engineering Services role.

Sean Wyndham-Quin – Director, was appointed to the Board on 8 November 2017 and as Chief Financial Officer on 29 November 2017. Previously, he served as a partner at SPARK Advisory Partners, a business he co-founded in early 2012. Prior to that he worked for Brewin Dolphin and Ernst & Young where he qualified as a Chartered Accountant.

All Non-executive Directors and Executive Directors will retire by rotation at the 2024 Annual General Meeting ("AGM") and offer themselves for reappointment. The Board recommends their reappointment as it considers that they continue to perform their roles well and bring considerable strategic, financial and management experience to the Group's business.

The Articles of Association provide that each Director shall be indemnified by the Company against losses, costs and expenses they may sustain or incur in connection with the performance of their duties of office, to the fullest extent permitted by law. The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its Directors.

Disclosable interests

As at 30 September 2023, the Company has been notified of the following disclosable interests in the voting rights of the Company:

	Number of Ordinary Shares	Percentage of issued share capital
Octopus Investments Nominees Limited	13,717,973	17.3%
Charles Stanley Group PLC	5,202,525	6.57%
Investec Wealth & Investment Limited	5,052,268	6.38%
Rathbone Brothers PLC	3,372,962	4.26%
Canaccord Genuity Group Inc.	3,114,643	3.94%
Hargreaves Lansdown	2,680,573	3.39%
Blackrock	2,648,741	3.35%

Directors' interests

The beneficial interests of the Directors (and their immediate family members) in the shares of the Company and options for shares as at 30 September 2023 are set out on pages 95 to 97. No Director has any interest in any other Group company.

Details of the Directors' remuneration and service contracts appear on page 94.

Share capital

As at the date of this report, the total number of shares in issue (being Ordinary Shares of 10p each) is 79,133,889. During the year, the Company has not bought back any of its own shares. 265,096 new Ordinary Shares of 10p each were issued at nominal cost during the year to satisfy the exercise of share options and executive incentive scheme share awards.

Forward-looking statements

This Annual Report contains certain forward-looking statements. These statements are made by the Directors in good faith, based on the information available to them up to the time of approval of this report. Actual results may differ to those expressed in such statements, depending on a variety of factors. These factors include customer acceptance of the Group's services, levels of demand in the market, restrictions to market access, competitive pressure on pricing or additional costs, failure to retain or recruit key personnel and overall economic conditions.

Going concern

The Directors have considered the Group's current and future prospects, risks and uncertainties in assessing the appropriateness of the going concern assumption. The Group closely monitors its funding position and facilities throughout the year, including compliance with banking covenants to ensure the Group has sufficient funds to continue operations. The Group's going concern period under review is the period to 31 December 2024.

The Group has a committed £80m revolving credit facility until November 2026. The RCF was undrawn as at 30 September 2023 and remains undrawn. The Group's budgets across the going concern period show that the Group is expecting to remain compliant with all banking covenants through the going concern period.

The Directors considered the impact of a severe downside scenario by modelling a decline in market conditions resulting in significantly lower than forecast sales. The Directors consider such a reduction in revenues to be remote.

The model has been reverse stress tested to determine the extent to deterioration of cashflows that would lead to the Group breaching the level of available facilities. The Directors consider that such a significant deterioration of cashflow is implausible.

On consideration of the Group's budgets and stress testing, the Directors believe that the Group has sufficient resources to continue as a going concern through the period to 31 December 2024. As such, the Directors consider that the going concern basis for the 2023 financial statements is appropriate. The Directors have reviewed budgets which consider the Group's future development, performance and financial position, including cashflows, liquidity position and borrowing facilities, as well as the risks and uncertainties relating to the Group's business activities.

The following factors were considered relevant:

- the current order book and pipeline of potential future framework orders; and
- the Group's liquidity and its bank facilities which are committed until November 2026, including both the level of those facilities and the covenants attached to them.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern period and therefore have prepared the financial statements on a going concern basis.

Section 172(1) statement

As required by Section 172 of the Companies Act 2006, the Directors confirm that, during the year, they continued to act in such a way as to promote the success of the Company for the benefit of all its stakeholders. Our full Section 172(1) statement can be read on page 17.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm the following:

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

Auditor

On the recommendation of the Audit and Risk Committee (see page 86), in accordance with Section 489 of the Act, resolutions are to be proposed at the AGM for the reappointment of Ernst & Young LLP as auditor of the Company and to authorise the Audit and Risk Committee to agree its remuneration. The remuneration of the auditor for the year ended 30 September 2023 is fully disclosed in Note 3 to the consolidated financial statements on page 117.

Approval

The Board approved the Report of the Directors on 27 November 2023.

By order of the Board

Sean Wyndham-Quin
Company Secretary
27 November 2023

Company number 650447

Statement of Directors' responsibilities
in respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") and applicable law and they have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "Reduced Disclosure Framework" ("FRS 102").

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- in respect of the Group financial statements, state whether they have been prepared in accordance with UK-adopted IAS subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent Company financial statements, state whether applicable UK accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report
to the members of Renew Holdings plc

Opinion
In our opinion:

- Renew Holding plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2023 and of the Group's 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.

We have audited the financial statements of Renew Holdings plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2023 which comprise:

Group	Parent company
Group income statement for the year then ended	Balance sheet as at 30 September 2023
Group statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Group statement of changes in equity for the year then ended	Related notes A to S to the financial statements including a summary of significant accounting policies
Group balance sheet as at 30 September 2023	
Group cash flow statement for the year then ended	
Related notes 1 to 36 to the financial statements, including a summary of significant accounting policies	

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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:

- Confirming our understanding of management's going concern assessment process, including associated controls;
- Obtaining management's going concern assessment, including the cash forecast and covenant calculation for the going concern period through to 31 December 2024. We tested the assessment, including the covenant calculations, for clerical accuracy;
- Checking the consistency of information used in management's assessment with the FY24 budget and information obtained from other areas of the audit;
- Reviewing the financing agreement to verify the nature of facilities, repayment terms, covenants, and understanding the relevant terms and conditions. We assessed their continued availability to the Group through the going concern period and ensured completeness of covenants considered in management's assessment and validated that the covenants were calculated in-line with the underlying financing arrangement;
- Assessing the appropriateness of the key assumptions in management's base and severe-but-plausible scenario, which included the likelihood of revenue growth, by comparing these to year-to-date performance and industry benchmarks alongside consideration of historical forecasting accuracy;
- Evaluating the amount and timing of mitigating factors under the Group's control that could preserve cash, if required;
- Considering the appropriateness of management's reverse stress test scenario, to understand the conditions under which there would be a liquidity shortfall or a breach of a financial covenant during the going concern period and whether these conditions have no more than a remote possibility of occurring;
- Reviewing the Group's going concern disclosures included in the Annual Report and Accounts to assess whether they were appropriate and in conformity with the reporting standards.

Key Observations:

- *At 30 September 2023 the Group has a committed Revolving Credit Facility of £80m to October 2026. The Revolving Credit Facility was undrawn at 30 September 2023. The Group also had a cash balance of £35.7m at 30 September 2023.*
- *The results from management's assessments, including a reverse stress test, and our independent sensitivity analysis indicate that a scenario whereby a decline in performance is severe enough to cause a liquidity issue and covenant breach is considered remote.*
- *Our consideration of other evidence, including industry reports, did not contradict the assumptions in management's forecasts.*

Conclusions relating to going concern continued

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 31 December 2024.

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.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 4 components and audit procedures on specific balances for a further 11 components. • The components where we performed full or specific audit procedures accounted for 94% of profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment, 98% of revenue and 97% of total assets.
Key audit matter	• Inappropriate recognition of revenue and valuation of contract assets/liabilities.
Materiality	• Overall Group materiality of £2.8m which represents 5% of profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment.

An overview of the scope of the parent company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the Group financial statements. We consider size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, the potential impact of climate change, changes in the business environment and other factors when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 41 reporting components of the Group, we selected 15 components covering entities, all within the United Kingdom, which represent the principal business units within the Group.

Of the 15 components selected, we performed an audit of the complete financial information of 4 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 11 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 94% (2022: 95%) of the Group's profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment, 98% (2022: 99%) of the Group's Revenue and 97% (2022: 99%) of the Group's Total assets. For the current year, the full scope components contributed 61% (2022: 82%) of the Group's profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment, 54% (2022: 66%) of the Group's Revenue and 52% (2022: 71%) of the Group's Total assets. The specific scope component contributed 33% (2022: 13%) of the Group's profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of existing equity investment, 44% (2022: 33%) of the Group's Revenue and 45% (2022: 28%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 26 components that together represent 6% of the Group's profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment, none are individually greater than 3% of the Group's profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment. For these components, we performed other procedures, including analytical review, review of board meeting minutes, testing of consolidation journals, and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

The only change from the prior year is the inclusion of Enisca Limited and Enisca Browne Limited as Specific Scope components, given that they were acquired in the year.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

There continues to be increasing interest from stakeholders in how climate change will impact Renew Holdings plc. The Group has determined that the effects of climate change fall into two risk categories: physical and transition.

These effects are referenced on pages 53 to 55 in the sustainability report and on pages 62 to 69 in the Climate-related Financial Disclosures report which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the Group's disclosures in the financial statements and conclusion that no issue was identified that would impact the carrying value of assets with indefinite and long lives or have any other impact on the Group financial statements. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures.

While the Group has stated its commitment to the aspirations to achieve net zero carbon by 2040 (for Scope 1 and 2), the Group is currently unable to determine the full future economic impact on their business model, operational plans and customers to achieve this and, therefore, the potential future impacts are not fully incorporated in these financial statements.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inappropriate recognition of revenue and valuation of contract assets/liabilities *Refer to the Audit and Risk Committee Report (page 86); Accounting policies (page 111); and Notes 2 and 17 of the Group Financial Statements (pages 116 and 126)* The Group has reported revenues of £921.6m (2022: £816.3m), contract asset balances of £178.6m (2022: £156.8m), and contract liability balances of £27.7m (2022: £8.1m) Across the Group, revenue is recognised through the completion of performance obligations which vary in length. As a result of this we have identified two components to this risk dependant on contract type. Reimbursable/Target Cost contracts performed at or near the year end: the risk is focused on cut-off, with a risk that revenue is over or under stated in the current year depending on business performance either through error or management bias. Fixed Price contracts in progress at year end: there is estimation uncertainty around the amount of revenue to recognise at the year-end for any incomplete contracts. This assessment requires management to estimate the stage of completion of contract activity, assess costs to complete, and estimate revenue for any unagreed variations. Forecasting is subjective and is an area that could lead to misstatement of revenue and contract assets/ liabilities either through error or management bias.	We performed walkthroughs of each revenue stream and evaluated the design and implementation of key controls. This included observation of a sample of contract review meetings. We performed correlation analysis over the full population of transactions in the year to verify whether revenue transactions followed the expected path from revenue recognition to cash collection. We tested a sample of material journals not following the expected correlation We inspected board minutes and legal claims to determine whether there were any claims or disputes not reflected in the year end contract assessments For the sample of contracts, we read the signed contract (including obtaining a copy of any material change or compensation events, where applicable), and identified the key terms to ensure the accounting was appropriate. In assessing the nature and terms of the contracts, we ensured there was consistent application of accounting across the Group, including whether the method to determine percentage of completion was appropriate. We stratified our population for testing depending on the type of contract: **Reimbursable/Target Cost** For a sample of contracts, we: • Performed cut-off testing pre and post year-end by agreeing costs and/or invoices to supporting evidence, including timesheets and/or the latest certification. • Assessed whether contract assets/liabilities included disallowable costs, claims, or other adjustments and, where relevant, whether it was appropriate to recognise a 'pain/gain' share. We tested a sample of contracts with these features. **Fixed Price** For a sample of contracts, we: • Reperformed the percentage of completion calculation ensuring the methodology was consistent and appropriate. We agreed the revenue recognised derived from this calculation, as well as the margin recognised, to the valuation report; • Assessed for any unagreed revenue recognised by considering against the criteria of IFRS 15. We also considered any claims or other adjustments; • Tested a sample of costs to come by vouching to purchase order or quotation in order to assess the appropriateness of the percentage of completion; • Performed sensitivity analysis to flex the costs to come, in order to determine whether any reasonable possible change would have a material impact on the contract profitability and to assess the impact of any delays or damages where relevant; and • Assessed historical forecasting accuracy/post-year end variation schedules to determine whether there was a risk that the estimate made by management could be misstated. **Testing Summary** We performed full and specific scope audit procedures over this risk area in 15 locations, which covered 98% of the Group's revenue.	We have completed our audit procedures in respect of fixed price and target cost/reimbursable contracts. We did not identify any evidence of material misstatement in the revenue recognised of £921.6m in the year as a result of inappropriate revenue recognition or valuation of contract assets and liabilities.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £2.8m (2022: £2.5m), which is 5% (2022: 5%) of profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment. We believe that profit before tax from continuing operations, adjusted for a £2.1m gain on remeasurement of an existing equity investment provides us with the most relevant performance measure to the stakeholders of the Group.

We determined materiality for the Parent Company to be £1.7m (2022: £1.5m), which is 1.0% (2022: 1.0%) of Parent Company net assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 50% due to first year audit) of our planning materiality, namely £2.0m (2022: £1.25m).

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.3m to £1.2m (2022: £0.1m to £0.7m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.1m (2022: £0.1m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1–101, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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 the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 101, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or 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 company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant which are directly relevant to specific assertions in the financial statements, are those that relate to the reporting framework (UK adopted International Accounting Standards for the Group and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" for the Parent Company, the Companies Act 2006, the Quoted Companies Alliance ("QCA") Corporate Governance Code 2018), the relevant tax compliance regulations in the jurisdictions in the UK, and The Health and Safety at Work Act 1974.
- We understood how Renew Holdings is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures, and the Company Secretary. We corroborated our inquiries through our review of minutes of meetings of the Board of Directors, Nomination Committee, and the Audit and Risk Committee, which we also observed in attendance. We also considered the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those programmes and controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included testing manual journals recorded at the component and consolidation level, understanding unusual and one-off transactions, and where relevant, corroborating the basis of accounting judgements and estimates with employees outside of the finance functions or with external legal counsel. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and UK legislation.
- Specific inquiries were also made with the component management to confirm the details of any instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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.

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
27 November 2023

Group income statement

for the year ended 30 September

	Note	Before exceptional items and amortisation of intangible assets 2023 £000	Exceptional items and amortisation of intangible assets (see Note 3) 2023 £000	Total 2023 £000	Before exceptional items and amortisation of intangible assets 2022 £000	Exceptional items and amortisation of intangible assets (see Note 3) 2022 £000	Total 2022 £000
Revenue: Group including share of joint ventures*		960,937	—	960,937	849,048	—	849,048
Less share of joint ventures' revenue*		(39,383)	—	(39,383)	(32,772)	—	(32,772)
Group revenue from continuing activities	2	921,554	—	921,554	816,276	—	816,276
Cost of sales		(786,503)	—	(786,503)	(693,336)	—	(693,336)
Gross profit		135,051	—	135,051	122,940	—	122,940
Administrative expenses		(75,384)	(4,413)	(79,797)	(68,184)	(8,527)	(76,711)
Other operating income	15	3,865	—	3,865	3,655	—	3,655
Share of post-tax result of joint ventures	15	77	(231)	(154)	362	(267)	95
Operating profit	3	63,609	(4,644)	58,965	58,773	(8,794)	49,979
Finance income	5	360	—	360	16	—	16
Finance costs	5	(1,285)	—	(1,285)	(573)	—	(573)
Other finance income— defined benefit pension schemes	5	66	—	66	33	—	33
Profit before income tax		62,750	(4,644)	58,106	58,249	(8,794)	49,455
Income tax expense	7	(12,600)	1,554	(11,046)	(11,330)	1,782	(9,548)
Profit for the year from continuing activities		50,150	(3,090)	47,060	46,919	(7,012)	39,907
Loss for the year from discontinued operations	4			(3,676)			(2,242)
Profit for the year				43,384			37,665
Basic earnings per share from continuing activities	9	63.47p	(3.91)p	59.56p	59.52p	(8.89)p	50.63p
Diluted earnings per share from continuing activities	9	63.28p	(3.90)p	59.38p	59.30p	(8.87)p	50.43p
Basic earnings per share	9	63.47p	(8.56)p	54.91p	59.52p	(11.74)p	47.78p
Diluted earnings per share	9	63.28p	(8.54)p	54.74p	59.30p	(11.70)p	47.60p

* Alternative performance measure, please see Note 30 for further details.

Group statement of comprehensive income
for the year ended 30 September

	Note	2023 £000	2022 £000
Profit for the year		**43,384**	37,665
Items that will not be reclassified to profit or loss:			
Movement in actuarial valuation of the defined benefit pension schemes	28	**387**	347
Movement on deferred tax relating to the pension schemes		**(106)**	(240)
Total items that will not be reclassified to profit or loss		**281**	107
Total comprehensive income for the year net of tax		**43,665**	37,772

Group statement of changes in equity
for the year ended 30 September

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Cumulative translation adjustment £000	Share based payments reserve £000	Retained earnings £000	Total equity £000
At 1 October 2021	7,868	66,378	3,896	1,308	1,079	44,290	124,819
Transfer from income statement for the year						37,665	37,665
Dividends paid						(13,281)	(13,281)
New shares issued	18						18
Recognition of share based payments					658		658
Vested share option transfer					(362)	362	—
Reclassification on closure of overseas subsidiaries				(1,308)			(1,308)
Actuarial movement recognised in pension schemes						347	347
Movement on deferred tax relating to the pension schemes						(240)	(240)
At 30 September 2022	7,886	66,378	3,896	—	1,375	69,143	148,678
Transfer from income statement for the year						43,384	43,384
Dividends paid						(13,683)	(13,683)
New shares issued	27	41					68
Recognition of share based payments					669		669
Vested share option transfer					(777)	777	—
Actuarial movement recognised in pension schemes						387	387
Movement on deferred tax relating to the pension schemes						(106)	(106)
At 30 September 2023	**7,913**	**66,419**	**3,896**	**—**	**1,267**	**99,902**	**179,397**

Group balance sheet
at 30 September

	Note	2023 £000	2022* £000
Non-current assets			
Intangible assets – goodwill	10	148,805	138,445
– other	10	27,869	22,385
Property, plant and equipment	11	19,400	17,834
Right of use assets	12	19,174	15,519
Investment in joint ventures	15	3,979	5,538
Retirement benefit asset	28	2,456	2,230
Deferred tax assets	7	—	2,899
		221,683	204,850
Current assets			
Inventories	13	4,169	2,613
Assets held for resale	14	—	1,250
Trade and other receivables	16	187,311	164,590
Current tax assets		814	—
Cash and cash equivalents	18	35,657	27,559
		227,951	196,012
Total assets		449,634	400,862
Non-current liabilities			
Lease liabilities	21	(10,733)	(8,640)
Retirement benefit obligation	28	(822)	(1,049)
Deferred tax liabilities	7	(7,363)	(7,568)
Provisions	22	(338)	(338)
		(19,256)	(17,595)
Current liabilities			
Borrowings	20	—	(7,341)
Trade and other payables	19	(228,677)	(212,684)
Lease liabilities	21	(6,945)	(5,884)
Current tax liabilities		—	(595)
Provisions	22	(15,359)	(8,085)
		(250,981)	(234,589)
Total liabilities		(270,237)	(252,184)
Net assets		179,397	148,678
Share capital	24	7,913	7,886
Share premium account	25	66,419	66,378
Capital redemption reserve	25	3,896	3,896
Share based payments reserve	25	1,267	1,375
Retained earnings	25	99,902	69,143
Total equity		179,397	148,678

* Reclassification between cash and borrowings (please see accounting policy Note 1).

Approved by the Board and signed on its behalf by:

D A Brown
Chairman
28 November 2023

Group cashflow statement
for the year ended 30 September

	Note	2023 £000	2022 £000
Profit for the year from continuing operating activities		47,060	39,907
Share of post-tax trading result of joint ventures	15	154	(95)
Impairment and amortisation of intangible assets	10	6,014	8,109
Gain on remeasurement of existing equity interest	3	(2,164)	—
Research and development expenditure credit		(1,249)	(1,353)
Depreciation of property, plant and equipment and right of use assets	11,12	10,688	10,136
Profit on sale of property, plant and equipment	3	(822)	(830)
Increase in inventories		(1,348)	(534)
Increase in receivables		(14,060)	(7,455)
Increase in payables and provisions		11,247	10,986
Current and past service cost in respect of defined benefit pension scheme	28	—	23
Cash contribution to defined benefit pension schemes	28	—	(315)
Charge in respect of share options	25	669	657
Finance income	5	(360)	(16)
Finance expense	5	1,219	540
Interest paid		(1,285)	(573)
Income taxes paid		(11,767)	(7,595)
Income tax expense	7	11,046	9,548
Net cash inflow from continuing operating activities		55,042	61,140
Net cash outflow from discontinued operating activities		(1,265)	(3,977)
Net cash inflow from operating activities		53,777	57,163
Investing activities			
Interest received		360	16
Dividend received from joint venture	15	—	265
Proceeds on disposal of property, plant and equipment		1,251	1,514
Purchases of property, plant and equipment		(5,509)	(5,056)
Acquisition of subsidiary net of cash acquired		(13,324)	—
Net cash outflow from investing activities		(17,222)	(3,261)
Financing activities			
Dividends paid	8	(13,683)	(13,281)
Issue of share equity		68	18
New loan		23,000	18,000
Loan repayments		(23,000)	(22,373)
Repayments of obligations under lease liabilities	21	(7,501)	(6,693)
Net cash outflow from financing activities		(21,116)	(24,329)
Net increase in continuing cash and cash equivalents		16,704	33,550
Net decrease in discontinued cash and cash equivalents		(1,265)	(3,977)
Net increase in cash and cash equivalents		15,439	29,573
Cash and cash equivalents at beginning of year		20,218	(9,355)
Cash and cash equivalents at end of year	32	35,657	20,218
Bank balances and cash		35,657	27,559
Bank overdraft		—	(7,341)
Cash and cash equivalents at end of year		35,657	20,218

Notes to the accounts

1 Accounting policies

Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The financial statements are presented in sterling since this is the currency in which the majority of the Group's transactions are denominated.

Accounting estimates and judgements

IAS 1 "Presentation of financial statements" requires disclosure of the judgements that management has made that have the most significant effect on the amounts recognised in the financial statements and information about estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management has concluded that there are no judgements or estimates for which there is a significant of material adjustment to the amounts recognised in the financial statements, and therefore nothing which the Group is required to disclosure under IAS 1. Management has chosen to make a disclosure with regards to other estimates relevant to an understanding of the Group's application of accounting policies below.

Other areas of estimation uncertainty

The following area of estimating uncertainty is not presented to comply with the requirements of paragraph 125 of IAS 1 "Presentation of Financial Statements" as it is not expected that there is a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year. It is presented as an additional disclosure of estimates used in the financial statements.

Revenue

The recognition of revenue is based on a series of judgements and estimates made by management.

Changes in these judgements and estimates may have an impact on the revenue recognised. Management must assess the performance obligations under each contract and the point at which those obligations have been fulfilled, allocating the transaction price as necessary to each obligation. The most significant estimate management must make relates to estimates of the total expected costs of a contract, which is required in order to apply its revenue recognition policy.

Management has determined that revenue attributed to performance obligations is recognised over time based on the percentage of completion, as the work performed under the Group's contracts is bespoke to the customer and the Group has a right to payment for work performed. The percentage of completion is calculated using an input method, based on the costs incurred to date as a percentage of the total costs expected to satisfy the performance obligation. Estimates of revenues, costs and the extent of progress toward completion are revised if circumstances or conditions change. Any resulting increases or decreases in estimated revenues or costs are reflected in the percentage of completion calculation in the period in which the circumstances that give rise to the revision become known.

Construction contract revenue is recognised in accordance with the stage of completion of the contract where the contract's outcome can be estimated reliably. The principal method used to recognise the stage of completion is the input method using cost incurred to date as a percentage of estimated total costs to complete. The Group has control and review procedures in place to regularly monitor and evaluate the estimates being made to ensure that they are consistent and appropriate. This includes reviewing the independent certification of the value of work done, the progress of work against contracted timescales and the costs incurred against plan. In particular, management makes judgements on the expected recoverability of value recorded in respect of performance obligations which have been completed but not yet agreed with the customer and on the likelihood of the entitlement to any variable consideration. Differences arising on the ultimate completion of the contract and any unforeseen changes or events as the contract progresses may result in changes to the expected financial outcome.

(i) Basis of accounting and preparation

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards under the historical cost convention.

Going concern

The Directors have considered the Group's current and future prospects, risks and uncertainties in assessing the appropriateness of the going concern assumption. The Group closely monitors its funding position and facilities throughout the year, including compliance with banking covenants to ensure the Group has sufficient funds to continue operations. The Group's going concern period under review is the period to 31 December 2024.

In November 2022, the Group renegotiated its committed revolving credit facility ("RCF") to extend the facility to November 2026 and to increase the total facility to £80.0m. There was no change in key banking covenants arising from this renegotiation. The RCF and overdraft were undrawn as at 30 September 2023 and remain undrawn.

The Group's budgets across the going concern period show that the Group is expecting to remain compliant with all banking covenants through the going concern period.

The Directors considered the impact of a severe downside scenario by modelling a decline in market conditions resulting in significantly lower than forecast sales. The Directors consider such a reduction in revenues to be remote.

The model has been reverse stress tested to determine the extent of deterioration of cash flows that would lead to the Group breaching the level of available facilities. The Directors consider that such a significant deterioration of cash flow is implausible.

On consideration of the Group's budgets and stress testing, the Directors believe that the Group has sufficient resources to continue as a going concern through the period to 31 December 2024. As such, the Directors consider that the going concern basis for the 2023 financial statements is appropriate. The Directors have reviewed budgets which consider the Group's future development, performance and financial position, including cash flows, liquidity position and borrowing facilities, as well as the risks and uncertainties relating to the Group's business activities.

1 Accounting policies continued

(i) Basis of accounting and preparation continued

Going concern continued

The following factors were considered relevant:

- the current order book and pipeline of potential future framework orders
- the Group's liquidity and its bank facilities which are committed until November 2026, including both the level of those facilities and the covenants attached to them.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern period and therefore have prepared the financial statements on a going concern basis.

Prior year restatement

In the prior year, the Group incorrectly offset a net £7,341,000 overdraft balance with one financial institution against a positive cash balance with another financial institution. However, since the cash balance was with a different institution, there was no legal right of offset. As a result of the error, a restatement has been recorded to increase Cash and cash equivalents by £7,341,000 to £27,559,000 and Bank overdraft, disclosed within Borrowings, has also increased by £7,341,000 from £Nil. The restatement does not impact net assets, nor any other primary statement.

Adopted IFRSs effective in the year:

The standards and interpretations that are applicable for the first time in the Group's financial statements for the year ended 30 September 2023 have had no effect on these financial statements.

(ii) Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiary undertakings. The results and net assets of undertakings acquired are included in the Group income statement and balance sheet using the acquisition method of accounting. The results of undertakings acquired/disposed of are included from the date the Group obtains/loses control as defined in IFRS 10. Business combinations are accounted for under IFRS 3 Business Combinations using the purchase method. The Group's interests in joint ventures are accounted for using the equity method. Under this method the Group's share of the profits less losses of joint ventures is included in the consolidated income statement and its interest in their net assets is included in investments in the consolidated balance sheet. Where the share of losses exceeds the Group's interest in the entity and there is no obligation to fund these losses, the carrying value is reduced to £nil, following which no further losses are recognised.

(iii) Revenue

Revenue, which excludes intra-group revenue and Value Added Tax, is recognised as performance obligations are satisfied over time on contracts pertaining to the Engineering Services and Specialist Building segments of the Group. This revenue reflects the amount of consideration which the Group expects to be entitled to in exchange for the satisfaction of these performance obligations. Variable consideration is estimated and included in the transaction price to the extent that management has assessed that it is highly probable that its inclusion will not result in a significant reversal in future periods. Where a modification to an existing contract occurs, the Group assesses the nature of the modification and whether it represents a separate contract or a modification to the existing contract.

The Engineering Services segment encompasses businesses in the rail, environmental, infrastructure and energy sectors. The typical contract within all of these businesses contains a single performance obligation for the provision of engineering services satisfied over time. In these contracts revenue is earned from the maintenance of infrastructure assets, with a high volume of relatively short duration contracts, the terms of which are usually governed by larger framework agreements.

The Specialist Building segment earns revenues from the refurbishment of private residential assets and the construction, renovation and refurbishment of science facilities. Revenues in this segment are earned from a low volume of high value contracts, each of which is governed by a separate contract with the customer. A typical contract contains a single performance obligation for the provision of construction services.

Revenue attributed to performance obligations is recognised over time based on the percentage of completion, as work performed under the contract is bespoke to the customer and as the Group has a right to payment for work performed. The percentage of completion is calculated using an input method, based on the costs incurred to date as a percentage of the total costs expected to satisfy the performance obligation. Estimates of revenues, costs and the extent of progress toward completion are revised if circumstances or conditions change. Any resulting increases or decreases in estimated revenues or costs are reflected in the percentage of completion calculation in the period in which the circumstances that give rise to the revision become known.

The assessment of the final outcome of each contract is determined by regular review of the revenues and costs to complete that contract by an in-house or external survey of the work.

Variable consideration arises from pain/gain sharing arrangements in addition to contract variations where not stated in the contract. Variable consideration is estimated, and where necessary, constrained to ensure that it is highly probable that a significant reversal of revenue will not arise.

Losses are recorded in full when the unavoidable costs of fulfilling a contract exceed the economic benefits.

Any revenues recognised in excess of amounts invoiced are recognised as contract assets within current assets. Any payments received in excess of revenue recognised are recognised as contract liabilities within current liabilities.

1 Accounting policies continued

(iv) Segment reporting
The operating segments are based on the components that the Board, the Group's principal decision-making body (the "Chief Operating Decision Maker"), monitors in making decisions about operating matters. Such components are identified on the basis of information that is provided internally in the form of monthly management account reporting, budgets and forecasts to formulate allocation of resources to segments and to assess performance.

Revenue from reportable segments is measured on a basis consistent with the income statement. Revenue is principally generated from within the UK, the Group's country of domicile. Segment results show the contribution directly attributable to each segment in arriving at the Group's operating profit.

(v) Intangible assets
a) Goodwill arising on consolidation represents the excess of the cost, amount of any non-controlling interest, and, in a business achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For the purpose of such impairment reviews, goodwill is allocated to the relevant cash-generating unit ("CGU"), or group of CGUs, which is expected to benefit from synergies of the combination. A goodwill impairment loss is recognised in the income statement for the amount by which the carrying value of the related CGU, or group of CGUs, exceeds the recoverable amount, which is the higher of a CGU's fair value less costs of disposal or its value in use. On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

b) Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of intangible assets is amortised over their expected useful lives. These intangibles relate to customer relationships and contractual rights and are amortised over the period over which the Board has determined that future cash flows are likely to arise from these relationships and rights. The useful life of these assets is dependent on the intangible asset recognised.

The useful lives of these assets range between five and twenty years.

(vi) Property, plant and equipment
Property, plant and equipment is recorded at cost less provision for impairment if required. Depreciation is provided on all property, plant and equipment, other than freehold land. Provision is made at rates calculated to write off the cost of each asset, less estimated residual value, evenly over its expected useful life as follows:

Freehold land – no depreciation charge

Freehold buildings – fifty years

Plant, vehicles and equipment – three to ten years

Right of use assets are depreciated 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.

(vii) Impairments
Goodwill arising on acquisitions and other assets that have an indefinite useful life and are therefore not subject to amortisation, are reviewed at least annually for impairment. Other intangible assets and property, plant and equipment are reviewed for impairment whenever there is any indication that the carrying amount of the asset may not be recoverable. If the recoverable amount of any asset is less than its carrying amount, a loss on impairment is recognised. Recoverable amount is the higher of the fair value of the asset less any costs which would be incurred in selling the asset and its value in use. Value in use is assessed by discounting the estimated future cash flows that the asset is expected to generate. For this purpose, assets are grouped into cash generating units which represent the lowest level for which there are separately identifiable cash inflows. Impairment losses in respect of goodwill are not reversed in future accounting periods. Reversals of other impairment losses are recognised in income when they arise.

(viii) Inventories
Inventories comprise raw materials and are stated at the lower of cost and net realisable value. Cost includes appropriate attributable overheads and excludes interest. Where necessary, provision is made for obsolete, slow moving and defective inventories.

(ix) Trade receivables
Trade receivables do not carry any interest and are initially recognised at their fair value and then at amortised cost.

(x) Contract assets
Any revenues recognised in excess of amounts invoiced are recognised as contract assets.

(xi) Trade payables
Trade payables on normal terms are not interest bearing and are initially recognised at their fair value and then at amortised cost.

1 Accounting policies continued

(xii) Contract liabilities
Contract liabilities represent the obligation to transfer goods or services to a customer for which the consideration has been received, or consideration is due, from the customer.

(xiii) Cash and cash equivalents
Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, including bank deposits with original maturities of less than three months, net of bank overdrafts. Within the Group balance sheet, bank overdrafts are offset against positive cash balances in instances where the Group has both the legal right to offset those balances and the intention to settle the year end balances net. Where either the criteria for offset are not met, or in instances where there has been offsetting and the net position is an overdraft, the overdraft is included within borrowings within current liabilities in the balance sheet.

(xiv) Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and where it is probable that an outflow will be required to settle that obligation and where the amount can be reliably estimated.

(xv) Leasing accounting policy
The Group has relied upon the exemption under IFRS 16 to exclude the impact of low-value leases and leases that are short-term in nature (defined as leases with a term of 12 months or less). Costs on those leases are recognised on a straight-line basis as an operating expense within the income statement. All other leases are accounted for in accordance with this policy.

The Group has various lease arrangements for properties (e.g. office buildings and storage facilities), vehicles, and other equipment including plant and machinery. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Group recognises a lease liability and a corresponding right of use asset with respect to all such lease arrangements in which it is a lessee.

A right of use asset is capitalised on the balance sheet at cost which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right of use asset at inception. Right of use assets are depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the lease term and are assessed in accordance with IAS 36 "Impairment of Assets" to determine whether the asset is impaired and to account for any loss. The lease liability is initially measured at the present value of lease payments as outlined above and is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Lease payments comprise fixed lease rental payments. Lease liabilities are classified between current and non-current on the balance sheet.

Since the discount rate implicit in the leases could not be readily determined, the key estimate applied by management relates to the assessment of the discount rate adopted by the Group. This discount rate is determined by reference to the Group's current borrowing facilities.

If an underlying asset is re-leased by the Group to a third party and the Group retains the primary obligation under the original lease, the transaction is deemed to be a sub-lease. The Group continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short-term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to lessor accounting in IFRS 16 by reference to the right of use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

(xvi) Defined benefit pension schemes
Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to the income statement. The Group determines the net interest income/(expense) on the net defined benefit asset/(liability) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit asset/(liability) taking account of changes arising as a result of contributions and benefit payments. This is recognised in the income statement. Movement in actuarial measurement of the net defined benefit asset/(liability) is recognised in other comprehensive income in the period in which it occurs. Pension scheme surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented on the face of the Group balance sheet.

Pension buy-in
Accounting for a buy-in of a defined benefit scheme does not meet the criteria of a settlement event in accordance with IAS 19 Employee Benefits as the Group retains an obligation to fund pension liabilities of the scheme in the event of insurer default. As such, actuarial gains and losses associated with the buy-in are recognised in other comprehensive income.

(xvii) Defined contribution pension plans
Contributions to defined contribution pension plans are charged to the income statement as incurred.

1 Accounting policies continued

(xviii) Taxation

The tax charge is composed of current tax and deferred tax, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the relevant tax is also dealt with in equity.

Current tax is based on the profit for the year. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax on such assets and liabilities is not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

The Group offsets deferred tax assets and liabilities if, and only if, income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

(xix) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. The exchange differences arising are recognised in the income statement.

Translation of overseas operations

The income statements of overseas subsidiary undertakings are translated at the average rate of exchange ruling throughout the financial year. The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from this policy and arising on the retranslation of the opening net assets are taken directly to reserves, being accumulated in the separate component of equity headed “Cumulative translation adjustment”.

(xx) Financial instruments

Financial assets are classified within the “amortised cost” category according to IFRS 9. The Group has no derivative financial assets or hedging instruments. Non-derivative financial assets include trade and other receivables and contract assets, as defined by IFRS 15. Neither of these two categories contain a significant financing element and, as such, expected credit losses are measured under IFRS 9 using the simplified impairment approach. This approach requires expected lifetime losses to be recognised upon the initial recognition of the asset. At initial recognition, the Group measures a non-derivative financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Group subsequently measures trade and other receivables and contract receivables at amortised cost.

(xxi) Share based payments

IFRS 2 “Share Based Payment” requires a fair value to be established for any equity-settled share based payments. Fair value has been independently measured using a Monte Carlo valuation model. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period based on the Directors’ estimate of shares that will eventually vest.

(xxii) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding in the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of Ordinary Shares outstanding for the effects of all dilutive potential Ordinary Shares, which comprise share options granted to employees.

(xxiii) Rental income

Rental income from property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(xxiv) Finance income and expense

Finance income comprises interest income on funds invested that are recognised in income or expense. Interest income is recognised as it accrues in income or expense, using the effective interest method. Finance expense comprises interest expense on borrowings and the unwinding of the discount on provisions that are recognised in income or expense. All borrowing costs are recognised in income or expense using the effective interest method.

(xxv) Exceptional items

Exceptional items are defined as items of income and expenditure which are material and unusual in nature and which are considered to be of such significance that they require separate disclosure on the face of the income statement. Any future movement on items previously classified as exceptional will also be classified as exceptional.

2 Segmental analysis

The Chief Operating Decision Maker ("CODM") is responsible for the overall resource allocation and performance assessment of the Group. The Board approves major capital expenditure and assesses the performance of the Group and its progress against the strategic plan through monitoring key performance indicators. The Board also determines key financing decisions such as raising equity, all loan or bank borrowing arrangements and the granting of security over the Group's assets. As such the Group considers that the Board is the CODM.

Operating segments have been identified based on the internal reporting information provided to the CODM. From such information Engineering Services and Specialist Building have been determined to represent operating segments. Following the identification of the operating segments the Group has assessed the similarity of the characteristics of the operating segments. Given the different performance targets and markets operated within each operating segment it is not appropriate to aggregate the operating segments for reporting purposes and therefore both of the identified operating segments are disclosed as reportable segments. The information received by the CODM shows results both pre and post exceptional items. The Group had one customer within the Engineering Services sector which represented 42.6% (2022: 42.3%) of Group revenue from continuing activities. No other customer represented more than 10% of the Group's revenue.

The segments are:

- Engineering Services, which comprises the Group's engineering activities which are characterised by the use of the Group's skilled engineering workforce, supplemented by specialist subcontractors where appropriate, in a range of civil, mechanical and electrical engineering applications;
- Specialist Building, which comprises the Group's building activities which are characterised by the use of a supply chain of subcontractors to carry out building works under the control of the Group as principal contractor; and
- Central activities, which include the leasing and sub-leasing of some UK properties and the provision of central services to the operating subsidiaries.

On 31 October 2014, the Group entered into a contract to dispose of part of its Specialist Building segment, Allenbuild Limited.

The closure of Lovell America Inc. was completed in the financial year ended 30 September 2021.

The results of these businesses are shown as discontinued operations.

(a) Business analysis

Revenue is analysed as follows:

	Group including share of joint ventures 2023 £000	Less share of joint ventures 2023 £000	Group revenue from continuing activities 2023 £000	Group revenue from continuing activities 2022 £000
Engineering Services	887,541	(39,383)	848,158	746,145
Specialist Building	73,375	—	73,375	70,125
Segment revenue	960,916	(39,383)	921,533	816,270
Central activities	21	—	21	6
	960,937	(39,383)	921,554	816,276

Analysis of profit on ordinary activities before taxation from continuing activities

	Before exceptional items and amortisation of intangible assets 2023 £000	Exceptional items and amortisation of intangible assets 2023 £000	2023 £000	Before exceptional items and amortisation of intangible assets 2022 £000	Exceptional items and amortisation of intangible assets 2022 £000	2022 £000
Engineering Services	64,275	(4,084)	60,191	59,123	(8,376)	50,747
Specialist Building	1,269	—	1,269	1,679	—	1,679
Segment operating profit	65,544	(4,084)	61,460	60,802	(8,376)	52,426
Central activities	(1,935)	(560)	(2,495)	(2,029)	(418)	(2,447)
Operating profit	63,609	(4,644)	58,965	58,773	(8,794)	49,979
Net financing costs	(859)	—	(859)	(524)	—	(524)
Profit on ordinary activities before income tax	62,750	(4,644)	58,106	58,249	(8,794)	49,455

(b) Geographical analysis

Group revenue for both financial years is derived from continuing activities in the UK.

All of the Group's non-current assets are deployed in the UK.

3 Operating profit

	2023 £000	2022 £000
Operating profit is arrived at after charging/(crediting)		
Auditor's remuneration – audit services	**1,067**	864
Auditor's remuneration – non audit services	**—**	—
Depreciation of owned assets	**4,499**	4,149
Depreciation of assets held as leases	**6,189**	5,987
Rental income	**—**	(226)
Profit on sale of property, plant and equipment	**(822)**	(830)

During the year, the following services were provided by the Group's auditor:

	2023 £000	2022 £000
Fees payable to the Company's auditor for the audit of the financial statements	**227**	201
Fees payable to the Company's auditor and its associates for other services:		
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	**840**	663
	1,067	864

Exceptional items and amortisation of intangible assets

	2023 £000	2022 £000
Acquisition costs/aborted acquisition costs	**560**	418
Total losses arising from exceptional items	**560**	418
Amortisation of intangible assets (see Note 10 and Note 15)	**6,245**	7,123
Gain on remeasurement of existing equity interest	**(2,161)**	—
Impairment of intangible asset (see Note 10)	**—**	1,253
Total exceptional items and amortisation charge before income tax	**4,644**	8,794
Taxation credit on exceptional items and amortisation	**(1,554)**	(1,782)
Total exceptional items and amortisation charge	**3,090**	7,012

During the year the Company incurred £560,000 of costs on acquiring Enisca Group Ltd. Prior year's acquisition costs related to an unsuccessful acquisition opportunity.

On 25 November 2022, the Company acquired the whole of the issued share capital of Enisca Group Limited which resulted in the Group owning 100% of Enisca Browne Ltd. The Group previously owned 50% of this Company and accounted for it as a joint venture using the equity method of accounting. As a result, under IFRS 3, this is treated as a step acquisition where the previously held equity interest is remeasured at its acquisition-date fair value with the resulting gain recognised in the income statement. Further information on this acquisition can be found in Note 33.

	£000
Remeasured value	**3,566**
Less equity interest (previously included in Investments in joint ventures)	**(1,405)**
Gain on remeasurement of existing equity interest	**2,161**

The Directors in the comparative year made a full provision of £1,253,000 against Britannia's goodwill carrying value following the decision to wind down that company's operations.

4 Loss for the year from discontinued operations

	2023 £000	2022 £000
Revenue	—	—
Expenses	**(3,676)**	(2,242)
Loss before income tax	**(3,676)**	(2,242)
Income tax charge	—	—
Loss for the year from discontinued operations	**(3,676)**	(2,242)

On 31 October 2014, the Board reached an agreement to sell Allenbuild Ltd to Places for People Group Ltd. As a term of the disposal Renew Holdings plc retained both the benefits and the obligations associated with a number of Allenbuild contracts. At the time of the disposal, the sale of this business was accounted for as a discontinued operation. During the year an additional provision of £3,676,000 (2022: £3,353,000) has been recognised, and because this adjustment relates to uncertainties directly related to the operations of Allenbuild before its disposal, this has been classified within discontinued operations. This additional provision was as a result of the settlement of historical claims during the financial year and a subsequent internal reassessment of the likely costs required to settle other known contractual disputes. The comparative figure comprised £3,353,000 in relation to increases in the provision partially offset by £1,308,000 which related to the recycling of the foreign currency reserve.

5 Finance income and costs

Finance income

Finance income of £360,000 (2022: £16,000) has been earned during the year on bank deposits.

	2023 £000	2022 £000
Finance costs		
On bank loans and overdrafts	**(377)**	(124)
Other interest payable	**(908)**	(449)
	(1,285)	(573)

	2023 £000	2022 £000
Other finance income – defined benefit pension schemes		
Interest on scheme assets	**5,826**	3,461
Interest on scheme obligations	**(5,760)**	(3,428)
Net pension interest	**66**	33

Further information on the defined benefit pension schemes is set out in Note 28 to the accounts.

6 Employee numbers and remuneration

	2023 Number	2022 Number
The average monthly number of employees, including Executive Directors, employed in continuing activities during the year was:	**4,256**	3,857
At 30 September:	**4,361**	3,959
Operations	**2,641**	2,362
Administrative	**1,720**	1,597
	4,361	3,959

Cost of staff, including Executive Directors, during the year amounted to:

	2023 £000	2022 £000
Wages and salaries	**226,444**	192,895
Social security costs	**24,688**	21,029
Other pension costs	**10,741**	9,186
Share based payments	**669**	658
	262,542	223,768

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6 Employee numbers and remuneration continued

Directors' emoluments

	2023 £000	2022 £000
Aggregate emoluments	**4,254**	5,017
Highest paid Director: aggregate emoluments	**1,601**	1,918

	Salary/fees £000	Bonuses £000	LTIP £000	Benefits £000	Total emoluments 2023 £000	Total emoluments 2022 £000
Executive Directors						
P Scott	**416**	**396**	**712**	**77**	**1,601**	1,918
A P Liebenberg	**303**	**288**	**511**	**59**	**1,161**	1,383
S C Wyndham-Quin	**319**	**303**	**534**	**62**	**1,218**	1,457
					3,980	4,758
Non-executive Directors						
D A Brown	**105**	—	—	—	**105**	73
S D Dasani	**63**	—	—	—	**63**	57
S A Hazell	**58**	—	—	—	**58**	52
E Barber	**48**	—	—	—	**48**	—
D M Forbes	—	—	—	—	—	63
L Hardy	—	—	—	—	—	14
					4,254	5,017

Directors' share options

Pursuant to the Long Term Incentive Plan ("LTIP"), the Board has granted options to the Executive Directors as set out in the following table.

The LTIP options are exercisable at a nominal cost but are only exercisable to the extent that certain performance criteria are achieved by the Company over a three year performance period.

Number of Ordinary Shares under option

	Exercisable between 15 Dec 2023 & 14 Dec 2030	Exercisable between 16 Dec 2024 & 15 Dec 2031	Exercisable between 20 Dec 2025 & 19 Dec 2032
LTIP options			
P Scott	**89,785**	**59,535**	**83,696**
A P Liebenberg	**65,267**	**43,278**	**60,870**
S C Wyndham-Quin	**68,702**	**45,556**	**64,130**

During the year £669,000 (2022: £658,000) was charged to the income statement with a corresponding credit to the share based payments reserve in accordance with IFRS 2.

7 Income tax expense

(a) Analysis of expense in year

	2023 £000	2022 £000
Current tax:		
UK corporation tax on profits of the year	**(12,447)**	(10,692)
Adjustments in respect of previous period	**1,164**	(193)
Total current tax	**(11,283)**	(10,885)
Deferred tax – defined benefit pension schemes	**(29)**	(87)
Deferred tax – other temporary differences	**266**	1,424
Total deferred tax	**237**	1,337
Income tax expense in respect of continuing activities	**(11,046)**	(9,548)

7 Income tax expense continued

(b) Factors affecting income tax expense for the year

	2023 £000	2022 £000
Profit before income tax	**58,106**	49,455
Profit multiplied by standard rate of corporation tax in the UK of 22% (2022: 19%)	**(12,783)**	(9,396)
Effects of:		
Expenses not deductible for tax purposes	**(620)**	(1,705)
Timing differences not provided in deferred tax	**—**	1,721
Non-taxable income	**696**	—
Change in tax rate	**640**	25
Adjustment in respect of tax losses	**(143)**	—
Adjustments in respect of previous period	**1,164**	(193)
	(11,046)	(9,548)

Corporation tax rate increased from 19% to 25% from 1 April 2023 so profits for the year are subject to a blended rate of 22% (2022: 19%). Deferred tax has been provided at a rate of 25% (2022: 25%) following the decision that the UK corporation tax rate should increase to 25% (effective from 1 April 2023 and substantively enacted on 24 May 2021). The deferred tax asset and liability at 30 September 2023 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary timing differences (2022: 25%). The Group has available further unused UK tax losses of £23.1m (2022: £23.7m) to carry forward against future taxable profits. A substantial element of these losses relates to activities which are not forecast to generate the level of profits needed to utilise these losses. A deferred tax asset has been provided to the extent considered reasonable by the Directors, where recovery is expected to be recognisable within the foreseeable future. The unrecognised deferred tax asset in respect of these losses amounts to £5.8m (2022: £5.9m).

(c) Deferred tax asset

	2023 £000	2022 £000
Defined benefit pension scheme	**206**	262
Provisions	**2,106**	2,105
Share options	**316**	485
Future tax losses	**—**	47
	2,628	2,899

(d) Deferred tax liabilities

	2023 £000	2022 £000
Defined benefit pension scheme	**(860)**	(783)
Accelerated capital allowances	**(1,843)**	(782)
Other intangible amortisation	**(7,223)**	(5,938)
Other fair value adjustments	**(65)**	(65)
	(9,991)	(7,568)
Net deferred tax liability	**(7,363)**	(4,669)

(e) Reconciliation of deferred tax asset

	2023 £000	2022 £000
As at 1 October	**2,899**	2,301
Origination of temporary differences	**(214)**	374
Defined benefit pension schemes – income statement	**14**	(74)
Defined benefit pension schemes – SOCI	**(71)**	298
At 30 September	**2,628**	2,899

7 Income tax expense continued

(f) Reconciliation of deferred tax liability

	2023 £000	2022 £000
As at 1 October	**(7,568)**	(8,067)
Acquisition of subsidiary undertaking	**(2,833)**	—
Origination of temporary differences	**(1,059)**	(731)
Arising on fair value adjustments	**1,548**	1,781
Defined benefit pension schemes – income statement	**(43)**	(13)
Defined benefit pension schemes – SOCI	**(36)**	(538)
At 30 September	**(9,991)**	(7,568)

8 Dividends

	2023 Pence/share	2022 Pence/share
Interim (related to the year ended 30 September 2023)	**6.00**	5.67
Final (related to the year ended 30 September 2022)	**11.33**	11.17
Total dividend paid	**17.33**	16.84

	£000	£000
Interim (related to the year ended 30 September 2023)	**4,748**	4,472
Final (related to the year ended 30 September 2022)	**8,935**	8,809
Total dividend paid	**13,683**	13,281

Dividends are recorded only when authorised and are shown as a movement in equity rather than as a charge in the income statement. The Directors are proposing that a final dividend of 12.00p per Ordinary Share be paid in respect of the year ended 30 September 2023. This will be accounted for in the 2023/24 financial year.

9 Earnings per share

	2023			2022		
	Earnings £000	EPS Pence	DEPS Pence	Earnings £000	EPS Pence	DEPS Pence
Earnings before exceptional items and amortisation	**50,150**	**63.47**	**63.28**	46,919	59.52	59.30
Exceptional items and amortisation	**(3,090)**	**(3.91)**	**(3.90)**	(7,012)	(8.89)	(8.87)
Basic earnings per share – continuing activities	**47,060**	**59.56**	**59.38**	39,907	50.63	50.43
Loss for the year from discontinued operations	**(3,676)**	**(4.65)**	**(4.64)**	(2,242)	(2.85)	(2.83)
Basic earnings per share	**43,384**	**54.91**	**54.74**	37,665	47.78	47.60
Weighted average number of shares ('000)		**79,011**	**79,253**		78,825	79,125

The dilutive effect of share options is to increase the number of shares by 242,000 (2022: 299,750) and reduce basic earnings per share by 0.17p (2022: 0.18p).

10 Intangible assets

	Goodwill £000	Contractual rights and customer relationships £000
Cost:		
At 1 October 2021	139,698	62,612
Additions	—	—
At 1 October 2022	139,698	62,612
Additions	10,360	11,498
At 30 September 2023	**150,058**	**74,110**
Impairment losses/amortisation:		
At 1 October 2021	—	33,371
Charge for year	1,253	6,856
At 1 October 2022	1,253	40,227
Charge for year	—	6,014
At 30 September 2023	**1,253**	**46,241**
Carrying amount:		
At 30 September 2023	**148,805**	**27,869**
At 30 September 2022	138,445	22,385
At 30 September 2021	139,698	29,241

The carrying amounts of goodwill allocated to cash generating units ("CGUs") are as follows:

	2023 £000	2022 £000
V.H.E. Construction PLC	**1,796**	1,796
Seymour (C.E.C.) Holdings Ltd and its subsidiary	**4,017**	4,017
Shepley Engineers Ltd and its subsidiaries	**633**	633
Amco Group Holdings Ltd and its subsidiaries	**25,691**	25,691
Envolve Infrastructure Ltd and its subsidiaries	**6,556**	6,556
Clarke Telecom Ltd	**11,143**	11,143
QTS Group Ltd and its subsidiaries	**57,800**	57,800
Carnell Group Holdings Ltd	**19,409**	19,409
J Browne Group Holdings Ltd and its subsidiaries	**11,400**	11,400
Enisca Group Holdings Ltd and its subsidiaries	**10,360**	—
	148,805	138,445

Enisca Group Holdings Ltd and its subsidiaries
Goodwill of £10,360,000 arose on acquisition on 25 November 2022 and has been reviewed for impairment before the end of the year of acquisition as required by IFRS 3 with no impairment arising. Other intangible assets valued at £11,498,000, which represent customer relationships, contractual rights, and research and development costs were also acquired and will be amortised over their useful economic lives in accordance with IAS 38. The acquired research and development costs were not material and have been included in the table above within "Contractual rights and customer relationships." Deferred tax has been provided on this amount. Amortisation of this intangible asset commenced from December 2022.

Amortisation charges in respect of intangible assets with a finite life are recorded within administrative expenses in the income statement. The amortisation policy is disclosed in the accounting policies and approximates to a period of thirteen years.

10 Intangible assets continued

Enisca Group Holdings Ltd and its subsidiaries continued

In order to test goodwill for impairment the Group performs value in use calculations by preparing cash flow forecasts for each cash generating unit derived from the most recent financial budgets and strategic plans approved by management going forward three years, and then extrapolates cash flows based on conservative estimated growth rates according to management's view of longer term prospects for each CGU. The CGUs are deemed to be the subsidiaries to which the goodwill relates. Management used growth rates deemed to be appropriate to each CGU after reviewing the particular market conditions related to the sector in which each CGU operates. A perpetual growth rate range of 2% (2022: 2–5%) per annum has been used. The range of discount rates used within each CGU is 10.0%–12% (2022: 12.0%–14%). The Board considers the rates appropriate as, based on publicly available information, they represent the rates that a market participant would require for these assets. The Board has chosen the discount rates having taken into account the cost of funds to the Group and the risks associated with the markets in which the CGUs operate. Other than changes to the discount rates the key assumption which would impact the carrying value of goodwill is the margin generated by each CGU. The valuation of the cash generating units indicates sufficient headroom such that any reasonably possible change to key assumptions is unlikely to result in an impairment in related goodwill.

11 Property, plant and equipment

	Freehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost:			
At 1 October 2021	6,581	36,244	42,825
Additions	412	4,645	5,057
Disposals	(736)	(1,007)	(1,743)
Transfer from right of use assets	—	4,716	4,716
At 1 October 2022	6,257	44,598	50,855
Additions	561	4,948	5,509
Disposals	—	(4,352)	(4,352)
Reclassification of assets to intangible assets	—	(171)	(171)
Transfer from right of use assets	—	1,827	1,827
Acquisition of subsidiary	224	104	328
At 30 September 2023	**7,042**	**46,954**	**53,996**
Depreciation:			
At 1 October 2021	989	25,582	26,571
Charge for year	242	3,907	4,149
Disposals	(223)	(883)	(1,106)
Transfer from right of use assets	—	3,407	3,407
At 1 October 2022	1,008	32,013	33,021
Charge for year	239	4,260	4,499
Disposals	—	(3,928)	(3,928)
Reclassification of assets to intangible assets	—	(168)	(168)
Transfer from right of use assets	—	1,172	1,172
At 30 September 2023	**1,247**	**33,349**	**34,596**
Net book value:			
At 30 September 2023	**5,795**	**13,605**	**19,400**
At 30 September 2022	5,249	12,585	17,834
At 30 September 2021	5,592	10,662	16,254

The Group enters into hire purchase (leasing) contracts for its fleet of vans. Under the terms of these contracts, the legal title over the vans automatically transfers to the Group at the end of the lease term for no additional costs. The "transfers from right of use assets" shown in the above movements table relate to those vans subject to these arrangements for which the Group has obtained legal title during the year.

12 Right of use assets

	Freehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost:			
At 1 October 2021	10,814	19,099	29,913
Additions	1,006	4,609	5,615
Disposals	—	(71)	(71)
Transfer to Plant, vehicles and equipment	—	(4,716)	(4,716)
At 1 October 2022	11,820	18,921	30,741
Additions	1,762	8,241	10,003
Disposals	(1,648)	(2,484)	(4,132)
Transfer to Plant, vehicles and equipment	—	(1,827)	(1,827)
Acquisition of subsidiary	396	105	501
At 30 September 2023	**12,330**	**22,956**	**35,286**
Depreciation:			
At 1 October 2021	3,938	8,728	12,666
Charge for year	2,086	3,901	5,987
Disposals	—	(24)	(24)
Transfer to Plant, vehicles and equipment	—	(3,407)	(3,407)
At 1 October 2022	6,024	9,198	15,222
Charge for year	2,235	3,954	6,189
Disposals	(1,648)	(2,479)	(4,127)
Transfer to Plant, vehicles and equipment	—	(1,172)	(1,172)
At 30 September 2023	**6,611**	**9,501**	**16,112**
Net book value:			
At 30 September 2023	**5,719**	**13,455**	**19,174**
At 30 September 2022	5,796	9,723	15,519
At 30 September 2021	6,876	10,371	17,247

13 Inventories

	2023 £000	2022 £000
Raw materials	**4,169**	2,613

All inventories are pledged as security for liabilities.

14 Assets held for resale

	2023 £000	2022 £000
Property	**—**	1,250

The unused office property was sold during the financial year.

15 Investment in joint ventures

The Group, through the acquisition of J Browne Holdings Ltd, has the following interest in the joint ventures. These joint ventures perform engineering services which is a key segment of the Group.

	Country of incorporation	Principal activity	Percentage of shares held
Blackwater Plant Hire Ltd	England and Wales	Engineering	50%
Cappagh Browne Utilities Ltd	England and Wales	Engineering	50%
Cappagh Browne Ltd	England and Wales	Engineering	50%

15 Investment in joint ventures continued

a) Movement in year

	Goodwill £000	Other intangible asset £000	Reserves £000	Total £000
At 1 October 2021	3,812	1,686	210	5,708
Amortisation		(267)		(267)
Dividend received			(265)	(265)
Equity accounted share of net profit			362	362
At 1 October 2022	3,812	1,419	307	5,538
Enisca Browne transfer on acquisition	(962)	(377)	(66)	(1,405)
Amortisation		(231)		(231)
Equity accounted share of net profit			77	77
At 30 September 2023	**2,850**	**811**	**318**	**3,979**

On 25 November 2022, the Group acquired the remaining 50% of Enisca Browne Ltd, an entity in which the Group previously held a 50% interest through its wholly owned subsidiary J Browne Group Holdings Ltd. As a result of obtaining control of Enisca Group Ltd, the Group has derecognised the investment in a joint venture and accounted for the acquisition of the remaining 50% interest as a business combination achieved in stages, applying the requirements of IFRS 3. Remeasurement of the existing equity investment to fair value resulted in a net gain of £2,161,000 recognised in profit or loss. (please see Note 3). For further details of the acquisition please see Note 33.

b) Summarised financial information related to equity accounted joint ventures

The following summarises financial information related to equity accounted joint ventures in aggregate. The financial information of each joint venture is not significant by size and has been combined. Cappagh Browne Ltd has not been included in the table below due to the balances not being material. These joint ventures do not have coterminous financial periods with the Group and as such, financial statements as at 30 September 2023 have been prepared for the Group's purposes by the joint ventures.

	2023 £000	2022 £000
Non-current assets		
Property, plant and equipment	**4,442**	3,442
Current assets		
Inventories	**450**	352
Trade and other receivables	**21,584**	16,209
Current tax assets	**332**	331
Cash and cash equivalents	**1,787**	8,471
	24,153	25,363
Total assets	**28,595**	28,805
Non-current liabilities		
Lease liabilities	**(3,356)**	(2,999)
	(3,356)	(2,999)
Current liabilities		
Trade and other payables	**(24,573)**	(24,953)
Current tax liabilities	**(30)**	(239)
	(24,603)	(25,192)
Total liabilities	**(27,959)**	(28,191)
Net assets reported by equity accounted joint ventures (100%)	**636**	614
Revenue (100%)	**78,766**	65,544
Cost of sales	**(70,678)**	(57,656)
Gross profit	**8,088**	7,888
Administrative expenses	**(7,973)**	(7,259)
Profit before taxation	**115**	629
Taxation	**39**	95
Net profit after tax (100%)	**154**	724

Administrative expenses include management charges of £7,730,000 (2022: £7,310,000). The Group's share of the management charge income is £3,865,000 (2022: £3,755,000).

15 Investment in joint ventures continued

c) Results of equity accounted joint ventures (50%)

	2023 £000	2022 £000
Group share of profit before tax	58	315
Group share of tax	19	47
Group share of profit after tax	**77**	362

16 Trade and other receivables

	2023 £000	2022 £000
Trade receivables	48,597	46,552
Contract assets	129,997	110,317
Receivables from other related parties	3,434	3,903
Other receivables	1,450	870
Prepayments	3,833	2,948
	187,311	164,590

Contract assets have increased by £19,680,000 (17.8%) this year which includes £5,913,000 following the acquisition of Enisca. The net increase of £13,767,000 (12.5%) reflects the 10.2% organic growth combined with a small increase in the timing of the certification process by clients at the year end.

The Directors consider that the carrying amount of trade, contract assets and other receivables approximates to their fair value.

The Group has a variety of credit terms depending on the customer. These terms generally range from 30 to 60 days.

Included in trade and other receivables are debtors with a carrying value of £2.8m (2022: £3.7m) which are past due at the reporting date for which the Group has not provided. These amounts are recorded within trade receivables above and are assessed for expected credit losses using the simplified approach. However, no provision has been recognised as the probability of default on these items is considered negligible. The Group does not hold any collateral over these balances. £0.3m (2022: £0.8m) of these balances relate to certified retentions. The average age of these receivables is 224 days (2022: 348 days).

Ageing of past due but not impaired receivables:

	2023 £000	2022 £000
30–180 days	1,731	929
180–365 days	459	562
Greater than 1 year	571	2,236
	2,761	3,727

17 Contract assets and contract liabilities

	2023 £000	2022 £000
Contracts in progress at the balance sheet date:		
Amounts due from construction contract customers included in trade and other receivables	48,597	46,486
Amounts due from construction contract customers included in contract assets	129,997	110,317
	178,594	156,803
Amounts due to construction contract customers included in contract liabilities	(27,748)	(8,062)
	150,846	148,741

Contract asset ageing analysis:

	2023 £000	2022 £000
Due within one year	175,037	151,358
Due after more than one year	3,557	5,445
	178,594	156,803

17 Contract assets and contract liabilities continued

Contract assets relate to revenue earned from the provision of engineering and construction services which have not yet been billed to customers. Amounts previously recognised as contract assets are reclassified to trade receivables when they are invoiced to the customer. As such, the balance of the contract asset account varies and depends on the number, stage of completion and invoicing of these services at the end of the year.

Amounts due after more than one year relate to retentions held by the customer which are predominantly settled 12 months after the contract has achieved practical completion certification. The Group expects to realise this asset within its normal working cycle.

There was no significant impairment losses recognised on any contract asset in the reporting period (2022: £nil).

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period is £8.1m (2022: £11.6m). Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods is £nil (2022: £nil).

18 Cash and cash equivalents

	2023 £000	2022* £000
Cash at bank	**35,646**	27,549
Cash in hand	**11**	10
	35,657	27,559

* reclassification between cash and borrowings (please see accounting policy Note 1)

At 30 September 2023 positive cash balances of £129.4m have been offset against overdraft positions of £93.8m, resulting in a net position, presented within cash and cash equivalents of £35.6m. Offsetting was applied as the Group had a legal right to offset these balances and settle them net. At 30 September 2022, following the restatement of the balance sheet as described in Note 1, positive cash balances of £119.5m were offset against overdraft positions of £126.8m and presented as a net overdraft of £7.3m.

19 Trade and other payables

	2023 £000	2022 £000
Contract liabilities	**27,748**	8,062
Trade payables	**73,889**	61,999
Other taxation and social security	**26,372**	20,957
Other payables	**5,333**	5,752
Accruals	**95,335**	115,914
	228,677	212,684

20 Borrowings

	2023 £000	2022* £000
Bank overdraft and loans repayable:		
Within one year	**—**	7,341

* reclassification between cash and borrowings (please see accounting policy Note 1)

In the year, the Group utilised £23.0m (2022:£18.0m) of the revolving credit facility to support the Group's operations. This was repaid during the year by cash generated from operations.

The bank loans are secured by a fixed and floating charge over the Group's UK assets. The Group has committed debt facilities of £80.0m in the form of a revolving credit facility with HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc which is committed until November 2026.

21 Lease liabilities

	2023 £000	2022 £000
As at 1 October	**14,524**	15,601
Additions	**10,131**	5,615
Addition on acquisition	**524**	—
Accretion of interest	**296**	293
Payments	**(7,797)**	(6,985)
As at 30 September	**17,678**	14,524
Current	**6,945**	5,884
Non-current	**10,733**	8,640
	17,678	14,524

It is the Group's policy to lease certain of its plant, vehicles and equipment under finance leases. The average outstanding lease term is 3 years (2022: 3 years). For the year ended 30 September 2023, the average effective borrowing rate was c.4.20% (2022: c.3.25%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

The present value of minimum lease payments can be split:

	Hire purchase £000	Right of use £000	Total 2023 £000	Hire purchase £000	Right of use £000	Total 2022 £000
Within one year	**2,547**	**4,398**	**6,945**	2,479	3,405	5,884
Within two to five years	**2,547**	**8,186**	**10,733**	2,772	5,868	8,640
	5,094	**12,584**	**17,678**	5,251	9,273	14,524

All lease obligations are denominated in sterling. The fair value of the Group's lease obligations approximates to their carrying amount. The Group's obligations under hire purchase agreements are secured on the asset to which the lease relates.

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

	2023 £000	2022 £000
Within one year	**7,662**	6,251
Within two to five years	**11,589**	9,086
Total	**19,251**	15,337

22 Provisions

	Property obligations £000	Contractors' all risk insurance provision £000	Discontinued operations provision £000	Other provisions £000	Total £000
At 1 October 2022	338	5,335	—	2,750	8,423
Transfer from accruals	—	—	5,335	—	5,335
Additional provision	—	—	3,676	—	3,676
Utilised in the year	—	(214)	(1,523)	—	(1,737)
At 30 September 2023	**338**	**5,121**	**7,488**	**2,750**	**15,697**
Non-current liabilities	338	—	—	—	338
Current liabilities	—	5,121	7,488	2,750	15,359
At 30 September 2023	**338**	**5,121**	**7,488**	**2,750**	**15,697**

Property obligations represent commitments on leases for properties where the Group expects outflows to occur at the end of the lease.

The Contractors All Risk insurance provision relates to claims arising from past events such as accidental damage which is not covered by third party insurance. The provision is valued based on historical rates of claim and costs to settle these claims. The timing of the settlement of claims made against the Group cannot be assessed with any certainty. The provision is not discounted as the impact would be immaterial.

22 Provisions continued

Discontinued operations provision relates to liabilities arising from historic commitments regarding Allenbuild Ltd. The opening balance on these liabilities has been transferred from accruals to provisions in the year following a reassessment of their classification by management in light of these being ongoing legal matters which cannot be assessed with a high degree of certainty. The additional £3,676,000 provision was as a result of the settlement of historical claims during the financial year and a subsequent internal reassessment of the likely costs required to settle other known contractual disputes.

Other provisions are in respect of a legal matter, the outcome of which cannot be assessed with a high degree of certainty. A liability is only recognised where, based on the Group's view or legal advice, it is considered probable that an outflow of resource will be required to settle a present obligation that can be measured reliably.

23 Other financial instruments

The Group's principal financial instruments comprise bank loans, cash and short-term deposits and obligations under leases. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The disclosures below provide information about the contractual terms of the Group's interest bearing deposits, loans and borrowings.

Interest rate profile of financial assets and liabilities

	Financial assets/(liabilities)		
	Fixed rate £000	Floating rate £000	Total £000
2023			
Assets			
Sterling	—	**35,646**	**35,646**
Dollar	—	—	—
	—	**35,646**	**35,646**
Liabilities			
Sterling	**(17,678)**	—	**(17,678)**
	(17,678)	—	**(17,678)**

	Financial assets/(liabilities)		
	Fixed rate £000	Floating rate £000	Total £000
2022*			
Assets			
Sterling	—	27,549	27,549
	—	27,549	27,549
Liabilities			
Sterling	(14,524)	(7,371)	(21,895)
	(14,524)	(7,371)	(21,895)

* Reclassification between cash and borrowings (please see accounting policy Note 1)

The interest bearing assets accrue interest at prevailing market rates. Generally the Group holds deposits which are repayable on demand.

The sterling interest bearing liabilities accrue interest at a rate which is linked to SONIA.

The maturity of the fixed rate financial liabilities is disclosed in Note 21. The fixed rate liabilities have a weighted average period of 3 years (2022: 3 years).

23 Other financial instruments continued

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Group's financial assets and liabilities.

Financial risks

The Group has exposure to a number of financial risks through the conduct of its operations. Risk management is governed by the Group's operational policies, guidelines and authorisation procedures which are outlined in the Corporate governance statement. The key financial risks resulting from financial instruments are credit, liquidity and market risk.

a) Credit risk

Credit risk is the risk of loss if a customer fails to meet its financial obligations and results primarily from the Group's trade and other receivables. The degree to which the Group is exposed to this risk depends on the individual financial situation of each specific customer. The Group assesses the credit worthiness of every customer prior to entering into any contract and requires appropriate evidence of financial capability on a case by case basis. The Group reviews trade and other receivables for impairment on a regular basis and information relating to the ageing of receivables is provided in Note 16. The Group does not use any form of invoice discounting or debt factoring.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Group has sufficient liquidity to meet its financial liabilities as they fall due and does so by monitoring cashflow forecasts and budgets. The Board has considered the cashflow forecasts for the next twelve months which show that the Group expects to operate within its working capital facilities throughout the year.

The Board aims to maintain a strong capital base so as to ensure investor and market confidence and to sustain the future of the business. The capital structure of the Group consists of equity attributable to equity holders of the Company as disclosed in Note 24 and reserves as disclosed in Note 25. The Group arranges loans and short term overdraft facilities and hire purchase facilities as the Board deems necessary. The Group does not have any derivative or non-derivative financial liabilities other than those disclosed in Notes 20 and 21 and the retirement benefit obligations disclosed in Note 28. An analysis of the maturity profile for lease liabilities is given in Note 21.

c) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the carrying amount of its holding of financial instruments. The principal risk relates to interest rates where the Group's risk is limited to the rates applying to its interest bearing short-term deposits and its bank loan. A reduction in market interest rates could lead to a reduction in the Group's interest income and a reduction in its interest costs. Consequently a 1% decrease in market interest rates would reduce annual finance costs by £10,000 for every £1m of outstanding loan.

The Group's hire purchase financial liabilities are all at fixed rates of interest.

24 Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid:		
79,133,889 (2022: 78,862,743) Ordinary Shares of 10p each	**7,913**	7,886

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 19 December 2022 6,050 Ordinary Shares were issued pursuant to the Group's Executive Incentive Scheme.

On 10 March 2023 265,096 Ordinary Shares were issued pursuant to the Group's Long Term Incentive Plan. (Please see Note 25 for details of the Plan.)

25 Reserves

	Share premium account £000	Capital redemption reserve £000	Cumulative translation reserve £000	Share based payments reserve £000	Retained earnings £000
At 1 October 2021	66,378	3,896	1,308	1,079	44,290
Transfer from income statement for the year					37,665
Dividends paid					(13,281)
Recognition of share based payments				658	
Vested share option transfer				(362)	362
Exchange differences			(1,308)		
Actuarial movement recognised in pension schemes					347
Movement on deferred tax relating to the pension schemes					(240)
At 1 October 2022	66,378	3,896	—	1,375	69,143
Transfer from income statement for the year					43,384
Dividends paid					(13,683)
New shares issued	41				
Recognition of share based payments				669	
Vested share option transfer				(777)	777
Actuarial movement recognised in pension schemes					387
Movement on deferred tax relating to the pension schemes					(106)
At 30 September 2023	**66,419**	**3,896**	**—**	**1,267**	**99,902**

There is no available analysis of goodwill written off against reserves in respect of subsidiaries that were acquired prior to 1989 and therefore, in accordance with the guidance of IAS 36, the Directors are not able to state this figure.

Capital redemption reserve
This reserve represents the combined impact of share buy-backs and cancellations in previous years.

Cumulative translation reserve
This reserve represents the foreign exchange movement on translating the opening net assets of Lovell America, Inc., the Group's discontinued U.S. subsidiary. The amount accumulated in this reserve through OCI was recycled to the income statement in the comparative year, on closure of Lovell America, Inc.

Share based payments reserve
Renew Holdings plc Long Term Incentive Plan
Since 2012 the Group has operated a Long Term Incentive Plan ("LTIP"), an equity settled share based payment plan.

The options are exercisable at a nominal cost or at the par value of an Ordinary Share three years after the date of grant subject to the achievement of certain performance criteria. Details of the options are given in the Directors' Remuneration Report.

Vesting of one half of the options is dependent on absolute growth in the Company's Total Shareholder Return ("TSR"), and the other half is dependent on the Company's TSR performance as compared to the TSR achieved by other companies in a comparator group of companies selected by the Remuneration Committee. All TSR calculations are based on the average of the opening and closing share price over a 30 day period prior to the commencement and the end of the performance period.

The absolute TSR growth target requires the Company's TSR over the three year performance period to grow by more than 25%. For TSR growth between 25% and 100%, the half of the option which is subject to the absolute TSR growth target vests on a straight-line basis from nil vesting at 25% growth, to 100% vesting at 100% growth. There will be no vesting if TSR growth is 25% or less.

The comparator group TSR performance target measures the Company's TSR over the 3 year performance period against the TSR of a group of companies selected by the Remuneration Committee. If the Company's TSR performance falls below the median performance of the comparator group then the options lapse forthwith. If the Company is ranked within the top decile of the comparator group the options shall vest in full. If the Company's TSR performance is ranked between the median position and the top decile of the comparator group then the options shall vest on a straight line basis from nil, at or below the median position, to 100% at the top decile.

Fair value has been independently measured by PricewaterhouseCoopers LLP using a Monte Carlo model methodology. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Board's estimate of shares that will eventually vest.

£669,000 (2022: £658,000) has been charged to administrative expenses in accordance with IFRS 2. There is no impact on net assets since an equivalent amount has been credited to the share based payments reserve. 265,096 options were exercised and 34,474 options did not vest during the year. The value per option represents the fair value of the option less the consideration payable.

25 Reserves continued

Share based payments reserve continued

Renew Holdings plc Long Term Incentive Plan continued

The expected volatility has been calculated based on weekly historical volatility of the Company's share price over the three years prior to the date of grant. The risk free rate of return has been based on the yields available on three year UK Government bonds as at the date of grant.

Options granted under the Renew Holdings plc Long Term Incentive Plan over the Company's Ordinary Shares at 30 September 2023 were as follows:

Date of grant	14 December 2020	15 December 2021	20 December 2022	Total
Awards outstanding at 30 September 2023				
– Directors and employees	242,161	167,350	232,092	**641,603**
Exercise price	10.0p	10.0p	10.0p	
Price at date of grant	522.00p	800.00p	692.00p	
Maximum option life	10 years	10 years	10 years	
Assumed option life for purposes of valuation	2.79 years	2.79 years	2.78 years	
Expected volatility	38%	38%	38%	
Risk free interest rate	(0.09)%	0.45%	3.61%	
Value per option	495.0p	712.0p	701.0p	

Outstanding share options have a weighted average remaining contractual life of 8.23 years at a weighted average contractual price of 626.00p.

As at 30 September 2023, there were 641,603 options outstanding under the scheme. On 20 December 2022, options to subscribe for a further 232,092 Ordinary Shares were granted. During the year 265,096 options were exercised and 34,474 did not vest due to the conditions below not being fully achieved. No options lapsed during the year.

Movement in the year:

	2023 Number	2022 Number
Outstanding at 1 October	**709,081**	860,857
Granted during the year	**232,092**	167,350
Exercised during the year	**(265,096)**	(319,126)
Options did not vest	**(34,474)**	—
Outstanding at 30 September	**641,603**	709,081

26 Capital and leasing commitments

With regard to the leases held by the Group as lessor, the Group recognised £115,000 (2022: £226,000) of rental income in the income statement for 2023, relating to sub-letting of surplus premises.

The future minimum sub-lease receipts expected to be received under non-cancellable operating leases which all relate to land and buildings are as follows:

	2023 £000	2022 £000
Receivables under non-cancellable operating leases:		
Under one year	—	165
Two to five years	—	662
More than 5 years	—	90
	—	917

The Group had capital commitments at 30 September 2023 of £3,510,000 (2022: £3,123,000).

27 Guarantees

Under the terms of the Group's banking agreement, security over the Group's UK assets has been granted to the Group's bankers.

The Company has given guarantees and entered into counter-indemnities in respect of bonds relating to certain of the Group's own contracts. The Company has also given guarantees in respect of certain contractual obligations of its subsidiaries. Performance guarantees are treated as a contingent liability until such time as it becomes probable that payment will be required under its terms.

28 Employee benefits: retirement benefit obligations

Defined benefit pension schemes

The Group operates two defined benefit pension schemes, the Lovell Pension Scheme and the Amco Pension Scheme. Both schemes have been closed to new members and to further benefits accrual for many years.

IAS 19 "Employee Benefits"

The Directors have adopted the accounting required by IAS 19. The Directors have discussed the assumptions used in determining the actuarial valuations set out below with independent pensions advisors and have determined that they are appropriate. The Lovell scheme's valuation at 30 September 2023 shows a surplus of £2,456,000 based on the assumptions set out below. The Amco scheme shows a deficit of £822,000 based on the assumptions used in its valuation which are similar to those used for the Lovell scheme except where the Directors, in consultation with the scheme's advisors, consider it appropriate to vary them due to the different characteristics of the Amco scheme and its membership profile. The Directors have determined that it is appropriate to recognise the surplus in the Lovell scheme as, having reviewed the rules of the scheme, they are of the view that the employer has an unconditional right to that surplus.

The following disclosures required by IAS 19 have been based on the most recent actuarial valuation as at 30 September 2023 carried out by Lane Clark & Peacock LLP, Consulting Actuaries, in respect of the Lovell scheme and Capita Employee Benefits (Consulting) Limited in respect of the Amco scheme using the following assumptions:

	As at 30 September 2023	As at 30 September 2022	As at 30 September 2021
Lovell Pension Scheme			
Rate of increase in salaries	N/a*	N/a*	4.0%
RPI increases to pensions in payment	4.2%	4.4%	4.3%
Discount rate	5.5%	5.5%	2.0%
Inflation assumption (CPI)	2.5%	3.1%	2.7%
Inflation assumption (RPI)	3.3%	3.9%	3.5%
Increases in deferred pensions	3.2%	3.6%	3.4%

* The Lovell Pension Scheme terminated the salary link with effect from 14 January 2022.

	As at 30 September 2023	As at 30 September 2022	As at 30 September 2021
Amco Pension Scheme			
Rate of increase in salaries	N/a*	N/a*	3.0%
RPI increases to pensions in payment	3.4%	3.8%	3.5%
Discount rate	5.5%	5.4%	1.9%
Inflation assumption (CPI)	2.9%	3.3%	3.0%
Inflation assumption (RPI)	3.6%	4.0%	3.7%
Increases in deferred pensions	2.9%	3.3%	3.0%

* The Amco Pension Scheme terminated the salary link with effect from 1 April 2022.

The mortality tables adopted for the valuation of the Lovell scheme are the 95% S2NA tables with future improvements in line with the Continuing Mortality Investigations 2022 model with long-term improvement rates of 1.25% per annum for both males and females. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 65 year-old male pensioner is forecast to live for a further 21.9 years and the further life expectancy of a male aged 65 in 2043 is 23.2 years.

The mortality tables adopted for the valuation of the Amco scheme are the S3PA mortality tables with future improvements in line with the Continuing Mortality Investigations 2022 model with long-term improvement rates of 1.25% per annum for both males and females. The Directors believe that this analysis provides a more reliable estimate of the mortality characteristics of the scheme's membership. Under these assumptions, a 65 year-old male pensioner is forecast to live for a further 21.7 years and the further life expectancy of a male aged 65 in 2043 is 24.1 years.

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The assets in the Lovell scheme were:

	Value as at 30 September 2023 £000	Current allocation	Value as at 30 September 2022 £000	Current allocation	Value as at 30 September 2021 £000	Current allocation
Annuities	**90,066**	**94%**	96,351	95%	158,685	97%
Diversified portfolio	**5,324**	**6%**	884	1%	880	1%
Cash	**(201)**	**—**	3,672	4%	3,362	2%
Total	**95,189**	**100%**	100,907	100%	162,927	100%

The Trustees of the Lovell Pension Scheme purchased a bulk annuity from Rothesay Life in November 2020 to de-risk the defined benefit scheme obligation. This covers all remaining insured scheme benefits following previous bulk annuity transactions in 2011 and 2016.

The Company took the decision to fund the buy-in based on the following considerations:

- a buy-in will remove volatility of the scheme from the balance sheet of the Company, and no further contributions would be expected.
- the buy-in will transfer the pension risk associated with the scheme to a third party insurer. The only risk remaining will be the counterparty risk of the insurer.

The difference between the annuity purchase price and the defined benefit obligation covered by the policy has been accounted for in other comprehensive income. The accounting treatment is based on the following considerations made by the Company:

- the employer is not relieved of primary responsibility for the obligation. The policy simply covers the benefit payments that continue to be payable by the scheme.
- the contract is effectively an investment of the scheme; and
- the contract provides the option to convert the annuity into individual policies which would transfer the obligation to the insurer (known as a "buy-out"). Whilst this course of action may be considered in future, this is not a requirement and a separate decision will be required before any buy-out proceeds. There are currently no plans either by management or Trustees to convert the buy-in contract to individual policies.

The assets in the Amco scheme were:

	Value as at 30 September 2023 £000	Current allocation	Value as at 30 September 2022 £000	Current allocation	Value as at 30 September 2021 £000	Current allocation
Annuities	**8,032**	**93%**	8,453	95%	6,198	41%
Diversified portfolio	**—**	**—**	—	—	8,426	55%
Cash	**651**	**7%**	464	5%	641	4%
Total	**8,683**	**100%**	8,917	100%	15,265	100%

During 2013, the Trustees of the Amco scheme, in consultation with the Directors, used scheme assets to purchase annuities which match certain pension liabilities in a transaction known as a "buy in". This asset provides protection against falls in gilt yields and risks in the performance of other asset classes.

The Trustees of the Amco Pension Scheme purchased a bulk annuity from a specialist insurer in April 2022 to de-risk the defined benefit scheme obligation. This covers all remaining insured scheme benefits following previous bulk annuity transactions in 2013.

The Company took the decision to fund the buy-in based on the following considerations:

- a buy-in will remove volatility of the scheme from the balance sheet of the Company, and no further contributions would be expected.
- the buy-in will transfer the pension risk associated with the scheme to a third party insurer. The only risk remaining will be the counterparty risk of the insurer.

The difference between the annuity purchase price and the defined benefit obligation covered by the policy has been accounted for in other comprehensive income. The accounting treatment is based on the following considerations made by the Company:

- the employer is not relieved of primary responsibility for the obligation. The policy simply covers the benefit payments that continue to be payable by the scheme.
- the contract is effectively an investment of the scheme; and
- the contract provides the option to convert the annuity into individual policies which would transfer the obligation to the insurer (known as a "buy-out"). Whilst this course of action may be considered in future, this is not a requirement and a separate decision will be required before any buy-out proceeds. There are currently no plans either by management or Trustees to convert the buy-in contract to individual policies.

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

Scheme funding levels and actuarial valuations

Lovell Pension Scheme
The scheme actuary carried out the triennial valuation of the Lovell Pension Scheme as at 31 March 2021.

The scheme showed a surplus of £0.3m compared to a deficit of £0.3m when measured as at 31 March 2018.

On 26 November 2020, the Trustees of the Lovell Scheme, in consultation with the Directors, used scheme assets to purchase annuities which match certain pension liabilities in a transaction known as a "buy-in" where the annuity policy remains an asset of the scheme. Following the conclusion of the buy-in, all the scheme's liabilities are now matched within the annuities which has removed the scheme's investment and funding risk. During the year pension obligations and assets fell due to the significant increases in the discount rate.

Amco Pension Scheme
The scheme actuary carried out the triennial valuation of the Amco Pension Scheme as at 31 December 2019.

The scheme showed a deficit of £0.8m compared to £3.4m when measured as at 31 December 2016.

On 8 April 2022, the Trustee of the Amco Group Pension Scheme ("Amco Scheme"), in consultation with the Board, entered into a "buy-in" agreement with a specialist insurer. This transaction will ensure the security of the benefits of the Amco Scheme's pensioners and deferred members and, while the Group remains legally responsible for the scheme, the transaction has eliminated all of the Group's exposure to investment and funding risk in the Amco Scheme. The transaction also improves the long-term security of the members' benefits. As a result of this buy-in, and the previous buy-in that occurred in 2013, all of the Amco Scheme's liabilities are now matched with corresponding annuities. The buy-in will be completed by using Amco Scheme assets plus an additional one-off cash contribution which is expected to be around £1.6m to purchase annuities from the specialist insurer which match pension liabilities, where the annuity policy remains an asset of the Amco Scheme.

Recognition of pension scheme's surplus
Having taken legal advice with regard to the rights of the Company under the trust deeds and rules, the Directors do believe there is a right to recognise a pension surplus on an accounting basis for the Lovell scheme. The Directors do not believe that the surplus on an accounting basis will result in a surplus on an actuarial funding basis. However, the Directors are required to account for the plan's surplus as required by IFRS. As the Group has a legal right to benefit from the surplus, under IAS 19 and IFRIC 14, it must recognise the economic benefit it considers to arise from either a reduction to its future contributions or a refund of the surplus. This is a technical adjustment made on an accounting basis. Management does not believe there is an asset ceiling under IFRIC 14 which limits the economic benefit available. There is no cash benefit from the surplus.

Scheme governance
Both the Lovell Pension Scheme and the Amco Pension Scheme have boards of Trustees chaired by an independent professional trustee, Capital Cranfield Trustees Ltd. The Lovell Pension Scheme also has member-elected Trustees who must be members of the scheme. Both Renew Holdings plc for the Lovell Pension Scheme and Amalgamated Construction Ltd for the Amco Pension Scheme have the right to appoint employer-nominated Trustees although neither has elected to do so other than to appoint Capital Cranfield Trustees Ltd.

The Lovell Pension Scheme Trustees are advised by Lane, Clark & Peacock LLP on both actuarial and investment matters. The Lovell Scheme investments are independently managed by BlackRock Asset Management. Annuities purchased in both 2011 and 2016 are held by Legal & General and Just Retirement. Annuities purchased in 2020 are held by Rothesay Life.

The Amco Pension Scheme Trustees are advised by Capita Employee Benefits (Consulting) Ltd on both actuarial and investment matters. The Amco Scheme investments are independently managed by BlackRock Asset Management. Annuities purchased in 2013 are held by Legal & General. Annuities purchased in 2022 are held by Rothesay Life.

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Lovell Pension Scheme

	2023 £000	2022 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	100,907	162,927
Interest on scheme assets	5,365	3,175
Employer contributions	—	21
Benefits paid	(6,799)	(8,411)
Actual return on scheme assets less interest on scheme assets	(4,284)	(56,805)
Total fair value of scheme assets carried forward	95,189	100,907
Present value of scheme obligations brought forward	98,677	162,266
Interest on scheme obligations	5,243	3,142
Current and past service costs	—	23
Benefits paid	(6,799)	(8,411)
Actuarial movement due to experience on benefit obligation	563	1,956
Actuarial movement due to changes in financial assumptions	(1,752)	(58,218)
Actuarial movement due to changes in demographic assumptions	(3,199)	(2,081)
Total fair value of scheme obligations carried forward	92,733	98,677
Surplus in the scheme	2,456	2,230
Deferred tax	(860)	(781)
Net surplus	1,596	1,450
Amount charged to operating profit:		
Current and past service costs	—	(23)
	—	(23)
Amount credited to other financial income:		
Interest on scheme assets	5,365	3,175
Interest on scheme obligations	(5,243)	(3,142)
Net pension interest	122	33
Amounts recognised in the statement of comprehensive income:		
Actual return on scheme assets less interest on scheme assets	(4,284)	(56,805)
Actuarial movement due to changes in assumptions on scheme obligations	4,388	58,343
Actuarial movement	104	1,538
Movement in the net scheme surplus during the year:		
Net scheme surplus brought forward	2,230	661
Current and past service costs	—	(23)
Employer contributions	—	21
Net pension interest	122	33
Actuarial movement	104	1,538
Net scheme surplus carried forward	2,456	2,230

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

The following amounts at 30 September were measured in accordance with the requirements of IAS 19.

Amco Pension Scheme

	2023 £000	2022 £000
Movements in scheme assets and obligations		
Total fair value of scheme assets brought forward	8,917	15,265
Expected return on scheme assets	461	286
Employer contributions	—	294
Benefits paid	(607)	(727)
Actual return on scheme assets less interest on scheme assets	(88)	(6,201)
Total fair value of scheme assets carried forward	8,683	8,917
Present value of scheme obligations brought forward	9,966	15,417
Interest on scheme obligations	517	286
Benefits paid	(607)	(727)
Actuarial movement due to changes in financial and demographic assumptions	(371)	(5,010)
Total fair value of scheme obligations carried forward	9,505	9,966
Deficit in the scheme	(822)	(1,049)
Deferred tax	206	262
Net deficit	(616)	(787)
Amount credited to other financial income:		
Interest on scheme assets	461	286
Interest on scheme obligations	(517)	(286)
Net pension interest	(56)	—
Amounts recognised in the statement of comprehensive income:		
Actual return on scheme assets less interest on scheme assets	(88)	(6,201)
Actuarial movement due to changes in assumptions on scheme obligations	371	5,010
Actuarial movement	283	(1,191)
Movement in the net scheme deficit during the year:		
Net scheme deficit brought forward	(1,049)	(152)
Employer contributions	—	294
Net pension interest	(56)	—
Actuarial movement	283	(1,191)
Net scheme deficit carried forward	(822)	(1,049)

28 Employee benefits: retirement benefit obligations continued

IAS 19 "Employee Benefits" continued

Lovell Pension Scheme

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Actual return on scheme assets less interest on scheme assets	**(4,284)**	(56,805)	(34,862)	7,325	27,897
As a percentage of the assets at the end of the year	**(4.5)%**	(56.3)%	(21.4)%	3.6%	14.2%
Total amount recognised in the statement of comprehensive income	**104**	1,538	(26,084)	(1,482)	3,904
As a percentage of the obligations at the end of the year	**0.0%**	1.6%	(16.1)%	(0.8)%	2.3%

The Lovell scheme has been in operation for many years and, after taking advice from the Group's pensions advisors, the Directors have determined that it is not possible to allocate the assets and liabilities of the scheme between the various Group companies. The surplus for the scheme is accounted for in the individual financial statements of Renew Holdings plc which is legally the sponsoring employer for the plan.

Amco Pension Scheme

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Actual return on scheme assets less interest on scheme assets	**(88)**	(6,201)	69	568	1,364
As a percentage of the assets at the end of the year	**(1.0)%**	(69.5)%	0.0%	3.8%	9.0%
Total amount recognised in the statement of comprehensive income	**283**	(1,191)	412	(1,293)	(361)
As a percentage of the obligations at the end of the year	**3.0%**	(12.0)%	2.7%	(9.0)%	(2.6)%

The Amco scheme's sole employer is the Company's wholly owned subsidiary, Amalgamated Construction Ltd.

Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes and individual stakeholder pension plans for its employees. The Group made contributions of £10,741,000 (2022: £9,186,000) into these plans during the year. There are also £783,000 (2022: £654,000) of accruals relating to these plans.

29 Related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Joint ventures in which a subsidiary undertaking is a venturer:

	Sales to related parties		Amounts owed by related parties	
	2023 £000	2022 £000	2023 £000	2022 £000
Cappagh Browne Utilities Ltd	**4,080**	3,142	**2,330**	3,043
Cappagh Browne Ltd	**—**	—	**59**	—
Blackwater Plant Hire Ltd	**535**	550	**1,045**	860
	4,615	3,692	**3,434**	3,903

The Group has a related party relationship with its key management personnel who were Directors of the Company during the year: P Scott, AP Liebenberg, SC Wyndham-Quin, DA Brown, SD Dasani, SA Hazell and E Barber, whose total compensation amounted to £4,254,000 (2022: £5,017,000) all of which was represented by short-term employment benefits, including £1,757,000 (2022: £2,773,000) relating to share option benefits, in accordance with IFRS 2. An analysis of this compensation is given in Note 6.

There were no other transactions with key management personnel in the year.

30 Alternative performance measures

Renew uses a variety of alternative performance measures ("APMs") which, although financial measures of either historical or future performance, financial position or cash flows, are not defined or specified by IFRSs. The Directors use a combination of APMs and IFRS measures when reviewing the financial performance, position and cash of the Group.

The Directors believe that APMs provide a better understanding of the ongoing trading performance of the business by removing costs such as amortisation, and one-off exceptional items which will not directly impact the future cashflows and will mainly relate to the unrepeated cash outflows incurred in acquiring a specific equity investment. Depreciation is not removed on the basis that the tangible and right of use assets will be replaced at the end of their useful economic lives resulting in future cash outflows. Furthermore, they believe that the Group's stakeholders use these APMs, for example when assessing the performance of the Group against discounted cash flow models, and it is therefore appropriate to give them prominence in the Annual Report and Accounts.

The APMs used by the Group are defined below:

Net Cash – This is the cash and cash equivalents less bank debt. This measure is visible in Note 32. The Directors consider this to be a good indicator of the financing position of the Group.

Adjusted operating profit (£63.609m) and adjusted profit before tax (£62.750m) – Both of these measures are reconciled to total operating profit and total profit before tax on the face of the consolidated income statement. The Directors consider that the removal of exceptional items and amortisation provides a better understanding of the ongoing performance of the Group. The equivalent GAAP measures are operating profit (£58.965m) and profit before tax (£58.106m).

Adjusted operating margin (6.6%) – This is calculated by dividing operating profit before exceptional items and amortisation of intangible assets (£63.609m) by Group revenue including share of joint venture (£960.937m) both of which are visible on the face of the income statement. The Directors believe that removing exceptional items and amortisation from the operating profit margin calculation provides a better understanding of the ongoing performance of the Group. The equivalent GAAP measure is operating profit margin (6.4%) which is calculated by dividing operating profit (£58.965m) from Group revenue from continuing activities (£921.554m).

Adjusted earnings per share (63.47p) – This measure is reconciled to the earnings per share calculation based on earnings before exceptional items and amortisation in Note 9. The Directors believe that removing exceptional items and amortisation from the EPS calculation provides a better understanding of the ongoing performance of the Group.

Group Revenue (£960.937m) – This measure is visible on the face of the income statement as Revenue: Group including share of joint ventures.

Group order book, Engineering Services order book and Specialist Building order book – This measure is calculated by the Directors taking a conservative view on secured orders and visible workload through long-term frameworks.

Engineering Services revenue (£887.541m) – This measure is visible in Note 2 part (a) Business analysis as Engineering Services revenue including share of joint venture. The Directors consider this to be a good indicator of the ongoing performance of the Group's Engineering Services business.

Adjusted Engineering Services operating profit (£64.275m) – This measure is visible in Note 2 part (a) business analysis as Engineering Services operating profit before exceptional items and amortisation of intangible assets. The Directors consider this to be a good indicator of the ongoing performance of the Group's Engineering Services business. The GAAP equivalent measure is Engineering Services operating profit (£60.191m) which is also visible in Note 2 part (a).

Adjusted Engineering Services operating profit margin (7.2%) – This is calculated in the same way as adjusted operating profit margin but based on the adjusted Engineering Services operating profit (£64.275m) and the Engineering Services revenue (£887.541m) figures as set out above. The equivalent GAAP measure is Engineering Services operating profit margin (7.1%) which is calculated by dividing Engineering Services operating profit (£60.191m) from Engineering Services revenue from continuing activities (£848.158m).

Organic growth (10%) reflects the Group's revenue growth year on year excluding the impact of any acquisitions made in the current or comparative financial period. For the current financial year the impact of Enisca was excluded.

31 Reconciliation of net cash flow to net cash

	2023 £000	2022 £000
Increase in net cash and cash equivalents	**15,439**	29,573
Decrease in bank borrowings	**—**	4,373
Increase in net cash from cash flows	**15,439**	33,946
Net cash/(debt) at 1 October	**20,218**	(13,728)
Net cash at 30 September	**35,657**	20,218

32 Analysis of net cash

	At 1 October 2022 £000	Cash flows £000	At 30 September 2023 £000
Cash and cash equivalents	20,218	15,439	**35,657**
Bank loans	—	—	**—**
Net cash	20,218	15,439	**35,657**

Renew Holdings plc has not included finance lease liabilities within its measure of net cash due to their asset-backed nature. Therefore, whilst IFRS 16 has brought additional lease liabilities onto the balance sheet, the standard has had no effect on the Group's net debt measure, which has been calculated consistently with previous reporting periods.

IFRS 16 measurement of debt
The equivalent figures on an IFRS 16 measure would be:

	Note	2023 £000	2022 £000
Net cash (as above)	31	**35,657**	20,218
Hire purchase liabilities	21	**(5,094)**	(5,251)
Net cash including hire purchase liabilities		**30,563**	14,967
Other IFRS 16 right of use liabilities	21	**(12,584)**	(9,273)
Net cash including all lease liabilities on an IFRS 16 measure		**17,979**	5,694

33 Acquisition of subsidiary undertaking – Enisca Group Limited

On 25 November 2022, the Company acquired the whole of the issued share capital of Enisca Group Limited ("Enisca") for a cash consideration of £14.6m. The Group previously held a 50% interest in Enisca Browne Ltd, a joint venture originally acquired through its subsidiary J Browne Group Ltd. As a result of obtaining control of Enisca Group Ltd, the Group has derecognised the investment in the joint venture and accounted for the acquisition of the remaining 50% interest as a business combination achieved in stages. This required the Group, as acquirer, to remeasure its previously held equity investment in Enisca Browne Ltd at its acquisition-date fair value. The Group's equity interest prior to acquisition was £1.4m and its remeasurement to £3.6m resulted in a gain of £2.2m which was recognised in the income statement (please see Note 3). The net acquisition cost was funded by a combination of cash and the Group's existing revolving credit facility provided by HSBC UK Bank plc, National Westminster Bank plc and Lloyds Banking Group plc.

Enisca is a multi-disciplinary engineering business operating in the water and environmental sector with headquarters in Cookstown, Northern Ireland but with a base on the UK mainland. Enisca has long term Mechanical, Electrical, Instrumentation, Controls and Automation (MEICA) frameworks with Southern Water, South East Water, Affinity Water, Yorkshire Water, Irish Water, Northern Ireland Water, Anglian Water and Northumbrian Water. The acquisition represents an excellent strategic fit, adding new capabilities and clients to Renew's water business which continues to benefit from the UK Government's commitment to spend £51bn over AMP7 into 2025. Further, Enisca will form a key part of the Group's strategy to maximise the opportunities presented by AMP8 ahead of the anticipated start of procurement in 2024.

33 Acquisition of subsidiary undertaking – Enisca Group Limited continued

The value of the assets and liabilities of Enisca at the date of acquisition were:

	Fair value £000
Assets	
Intangible assets	11,498
Property, plant and equipment	328
Right of use assets	501
Inventories	208
Trade and other receivables	7,411
Cash and cash equivalents	1,264
Total assets	21,210
Liabilities	
Lease liabilities	(403)
Deferred tax liabilities	(2,833)
Trade and other payables	(9,736)
Lease liabilities	(121)
Current tax liability	(324)
Total liabilities	(13,417)
Total identifiable net assets at fair value	7,793
50% equity interest measured at fair value	(3,555)
Goodwill arising on acquisition	10,360
Purchase consideration transferred	14,598

Goodwill of £10,360,000 arose on acquisition and is attributable to the expertise and workforce of the acquired business. Other intangible assets valued at £11,498,000, which represent customer relationships and contractual rights, were also acquired and will be amortised over their useful economic lives in accordance with IAS 38 and as defined within accounting policy Note 1.v Intangible assets. Amortisation of this intangible asset commenced from December 2022. Deferred tax has been provided on this amount.

Right of use assets and obligations under finance leases
The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities.

Fair value adjustments arising from the acquisition
In accordance with IFRS 3, the Board reviewed the fair value of assets and liabilities using information available during the 12 months after the date of acquisition. Fair value has been calculated using Level 3 inputs as defined by IFRS 13. No impairment was identified.

The fair value of trade and other receivables was £7.4m. The gross amount of trade and other receivables was £7.4m and it is expected that the full contractual amounts will be collected.

From the date of acquisition, Enisca has contributed £31.5m to revenue and £1.8m to profit before tax from continuing operations of the Group. If the acquisition of Enisca had occurred on 1 October 2022, Group revenue from continuing operations would have been approximately £925.0m and profit before tax for the year ended 30 September 2023 would have been approximately £58.2m.

Transaction costs of £0.6m were expensed and are included in exceptional items (please see Note 3).

34 Capital management

For the purposes of capital management, capital includes issued share capital, share premium account and all other equity reserves attributable to the equity holders of the parent. Capital allocation priorities can be found after the Financial Review in these Annual Report and Accounts.

The Group manages its capital structure and makes adjustments in light of changing economic conditions, suitable conservative leveraging levels and the requirements of the financial covenants. The Group will ensure conservative leveraging by seeking to pay down debt quickly after acquisitions.

The Group's key financing sources are cash generated from operations and the £80m secured revolving credit facility (secured to November 2026).

The secured facility includes 2 key covenant requirements:

i) Interest cover must exceed a 3 times multiple of adjusted EBITDA

ii) leverage must not exceed a 2 times multiple of adjusted EBITDA

The covenant's definition of interest is pre-IFRS 16 "Leases" which therefore excludes the impact of the capitalisation of operating leases in the income statement and balance sheet. The covenant also excludes the interest charged to the income statement as a consequence of the two defined benefit schemes reporting under IAS 19 "Employee Benefits." (Please see Note 28 for more details.)

The covenant's definition of adjusted EBITDA ("EBITDAE") excludes exceptional items, the impact of IFRS 16 "Leases", amortisation and the profit on disposal of property, plant and equipment ("PPE").

Interest	Note	2023 £000	2022 £000
Finance income	5	**360**	16
Finance costs	5	**(1,285)**	(573)
IFRS 16 non-H.P. interest charge		**435**	292
Interest charge for covenant calculation		**(490)**	(265)
Operating Profit		**58,965**	49,979
Amortisation and exceptional items	3	**4,644**	8,794
Depreciation	11,12	**10,688**	10,136
EBITDAE per the statutory accounts		**74,297**	68,909
Profit on sale of property, plant and equipment	3	**(822)**	(830)
IFRS 16 non-H.P. depreciation charge		**(4,406)**	(4,012)
IFRS 16 non-H.P. operating profit benefit		**(383)**	(252)
EBITDAE for covenant calculations		**68,686**	63,815
Interest cover (minimum 3x)		**140**	241

The covenant includes in "net debt" interest bearing loans, borrowings and hire purchase liabilities less cash and short-term deposits.

	Note	2023 £000	2022 £000
Interest bearing borrowings	20	**—**	7,341
Hire purchase liabilities	21	**5,094**	5,251
Less cash and short-term deposits	18	**(35,657)**	(27,559)
Net (cash)/debt		**(30,563)**	(14,967)
Net (cash)/debt/EBITDAE multiple (maximum +2x)		**(0.44)**	(0.23)

The Group has a negative multiple reflecting strong cash reserves in the balance sheet and a record trading result. The improved ratio is after the impact of the net £13.3m paid for the acquisition of Enisca.

The Group has complied with its banking covenants throughout the financial year which are tested on a quarterly basis.

The strong cash generative characteristics of the business, combined with its undrawn facility, allows the Group to comfortably manage temporary variations in working capital, invest in the business to deliver organic growth. and continue to pursue a progressive dividend policy.

34 Capital management continued

	Note	2023 £000	2022 £000	Movement %
Investment in Property, plant and equipment (cash funded)	11	**5,509**	5,057	9%
Investment in right of use assets (lease funded)	12	**10,003**	5,615	78%
		15,512	10,672	45%
Dividends paid	8	**13,683**	13,281	3%
Profit for the year		**43,384**	37,665	
Dividend cover		**3.2**	2.8	

The facilities in place provide sufficient headroom for the Group to respond quickly to acquisition opportunities that are consistent with our stated strategy. The headroom comprised at the year end:

	Note	2023 £000	2022 £000
Cash and short term deposits	18	**35,657**	27,559
Less borrowings	20	**—**	(7,341)
Net cash		**35,657**	20,218
Undrawn revolving credit facility		**80,000**	80,000
Headroom		**115,657**	100,218

35 Contingent liabilities

Liabilities have been recorded based on the Directors' best estimate of uncertain contract positions, known legal claims, investigations and legal actions in progress. The Group takes legal advice as to the likelihood of the success of claims and actions and no liability is recorded where the Directors consider, based on that advice, that the action is unlikely to succeed. The Group also has contingent liabilities in respect of other issues that may have occurred, but where no claim has been made.

Contingent liabilities may arise in respect of third party claims made against the Group, particularly in respect of the Group's discontinued operations. 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. In future, the extent of the provision could increase or reduce, in line with normal accounting practice if new issues are identified or if estimates change, as the Group and building owners continue to undertake their own investigative works on these and other schemes within the discontinued portfolio.

36 Post balance sheet event

On 26 October 2023, West Cumberland Engineering Ltd, a wholly-owned subsidiary of Renew Holdings Plc, acquired the whole of the issued share capital of TIS Cumbria Ltd ("TIS") for a gross cash consideration of £4.7m less a net working capital adjustment of £(0.6)m. The net £4.1m acquisition cost was funded from existing cash resources. There is no deferred consideration payable.

Based in Cumbria, TIS is a leading nuclear manufacturing and fabrication specialist. In line with the Group's strategy, the acquisition enhances Renew's nuclear services offering by immediately doubling manufacturing capacity and strengthening Renew's position in the growing nuclear decommissioning and new build markets.

This acquisition will allow the Group to continue to support its existing clients and take advantage of increasing demand across the decommissioning and new nuclear build programmes. The added manufacturing capacity will allow Renew to better support its existing clients, as well as strengthening its broader market position. TIS represents an excellent strategic fit with the Group's existing multidisciplinary nuclear capability, which offers attractive long term structural growth opportunities underpinned by highly visible committed regulatory spend in a sector where the Group has extensive experience.

The principal asset category acquired is tangible fixed assets with a net book value of c.£4m including freehold land and buildings externally valued at £3.1m. All cash and loans, with the exception of two small hire purchase agreements, were settled prior to acquisition. The fair value exercise continues for net working capital categories. The acquisition will be reported in more detail in the Interim results for the six months ending 31 March 2024.

Company balance sheet
for the year ended 30 September

	Note	2023 £000	2022 (restated*) £000
Fixed assets			
Tangible assets	E	34	1,333
Investments	F	266,912	236,502
		266,946	237,835
Current assets			
Debtors due after one year	G	2,456	2,230
Debtors due within one year	G	22,331	47,568
Cash at bank		—	27,549
		24,787	77,347
Creditors: amounts falling due in less than one year	H	(107,123)	(164,471)
Net current liabilities		(82,336)	(87,124)
Total assets less current liabilities		184,610	150,711
Provisions for liabilities and charges	I	(12,947)	(5,673)
Net assets		171,663	145,038
Capital and reserves			
Share capital	K	7,913	7,886
Share premium account		66,419	66,378
Capital redemption reserve		3,896	3,896
Share based payments reserve		1,267	1,375
Profit and loss account		92,168	65,503
Equity shareholders' funds		171,663	145,038

* Please see accounting policy Note A.

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account.
The profit after taxation for the financial year dealt with in the accounts of the Company was £39,503,000 (2022: £32,412,000).

Approved by the Board and signed on its behalf by:

D A Brown
Chairman
28 November 2023

Company statement of comprehensive income

for the year ended 30 September

	2023 £000	2022 £000
Profit for the year	**39,503**	32,412
Items that will not be reclassified to profit or loss:		
Movement in actuarial valuation of the defined benefit pension scheme	**104**	1,538
Movement on deferred tax relating to the pension scheme	**(36)**	(538)
Total items that will not be reclassified to profit or loss	**68**	1,000
Total comprehensive income for the year attributable to equity holders of the parent company	**39,571**	33,412

Company statement of changes in equity

for the year ended 30 September

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Total equity shareholders' funds £000
At 1 October 2021	7,868	66,378	3,896	1,079	45,010	124,231
Transfer from profit and loss account for the year					32,412	32,412
Dividends paid					(13,281)	(13,281)
New shares issued	18					18
Recognition of share based payments				658		658
Vested share option transfer				(362)	362	—
Movement in actuarial valuation of the defined benefit pension scheme					1,538	1,538
Movement on deferred tax relating to the pension scheme					(538)	(538)
At 30 September 2022	7,886	66,378	3,896	1,375	65,503	145,038
Transfer from profit and loss account for the year					39,503	39,503
Dividends paid					(13,683)	(13,683)
New shares issued	27	41				68
Recognition of share based payments				669		669
Vested share option transfer				(777)	777	—
Movement in actuarial valuation of the defined benefit pension scheme					104	104
Movement on deferred tax relating to the pension scheme					(36)	(36)
At 30 September 2023	**7,913**	**66,419**	**3,896**	**1,267**	**92,168**	**171,663**

A Accounting policies

(i) Basis of accounting

Renew Holdings plc (the "Company") is a company limited by shares and domiciled in the UK. The accounts have been prepared on the going concern basis and in accordance with FRS 102, under the historical cost convention. In determining that the going concern basis is appropriate the Directors have reviewed the Company's cash flow and operating forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (for the period ending 31 December 2024).

Prior year restatement

Cash and bank overdraft

Cash at bank has been restated in the Company Balance Sheet for the year ended 30 September 2022. The Company had previously offset in error a positive cash balance held in an account with a separate financial institution against the Company's Bank overdraft included in the composite banking arrangement. As such, a legal right to offset did not exist. As such Cash at bank reported in FY22 has increased from £48,000 to £27,549,000 and Creditors has increased from £136,970,000 to £164,471,000 (with line item Bank loans and overdraft (secured) increased from £86,827,000 to £114,328,000). This restatement impacts the Company balance sheet and Footnote H – Creditors: amounts falling due within one year (Bank loans and overdraft (secured) line item).

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006. The Company has taken advantage of the Section 408 exemption not to present its individual profit and loss account as it has prepared group accounts.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosure:

- Cash Flow Statement and related notes.

As the consolidated financial statements of Renew Holdings plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- the disclosure required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

A summary of the more important Company accounting policies, which have been applied consistently, is set out below:

(ii) Investments in subsidiaries

Investments in subsidiaries are recorded at cost less provision for impairment.

(iii) Tangible fixed assets

The accounting policy applied by the Company for tangible fixed assets is the same as the policy applied by the Group, which is set out in Note 1.vi Property, plant and equipment to the consolidated financial statements.

(iv) Leasing commitments

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

(v) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. In accordance with FRS 102 "The Financial Reporting Standard", deferred tax is not provided on permanent timing differences. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

(vi) Basic financial instruments – trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

(vii) Related party transactions

Interest is neither recognised nor charged on balances outstanding with fellow subsidiaries as they are repayable on demand. Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(viii) Foreign currencies

The accounting policy applied by the Company for foreign currencies is the same as the policy applied by the Group, which is set out in Note 1.xix Foreign currencies to the consolidated financial statements.

A Accounting policies continued

ix) Employee benefits

Defined benefit pension scheme

The accounting policy applied by the Company for employee benefits is the same as the policy applied by the Group, which is set out in Note 1.xvi Defined benefit pension schemes to the consolidated financial statements.

Defined contribution pension schemes

A defined contribution scheme is a post-employment benefit scheme under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised in expense in the profit and loss account in the periods during which services are rendered by employees.

Share based payments

The accounting policy applied by the Company for share based payments is the same as the policy applied by the Group, which is set out in Note 1.xxi Share based payments to the consolidated financial statements.

(x) Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

B Profit and loss account

The audit fee charged within the profit and loss account amounted to £227,000 (2022: £226,000).

C Employee numbers and remuneration

	2023 Number	2022 Number
The average monthly number of employees, all of whom were administrative staff including Executive Directors, employed in continuing activities during the year was:	**29**	29
At 30 September:	**29**	29

Cost of staff, including Executive Directors, during the year amounted to:

	£000	£000
Wages and salaries	**4,283**	5,300
Social security costs	**844**	880
Other pension costs	**187**	153
Share based payments	**669**	658
	5,983	6,991

Directors' emoluments

The accounting disclosure for Directors' emoluments by the Company is the same as applied by the Group, and details of aggregate employment costs together with individual Directors' emoluments and pension contributions can be found in Note 6 to the consolidated financial statements.

D Dividends

Details of dividends are set out in Note 8 of the Group's consolidated financial statements.

E Tangible fixed assets

	Freehold land and buildings £000	Plant, vehicles & equipment £000	Total £000
Cost:			
At 1 October 2022	1,250	297	1,547
Additions	—	9	9
Disposals	(1,250)	(40)	(1,290)
At 30 September 2023	**—**	**266**	**266**
Depreciation:			
At 1 October 2022	—	214	214
Charge for year	—	58	58
Disposals	—	(40)	(40)
At 30 September 2023	**—**	**232**	**232**
Net book value:			
At 30 September 2023	**—**	**34**	**34**
At 30 September 2022	1,250	83	1,333

F Investments

	Subsidiary undertakings £000
Shares at cost:	
At 1 October 2022	361,990
Additions	14,598
Loan simplification capitalisations	15,812
At 30 September 2023	**392,400**
Provisions:	
At 1 October 2022	125,488
Provided during the year	—
At 30 September 2023	**125,488**
Net book value:	
At 30 September 2023	**266,912**
At 30 September 2022	236,502

Details of the acquisition of Enisca Group Ltd can be found in Note 33 of the Group's consolidated accounts.

During the financial year the Group carried out an inter-company loan simplification exercise. Subsidiaries which owed the Company had their balances eliminated through a deemed capital contribution.

Details of subsidiary undertakings are included in Note R.

G Debtors due after one year

	2023 £000	2022 £000
Pension scheme asset (see Note Q)	**2,456**	2,230
Due within one year:		
Trade debtors	**1**	66
Due from subsidiary undertakings	**9,240**	38,303
Corporation tax	**11,629**	7,669
Other debtors	**61**	56
Deferred tax (see below)	**893**	1,136
Prepayments and accrued income	**507**	338
	22,331	47,568
	24,787	49,798

Deferred tax
The movement in the deferred tax asset is as follows

	2023 £000	2022 £000
At 1 October	**1,136**	959
Charged to the profit and loss account	**(207)**	715
Charged to the statement of comprehensive income	**(36)**	(538)
At 30 September	**893**	1,136

Deferred tax asset

	2023 £000	2022 £000
Defined benefit pension scheme	**(862)**	(783)
Accelerated capital allowances	**20**	16
Provisions	**1,418**	1,418
Share options	**317**	485
	893	1,136

H Creditors: amounts falling due within one year

	2023 £000	2022 (restated*) £000
Bank loans and overdraft (secured)	**86,748**	114,328
Trade creditors	**769**	310
Other taxation and social security	**1,469**	1,255
Due to subsidiary undertakings	**14,928**	40,495
Corporation tax	**101**	—
Other creditors	**248**	278
Accruals	**2,860**	7,805
	107,123	164,471

The bank loan disclosed above is one of the accounts included in the composite banking arrangement the Group has with HSBC. This arrangement gives the Group a legally enforceable right to set off the balances in these accounts. Furthermore, there is an intention that the Group will settle the year-end balances net, and therefore amounts in these accounts are offset in the Group balance sheet.

* Please see accounting policy Note A.

I Provisions for liabilities and charges

	Property obligations £000	Contractors' all risk insurance provision £000	Discontinued operations provision £000	Total £000
At 1 October 2022	338	5,335	—	5,673
Transfer from accruals	—	—	5,335	5,335
Additional provision	—	—	3,676	3,676
Utilised in the year	—	(214)	(1,523)	(1,737)
At 30 September 2023	**338**	**5,121**	**7,488**	**12,947**
Creditors due within one year	—	5,121	7,488	12,609
Creditors due after one year	338	—	—	338
At 30 September 2023	**338**	**5,121**	**7,488**	**12,947**

The accounting disclosure for provisions for liabilities and charges is the same as that applied by the Group and details can be found in Note 22 to the consolidated financial statements.

Under the terms of the Renew Holdings plc's Group banking agreement, security has been granted over the Company's assets.

J Derivatives and other financial instruments

Fair value of financial assets and liabilities

There are no material differences between fair value and the book value of the Company's financial assets and liabilities.

K Share capital

Details of share capital are set out in Note 24 of the Group's consolidated financial statements.

Details of the share option scheme are set out in Note 25 of the Group's consolidated financial statements.

L Share based payments reserve

Details of the share based payment reserves are set out in Note 25 of the Group's consolidated financial statements.

M Capital and leasing commitments

	Land and buildings £000	Other £000	Total 2023 £000	Total 2022 £000
Annual commitments under non-cancellable operating leases expiring in:				
Under one year	**74**	**23**	**97**	74
Two to five years	**237**	**30**	**267**	311
Five or more years	—	—	—	—
	311	**53**	**364**	385

During the year £146,000 (2022: £229,000) was recognised as an expense in the profit and loss account in respect of operating leases.

The Company had no capital commitments at 30 September 2023 (2022: £nil).

N Contingent liabilities

The Company has guaranteed performance bonds in respect of certain contracts and leasing arrangements in the normal course of business of its subsidiary undertakings.

Under the terms of the Group's banking agreement, security over the Company's assets has been granted to the Group's bankers.

The Company is a participant together with a number of subsidiary undertakings in the Group's banking arrangements, and as a result has risks associated with the financial status and performance of the other companies within the Group.

The Company has contingent liabilities regarding discontinued operations which are set out in Note 35 of the Group's consolidated financial statements.

O Defined contribution pension scheme

The Company operates a defined contribution pension scheme with individual stakeholder pension plans for its employees.

The Company made contributions of £187,000 (2022: £153,000) into these plans during the year. There are also £17,000 (2022: £13,000) of accruals relating to these plans.

P Related parties

The Company has a related party relationship with its key management personnel who were Directors of the Company during the year: P Scott, AP Liebenberg, SC Wyndham-Quin, DA Brown, SD Dasani, SA Hazell and E Barber, whose total compensation amounted to £4,254,000 (2022: £5,017,000) all of which was represented by short-term employment benefits, including £1,757,000 (2022: £2,773,000) relating to share options exercised during the year. An analysis of this compensation is given in Note 6 of the consolidated accounts.

There were no other transactions with key management personnel in the year.

Q Employee benefits: retirement benefit obligations

Details of the Lovell defined benefit scheme are set out in Note 28 of the Group's consolidated accounts.

R Subsidiary undertakings

Renew Holdings plc acts as the holding company of the Group. The principal activity of the Group during the year was as contractors in Engineering Services and Specialist Building. The subsidiary undertakings and joint ventures are listed below.

Subsidiary undertakings and joint ventures		Incorporation & principal place of business	Proportion of Ordinary Shares held by the Company
Amco Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Britannia Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Carnell Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Clarke EV Ltd	Owned by Renew Holdings plc	England and Wales	100%
Clarke Telecom Ltd	Owned by Renew Holdings plc	England and Wales	100%
Enisca Group Ltd	Owned by Renew Holdings plc	Northern Ireland	100%
Inhoco 3520 Ltd	Owned by Renew Holdings plc	England and Wales	100%
J Browne Group Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Envolve Infrastructure Ltd	Owned by Renew Holdings plc	England and Wales	100%
QTS Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Civil Engineering Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Corporate Director Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Fleet Management Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Group Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Nominees Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Pension Trustee Company Ltd	Owned by Renew Holdings plc	England and Wales	100%
Renew Property Developments Ltd	Owned by Renew Holdings plc	England and Wales	100%
Seymour (C.E.C.) Holdings Ltd	Owned by Renew Holdings plc	England and Wales	100%
Shepley Engineers Ltd	Owned by Renew Holdings plc	England and Wales	100%
V.H.E. Construction PLC	Owned by Renew Holdings plc	England and Wales	100%
VHE Land Projects Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Group Services	Owned by Renew Holdings plc	England and Wales	100%
YJL Homes Ltd	Owned by Renew Holdings plc	England and Wales	100%
YJL Pension Scheme Trustee Company Ltd	Owned by Renew Holdings plc	England and Wales	100%
Amalgamated Construction Ltd	Owned by subsidiary	England and Wales	100%
Amalgamated Construction (Scotland) Ltd	Owned by subsidiary	Scotland	100%
Amco Engineering Ltd	Owned by subsidiary	England and Wales	100%
Amco Group Ltd	Owned by subsidiary	England and Wales	100%
Amco Giffen Ltd	Owned by subsidiary	England and Wales	100%
Amco Rail Ltd	Owned by subsidiary	England and Wales	100%
Amco Rail Engineering Ltd	Owned by subsidiary	England and Wales	100%
Britannia Construction Ltd	Owned by subsidiary	England and Wales	100%
Carnell Support Services Ltd	Owned by subsidiary	England and Wales	100%
Enisca Ltd	Owned by subsidiary	Northern Ireland	100%
Enisca Site Services Ltd	Owned by subsidiary	Northern Ireland	100%
Envolve Infrastructure Ltd	Owned by subsidiary	England and Wales	100%
Geodur UK Ltd	Owned by subsidiary	England and Wales	100%
Giffen Holdings Ltd	Owned by subsidiary	England and Wales	100%

R Subsidiary undertakings continued

Subsidiary undertakings and joint ventures		Incorporation & principal place of business	Proportion of Ordinary Shares held by the Company
Giffen Group Ltd	Owned by subsidiary	England and Wales	100%
'Hire One' Ltd	Owned by subsidiary	England and Wales	100%
J Browne Construction Ltd	Owned by subsidiary	England and Wales	100%
J Browne Capital Delivery Ltd	Owned by subsidiary	England and Wales	100%
J Browne Developer Services Ltd	Owned by subsidiary	England and Wales	100%
J Browne Plant Ltd	Owned by subsidiary	England and Wales	100%
KMD Holdings Ltd	Owned by subsidiary	England and Wales	100%
Kemada Ltd	Owned by subsidiary	England and Wales	100%
Kemada Project & Contract Services Ltd	Owned by subsidiary	England and Wales	100%
Knex Pipelines & Cables Ltd	Owned by subsidiary	England and Wales	100%
Motrol Ltd	Owned by subsidiary	Northern Ireland	100%
Mothersill Engineering Ltd	Owned by subsidiary	England and Wales	100%
Nuclear Decontamination Services Ltd	Owned by subsidiary	England and Wales	100%
Pine Plant Ltd	Owned by subsidiary	England and Wales	100%
P.P.S. Electrical Ltd	Owned by subsidiary	England and Wales	100%
Profitec Solutions Ltd	Owned by subsidiary	Northern Ireland	100%
QTS Rail Ltd	Owned by subsidiary	Scotland	100%
QTS Specialist Plant Services Ltd	Owned by subsidiary	Scotland	100%
QTS Training Ltd	Owned by subsidiary	Scotland	100%
Rail Electrification Ltd	Owned by subsidiary	Scotland	100%
Renew Construction Ltd	Owned by subsidiary	England and Wales	100%
Renew Specialist Services Ltd	Owned by subsidiary	England and Wales	100%
Seymour (Civil Engineering Contractors) Ltd	Owned by subsidiary	England and Wales	100%
VHE (Civil Engineering) Ltd	Owned by subsidiary	England and Wales	100%
VHE Equipment Services Ltd	Owned by subsidiary	England and Wales	100%
VHE Technology Ltd	Owned by subsidiary	England and Wales	100%
Walter Lilly & Co Ltd	Owned by subsidiary	England and Wales	100%
West Cumberland Engineering Ltd	Owned by subsidiary	England and Wales	100%
YJL Construction Ltd	Owned by subsidiary	England and Wales	100%
YJL Infrastructure Ltd	Owned by subsidiary	England and Wales	100%
YJL London Ltd	Owned by subsidiary	England and Wales	100%
Enisca Browne Ltd	Owned by subsidiaries*	Northern Ireland	100%
Blackwater Plant Hire Ltd	Owned by subsidiary	England and Wales	50%
Cappagh Browne Utilities Ltd	Owned by subsidiary	England and Wales	50%
Cappagh Browne Ltd	Owned by subsidiary	England and Wales	50%
Inject-O-Matic Guarantee Ltd	Owned by subsidiary	England and Wales	28.9%

The registered office of Amalgamated Construction (Scotland) Ltd is 5 Carradale Crescent, Glasgow, G68 9LE.

The registered office of Blackwater Plant Hire Ltd and Cappagh Browne Utilities Ltd is Meelin House, Unit 2 Pavilion Business Centre, 6 Kinetic Crescent, Enfield, EN3 7FJ.

The registered office of Cappagh Browne Ltd is Cappagh House, Waterside Way, Wimbledon, London, SW17 0HB.

The registered office of Enisca Browne Ltd is c/o Enisca Derryloran Industrial Estate, Sandholes Road, Cookstown, County Tyrone, Northern Ireland, BT80 9LU.

The registered office of QTS Group Ltd and its subsidiaries is Rench Farm, Drumclog, Strathaven, Lanarkshire, ML10 6QJ.

The registered office of all other subsidiary undertakings is 3175 Century Way, Thorpe Park, Leeds, LS15 8ZB.

* Enisca Browne Ltd is a wholly-owned subsidiary by the Group but is legally represented by 2 joint ventures owned 50% by J Browne Ltd and 50% by Enisca Ltd.

Directors, officers and advisors

Directors

D A Brown	(Non-executive Chairman)
P Scott	(Chief Executive Officer)
S C Wyndham-Quin	(Chief Financial Officer)
S D Dasani	(Independent non-executive)
S A Hazell	(Independent non-executive)
L Barber	(Independent non-executive)
A P Liebenberg	(Executive Director)

Registrars

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Financial PR

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Nominated advisor and broker

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London
EC2V 7BF

Peel Hunt LLP
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EC2M 2AT

Company Secretary

S Wyndham-Quin

Company number

650447

Registered address

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Thorpe Park
Leeds
LS15 8ZB

Website address

www.renewholdings.com

Shareholder information

Annual General Meeting	30 January 2024
Results	Announcement of interim results – May 2024
	Preliminary announcement of full year results – December 2024

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Dividend Re-investment Plan
Link's Dividend Re-investment Plan offers a convenient way for shareholders to build up their shareholding by using dividend money to purchase additional shares. For more information please call +44 (0)371 664 0381 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email shareholderenquiries@linkgroup.co.uk or log on to www.signalshares.com.

Donate your shares to charity
If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 1052686). Find out more at www.sharegift.org or by telephoning 020 7930 3737.

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Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls typically come from fraudsters operating in "boiler rooms" that are mostly based abroad. If you are offered unsolicited investment advice you should:

- Check the Financial Services Register at www.fca.org.uk to ensure they are authorised.
- Call the FCA Consumer Helpline on 0800 111 6768 or use the share fraud reporting form at www.fca.org.uk/scams.

If you use an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme ("FSCS").

Link's customer support centre
By phone +44 (0)371 664 0300 (calls are charged at the standard geographical rate and will vary by provider). Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. By email Shareholderenquiries@linkgroup.co.uk.

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Clarke Telecom
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Envolve Infrastructure
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