

VITAL HOLDINGS LIMITED

REPORT & FINANCIAL STATEMENTS

For the year ended 30th June 2026

Company Registration No. 06395526 (England and Wales)

CONTENTS

3. Company Information
4. Chairman Statement
5. CEO Statement
6. Principal Activity
7. Fair Review of the Business
8. Financial Performance
10. Our Approach to Sustainability
12. Key Opportunities
13. Key Risks and Uncertainties
14. Our Sustainability Performance
15. Environmental Performance
16. Social Performance
17. Governance Performance
18. Section 172(1) statement
19. Streamlined Energy Carbon Report (SECR)
20. Financial Statement

COMPANY INFORMATION

VITAL HOLDINGS LIMITED

DIRECTORS

Mr G J Fielding
Mr I M Whitelock
Mr G D V Le Sueur
Mrs S A Fielding
Ms C Parker
Mr M I Cooke
Mr A P Malin
Mr A J Smyth *(Appointed September 2026)*

SECRETARY

Mr S McKechnie

COMPANY NUMBER

06395526

REGISTERED OFFICE

Century House, Roman Road, Blackburn, Lancashire BB1 2LD

AUDITOR

RSM UK Audit LLP,
Chartered Accountants, Bluebell House,
Brian Johnson Way, Preston, Lancashire PR2 5PE



VITAL HOLDINGS LIMITED

Vital Energi's annual report is a testament to our **unwavering commitment** to a sustainable future. We are passionate about protecting our planet for future generations, and this purpose drives everything we do.

FY26 marked an important step in the evolution of Vital Energi. Over the last twenty-five years, the business has developed from a specialist heat network developer into a national energy infrastructure group.

While our core contracting, construction and operational activities remain fundamental to our success, we have broadened our role within the energy sector. We continue to deliver projects and services for third-party clients across heat networks, decarbonisation, energy infrastructure and long-term asset operations. At the same time, customers are increasingly seeking partners capable of supporting infrastructure throughout its lifecycle. Our strategy reflects this shift, combining project delivery, operation and maintenance expertise with selective investment in infrastructure assets.

A defining feature of FY26 was the continued development of the Group's asset ownership platform. Our successful Nordic bond raise provided the capital required to accelerate this strategy and create a strong foundation for future growth. This evolution positions the Group across a broader proportion of the energy value chain and creates a more diversified business model capable of generating both project-based and recurring revenues over the long term.

During the year, the Group continued to enhance the performance of the Drakelow Energy from Waste facility while progressing the redevelopment of Port Clarence into a Refuse Derived Fuel Energy from Waste facility. We also strengthened our position in the development, financing and long-term ownership of heat networks through the Towns and Cities Advanced Zoning Programme ("AZP"). During the year, we were appointed as Development Partner for the Plymouth, Birkenhead, Trafford and Stockport schemes, creating opportunities to support the development and long-term operation of strategically important heat network infrastructure. Vital Community Energi also continues to provide a complementary route to market for community-scale energy and concession opportunities.

Asset ownership is not a departure from our core business; it is a natural progression of it. By combining our development, construction, operational and asset management capabilities with ownership, we can participate throughout the infrastructure lifecycle and create more resilient, recurring revenue streams while continuing to deliver infrastructure and services for our customers and supporting the UK's transition to a lower-carbon energy system.

GARY FIELDING | CHAIRMAN

A PLATFORM FOR SUSTAINABLE GROWTH

FY26 was a year of strong operational performance and growth across the group. Demand for decarbonisation, heat networks and energy infrastructure remained robust, supporting a healthy order book and sustained work-winning success in our core business activities.

Across the organisation, our teams continued to deliver complex projects safely and effectively while strengthening long-term customer relationships and maintaining high standards of operational performance.

We continued to invest in the fundamentals that underpin our success.

During the year, we expanded our workforce, strengthened our early-careers programmes, enhanced learning and development initiatives and continued to improve the systems and processes that support delivery across the business.

Alongside commercial success, we achieved important milestones in sustainability and governance, including retaining our EcoVadis Silver rating with an improved score, completing our first United Nations Global Compact Communication on Progress and enhancing our governance framework through the introduction of dedicated Board committees. These achievements reflect our commitment to responsible growth and continuous improvement.

We enter FY27 from a position of strength. The group has a substantial order book, a healthy pipeline of opportunities and increasing demand for the services and infrastructure required to support the UK's energy transition. This provides a strong platform for continued growth, resilience and long-term value creation. We also remain encouraged by the strength of our customer relationships and repeat business.



Our focus remains on disciplined growth, **operational excellence** and the successful delivery of the opportunities already secured.

Our focus remains on disciplined growth, operational excellence and the successful delivery of the opportunities already secured. By continuing to invest in our people, systems and operational capability, we are well positioned to convert this demand into sustainable long-term growth.

IAN WHITELOCK | CEO

STRATEGIC REPORT

Principal Activity

Vital Energi plays an active role in the UK's energy transition, delivering integrated infrastructure, services and operational solutions that combine technical expertise, innovation, and long-term asset performance. The group provides energy-related services, systems and infrastructure solutions for customers, while also owning and operating selected energy assets.

The group conducts its activities through four principal operating businesses: Vital Energi Utilities is the principal contracting entity, delivering a diverse range of energy-related construction and operations & maintenance (O&M) services across multiple sectors; Vital Energi Solutions principally delivers long-term energy performance contracts, which involve building and operating energy infrastructure to deliver carbon and/or financial savings to clients; Vital Community Energi owns and operates Energy Services Companies (ESCos), managing energy centres and distribution networks under long-term energy supply agreements; and Vital Energi Generation (through its subsidiary Vital Energi (Drakelow) Limited) and Vital Energi (Port Clarence) Limited support the group's growing generation and asset ownership activities.

Our core services include the design, installation and operation of energy systems and infrastructure. Activities including energy generation, heat recovery, energy storage, development of heat and electricity distribution networks and energy efficiency solutions, using a broad range of technologies, allow us to discharge our obligations under long-term energy supply agreements, meet customer requirements and support environmental and decarbonisation objectives.

Our purpose, "Protecting our planet for future generations", remains central to our strategy, decision-making and culture. It guides how we work with customers, investors, supply chain partners and local communities to deliver sustainable infrastructure that supports the energy transition and creates environmental, social and economic value.



We work with **clients, partners and community** stakeholders to ensure we deliver value in terms of:

- Support the transition to lower-carbon and more sustainable energy systems
- Deliver efficient, resilient and commercially viable energy solutions
- Enhance energy security and resilience
- Create employment, skills and local supply chain opportunities
- Deliver positive outcomes for the communities in which we operate.

During the year, the group continued to expand its asset ownership activities, including the ongoing transformation of the Port Clarence Energy-from-Waste facility (EfW) from its original biomass design towards Refuse Derived Fuel (RDF) operation. The group also continued to develop ESCo and heat network opportunities that support infrastructure investment and operation. Vital Energi operates across a diverse range of sectors including healthcare, education, local government, residential development, industrial, commercial, transport and energy generation. By combining engineering expertise, operational excellence and asset stewardship, we continue to support the UK's evolving energy system while creating sustainable value for our stakeholders.

Fair Review of the Business

Overview and Strategic Context | Year in Review

The financial year 1 July 2025 – 30 June 2026 (FY26) was a significant year for the group as it continued to broaden from a predominantly traditional design-build-operate-maintain (DBOM) contractor into a more diversified energy infrastructure business.

A defining feature of the year was the development of Generation & Asset Ownership activities. FY26 represented the first full year of operation for the group's Drakelow EfW, with management focus on improving operational performance, plant reliability and asset-level capability. At Port Clarence, work commenced on the transformation from a biomass plant to a fully operational Refuse Derived Fuel (RDF) EfW. Together, these projects demonstrate the group's increasing capability as both an owner and operator of strategic energy infrastructure.

Through Vital Community Energi, the group consolidated its Energy Services Company (ESCo) activities and development pipeline. Progress was made across a range of heat network, concession and long-term energy services opportunities, supporting the group's position in customer energy networks.

Strategic development activity also progressed during the year. The group secured important progress across its Towns & Cities programme, including the successful award of Plymouth, Trafford, Birkenhead and Stockport (post year-end).

These projects demonstrate the group's capability to support place-based decarbonisation programmes that integrate heat networks, energy infrastructure and asset ownership. Development work also continued in Hull, where the group progressed major heat network and infrastructure delivery aligned with city-scale decarbonisation.

Further diversification was achieved through the group's energy storage portfolio, including planning consent for two Battery Energy Storage Systems (BESS) developments in Scotland. The year also marked the commencement of the group's Independent Distribution Network Operator (IDNO) activities following the successful award of its licence. In parallel, the group continued to develop complementary capabilities in energy trading, digital solutions and advanced energy technologies.

"As the market moves beyond individual projects towards long-term, place-based decarbonisation, our combination of technical, commercial and development expertise provides a strong platform for growth. The momentum behind heat network zoning is reinforcing the direction we have been taking as a business for many years."

Mike Cooke, Managing Director
Vital Energi Utilities Limited



"Building a portfolio of energy-from-waste assets is a significant step in the group's evolution. With Drakelow operational and Port Clarence progressing through redevelopment, we are creating strategic infrastructure that will underpin future growth while supporting the UK's transition to a more secure and sustainable energy system."

Ashley Malin, Managing Director
Vital Energi Solutions Limited





Financial Performance

The group achieved turnover of £310.9m, continuing the substantial growth delivered in the prior year, with revenue increasing by 13.2% from £274.6m in FY25. We are pleased to report that the gross margin improved to 15.9%, an increase of 0.4% compared with the previous year. This improvement was primarily driven from stronger internal controls and decision making on the existing product mix. Strong sales performance across the core business during the year also contributed to the enhanced margin.

Alongside this organic growth, overheads increased in line with the expansion of the business. As in the previous year, significant depreciation charges were incurred in relation to the EfW assets. To support the group's strategic growth plans, the group's average headcount continued to increase and reached 831 employees in FY26, compared with 764 employees in FY25. Employee costs increased from £54.3m in FY25 to £62.2m in FY26. Whilst the current economic environment continued to create inflationary pressure on operating costs, the impact was mitigated where possible through effective supplier negotiations and cost management initiatives led by senior management. The group continued to deliver strong year-on-year profitability.

Pre-exceptional and share-based payment EBITDA of £20.2m (2025: £17.7m) reconciles to operating profit of £37.6m (2025: £11.9m) as reported in the consolidated statement of comprehensive income. The reconciliation comprises exceptional net gains of £25.8m (2025: expense of £1.0m), share-based payment charges of £1.2m (2025: £0.8m) and depreciation, amortisation and losses on disposal of fixed assets of £7.3m (2025: £4.0m). The EBITDA increase represents a 14.1% improvement in underlying trading performance. EBITDA as a percentage of turnover increased marginally to 6.5% from 6.4%, demonstrating the group's ability to maintain operating margins while delivering sustainable growth.

Statutory profit before taxation increased significantly to £27.2m (2025: £7.6m). During the year, the group recognised exceptional gains of £34.7m, partially offset by exceptional costs of £8.9m.

KEY FACTS

13.2%
INCREASE IN TURNOVER

14.1%
INCREASE IN EBITDA

104.4%
INCREASE IN CASH

31.5%
INCREASE IN NET ASSETS





"Our strategic shift toward long-term asset ownership has fundamentally enhanced our capital base and risk-adjusted returns. By maintaining rigorous capital discipline and a robust balance sheet, we are ensuring that our growth is both high-quality and sustainable for the long term"

Cécile Parker, Chief Financial Officer
Vital Energi Group of Companies

The exceptional gains principally arose from the net gain recognised on the extinguishment of the Aviva debenture, while exceptional costs primarily related to one-off strategic and restructuring activities, including project-related costs, group reorganisation costs, redundancy expenses and impairment charges recognised against certain unlisted investments and external loans.

Net finance costs increased to £10.4m (2025: £4.3m), principally reflecting interest incurred on the group's bond financing arrangements. This was partially offset by interest income earned on loans advanced to external third parties. Despite the increase in financing costs, the group delivered a strong statutory result and continued growth in underlying operating profitability during the year.
Net assets grew significantly to £85.5m, representing growth of 31.5% from £65.0m in FY25. The group ended the year with a strong liquidity position, holding cash balances of £144.4m, up £73.8m or 104.4% from the £70.6m cash balances reported in FY25. This strong cash position, together with an enhanced capital base resulting from long-term asset ownership, provides a solid foundation to support future growth initiatives.

At 30 June 2026, the group had gross borrowings of £156.8m and net debt of £13.6m. The increase in cash and borrowings primarily reflects the successful issuance of the £150.0m Nordic ABM bond during the year, providing long-term funding to support the group's growth and investment strategy. Included in the year end cash balances is £37.4m of funds retained for potential future projects. During the year, the group recognised impairments in certain unlisted investments held outside its core operations where those investments were no longer considered commercially viable or aligned with the group's strategic objectives. Further investment was made in selected portfolio companies where encouraging progress and development milestones had been achieved. The Board remains confident in the group's ability to maintain the positive momentum achieved during FY26, underpinned by strong financial and operational performance.

Continued investment in people, increasing client commitment to net-zero targets and growing demand for decarbonisation solutions supported by government policy have enabled the group to secure a strong order book across both contracting and asset ownership opportunities. The sales pipeline remains robust and is supported by long-term cash forecasts extending to FY30, providing confidence in the group's future growth prospects.

Our Approach to Sustainability

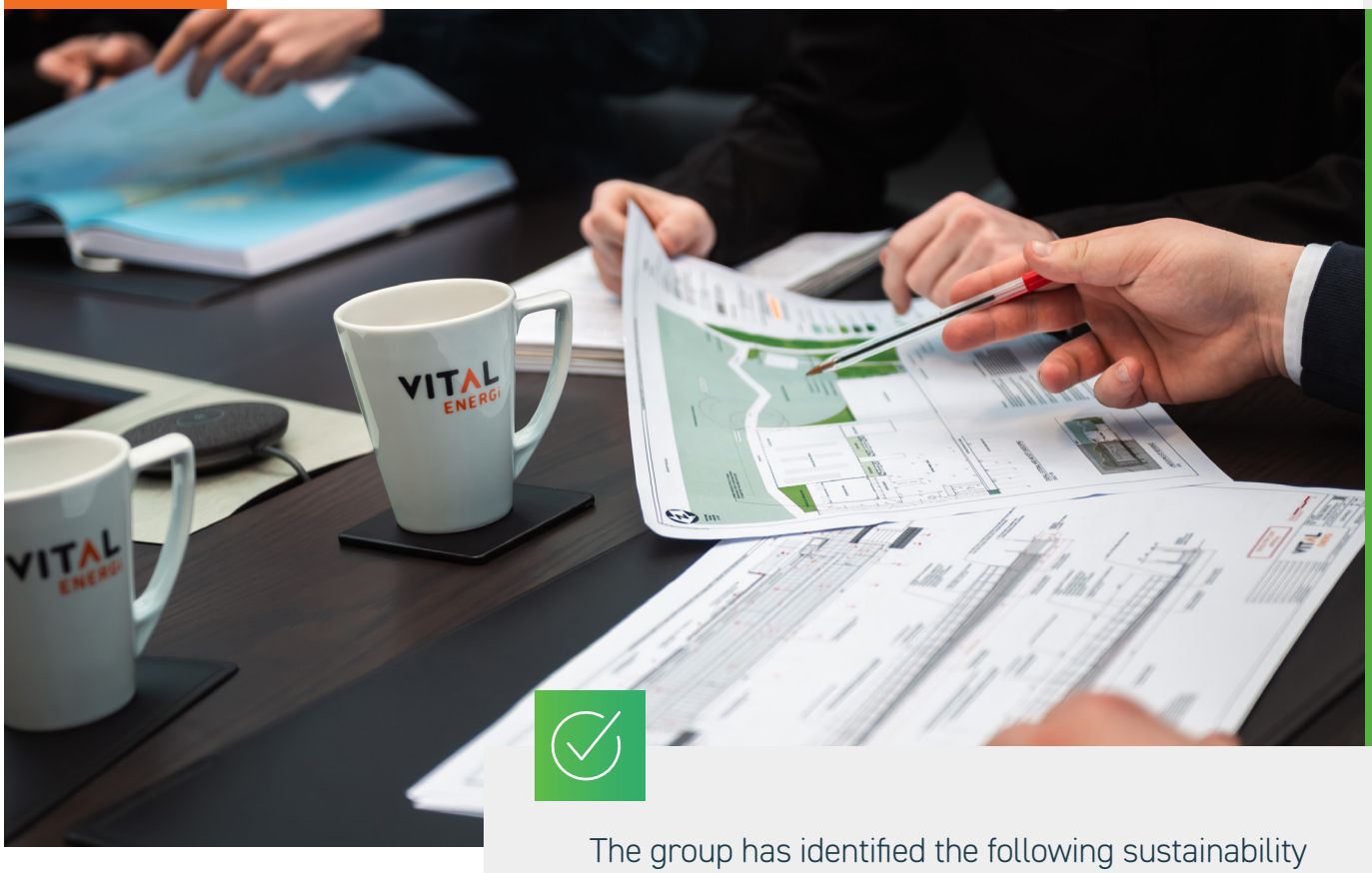
Governance Structure: Effective governance is fundamental to the group's ability to manage sustainability-related risks and opportunities, meet regulatory and investor expectations, and support sustainable value creation.

Ultimate accountability for Environmental, Social and Governance (ESG) matters sits with the Group Board, which provides strategic oversight and approves material decisions relating to sustainability, risk and long-term business performance. The Group Board is supported by several specialist sub-committees, including the Audit Committee, Risk & Compliance Committee, Remuneration Committee, Bond Committee and ESG Committee, each of which has defined responsibilities and reporting arrangements.

The ESG Committee provides structured oversight of the group's sustainability strategy, targets, disclosures, regulatory obligations and ESG-related risks. It also supports coordination between sustainability matters and existing governance processes, ensuring alignment with financial, compliance and remuneration oversight activities. Material decisions, capital commitments and changes to risk appetite remain subject to approval by the Group Board. ESG governance is embedded throughout the organisation through a structured reporting framework linking the Group Board, Executive Board, Asset Boards and Strategic & Operational Boards. This framework provides oversight of sustainability performance, regulatory compliance, health and safety, people, environmental management and social value delivery, while ensuring that significant risks, compliance matters and emerging issues are escalated to the appropriate governance forum.

The group's governance approach is designed to support transparent decision-making, effective risk management and accountability at all levels ensuring that sustainability considerations remain integrated within the group's broader business strategy and long-term growth objectives.





MATERIAL SUSTAINABILITY MATTERS

During the year, the group reviewed its sustainability priorities with reference to investor expectations, regulatory developments and the increasing significance of Generation and Asset Ownership activities. Particular consideration was given to matters identified as most relevant to shareholders, bondholders, customers, employees and local communities.

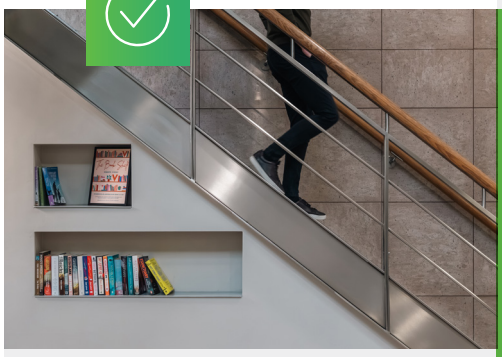
These topics provide the framework for the group's sustainability reporting and are addressed through the four pillars of Governance, Strategy, Risk Management, and Metrics & Targets set out in the group's ESG Strategy.

The group has identified the following sustainability matters as most material to its business:

- **Climate change and decarbonisation,** including greenhouse gas emissions, the transition of energy infrastructure assets and the development of a Climate Transition Plan.
- **Governance, ethics and accountability**, including oversight of sustainability-related risks, anti-bribery and corruption, whistleblowing and responsible business conduct.
- **Human rights and responsible supply chains**, including modern slavery risk management and supply chain due diligence.
- **Health, safety and wellbeing**, reflecting the group's responsibility for employees, contractors, customers and members of the public across operational and construction activities.
- **People, skills and inclusion**, including employee development, diversity and inclusion, recruitment, retention and organisational capability.
- **Community benefit and social value**, particularly in relation to long-term infrastructure development.

Key Opportunities

The UK energy market continues to be shaped by the cost of energy, energy security requirements, decarbonisation policy, infrastructure investment and growing demand for grid balancing and flexibility. The group has identified opportunities across heat networks, generation, energy storage, utility infrastructure, energy services and digital innovation. These opportunities support the creation of contracted and recurring revenue streams, strengthen the group's asset ownership platform and position the business to benefit from the continuing transition to a lower-carbon economy. The group is investing in the capabilities, systems and partnerships required to capitalise on these opportunities. Priorities include heat network and energy infrastructure development, optimisation of owned generation assets, growth in operational and ESCo activities, expansion of energy storage and utility infrastructure capability, and the development of innovation-led solutions that support customer decarbonisation and operational resilience.



Definition

Time horizons are defined as follows:

- **Short-term:** < 3 years
- **Medium-term:** 3-5 years
- **Long-term:** > 5 years

OPPORTUNITY	TIME HORIZON	SUSTAINABILITY ALIGNMENT	IMPLICATIONS FOR THE GROUP
Heat Networks and city-scale energy infrastructure	Short to Medium	**Climate Transition**	Continued investment in heat network infrastructure, zoning policy and place-based decarbonisation programmes creates opportunities across development, ownership and operation of networks and associated energy infrastructure. Leeds PIPES, Plymouth, Trafford, Birkenhead and Hull demonstrate the growing importance of city-scale opportunities
Generation and asset ownership	Short to Medium	**Climate Transition**	Expansion of the group's generation portfolio through Drakelow, Port Clarence and potential future infrastructure investments supports long-term recurring revenues, asset value creation and increased participation in the energy transition
Energy Services Companies (ESCos)	Medium to Long	**Sustainable Infrastructure**	Growing customer demand for outsourced ownership, operation, optimisation and decarbonisation of energy infrastructure creates opportunities through Vital Community Energi and long-term concession arrangements
Energy storage and grid infrastructure	Medium to Long	**Climate Transition**	Battery Energy Storage Systems (BESS), utility infrastructure and IDNO opportunities support electrification, energy system flexibility and network resilience while creating new ownership and operational opportunities
Energy trading and smart energy systems	Short to Medium	**Energy System Transformation**	Development of energy trading capability, market participation mechanisms and integration of generation, storage and demand-side infrastructure creates opportunities to optimise asset performance and support future energy markets
Innovation, digitalisation and data-led services	Medium to Long	**Resource Efficiency and Innovation**	Investment in digital platforms, asset management systems, lifecycle assessment capability, AI-enabled maintenance and emerging technologies supports operational efficiency, improved customer outcomes and future service development
Social Value and community-led infrastructure	Short to Medium to Long	**Social Sustainability**	Increasing emphasis on local economic impact, skills development, employment creation and community benefit within public sector procurement frameworks provides opportunities to differentiate the group while supporting stakeholder value creation
Regulatory and policy-driven market growth	Short to Medium	**Climate Transition**	Heat network regulation, zoning, building decarbonisation requirements and grid modernisation create opportunities for the group to apply its technical, compliance and operational expertise across infrastructure development, ownership and long-term operation

Key Risks and Uncertainties

The business operates in an increasingly regulated and rapidly evolving energy and infrastructure sector. During the year, the Board continued to oversee principal environmental, social and governance (ESG) risks through its governance framework and periodic risk reviews. The most significant sustainability-related risks relate to climate transition, regulatory compliance, health and safety, supply chain standards, workforce recruitment and retention and the group's net zero ambitions. The Board assesses these risks according to their potential impact, likelihood and time horizon and monitors the effectiveness of mitigation measures throughout the year. In addition, the group faces a number of financial and operational risks including financing and liquidity risks associated with its borrowing arrangements, including the £150.0m Nordic ABM bond due in August 2030, together with the need to maintain adequate liquidity and access to funding to support future growth and investment. The Board regularly monitors the group's cash generation, liquidity forecasts and financing requirements to manage these risks.The group is also exposed to operational and project delivery risks, including the performance and availability of its Energy from Waste facilities and the successful delivery of development projects. Furthermore, the recoverability of certain investments and loan balances remains dependent on the future performance of the underlying businesses and projects. These risks are managed through established governance processes, regular performance monitoring, project oversight and periodic reviews of asset and investment carrying values.

RISK	E/S/G	TYPE	TIME HORIZON	POTENTIAL IMPACT	MANAGEMENT APPROACH
Climate transition and decarbonisation requirements	E	Transition	Medium to Long	Evolving policy, customer expectations, and net zero commitments may require significant investment in low-carbon technologies, emissions reduction initiatives and supply chain engagement. Failure to adapt could reduce competitiveness and access to public sector opportunities	Net Zero target of 2035 for direct operations; carbon footprinting through Greenly; implementation of carbon reduction planning; investment in life cycle assessment capability and low-carbon energy solutions (e.g. fleet electrification); significant enhancement of energy monitoring and efficiency measures
Environmental and regulatory compliance	E	Compliance/ Operational/ Financial	Short to Medium	Non-compliance with environmental legislation (e.g. F-gas, waste or producer responsibility) or other legislation (e.g. heat networks, electricity markets) could result in financial penalties, enforcement action, project delays and reputational damage. Compliance burden may increase operational costs	ESG governance framework, environmental permit controls, external specialist support, compliance audits, ISO-certified management systems and strengthened operational procedures, supply chain engagement
Health, safety and environmental incidents	E S	Compliance/ Operational/ Financial/ Reputational	Short	Construction, energy infrastructure and operational activities expose employees, contractors, communities and the environment to potential risks. Serious incidents could result in injury, pollution, damage, enforcement action, business disruption and reputational damage	Certified Health & Safety, Environmental and Quality Management Systems, incident reporting, leadership training, behavioural safety programmes, audits and continual monitoring of performance indicators
Supply chain sustainability, including forced labour and modern slavery	S G	Compliance/ Reputational	Short to Medium	Complex supply chains create risks relating to labour standards, human rights, modern slavery and supplier ESG performance. Customer and framework assessments increasingly require evidence of robust due diligence	Modern slavery assessments, supplier onboarding, supplier ESG engagement both directly and via Greenly, supplier questionnaires, procurement improvements and targeted corrective actions
Employee recruitment, development and retention	S	Operational/ Financial/ Reputational	Short to Medium	Growth in low-carbon energy markets increases demand for technical expertise and site/operational experience. Skills shortages could affect delivery capability, compliance performance and growth ambitions	Investment in training, apprenticeships, graduate recruitment, leadership development and workforce planning
Governance, ethics and business conduct	G	Compliance/ Financial/ Reputational	Short to Medium	Failure to maintain governance, anti-bribery, corruption and whistleblowing arrangements could affect stakeholder confidence and access to funding and frameworks	Policy review programme, ethics and compliance training, anti-bribery controls, governance reviews and strengthened ESG reporting
Cybersecurity, data protection and operational resilience	G	Operational/ Financial/ Reputational	Short to Medium	Cybersecurity incidents, malicious attacks, data breaches or failure of operational technology and business systems could disrupt operations, compromise sensitive information, result in regulatory sanctions and damage stakeholder confidence	Information security policies and controls, staff cyber security and data protection training, access management processes, system monitoring and ongoing review of business-critical systems as part of the group's wider business continuity arrangements
Regulatory and policy uncertainty	G	Financial	Medium	Changes in government policy, reduced support for heat network deployment, delays to net zero programmes, or changes to funding and regulatory frameworks could reduce investment in low-carbon infrastructure, delay customer decision-making and impact the pipeline for heat networks, ESCos, generation and energy transition projects	Engagement with industry bodies including HeatNIC, Energy UK, Solar Energy UK, ESA, UKDEA, ADE, Scottish Renewables and Heat Networks Scotland enables early identification of policy and regulatory developments, supports participation in industry consultation, enables effective communication with government ministers and helps inform strategic planning and investment decisions

Our Sustainability Performance

Sustainable development is closely linked to the purpose of the business, **"Protecting our planet for future generations".** Through the design, installation and operation of energy infrastructure, decarbonisation projects and heat network solutions, the group supports the transition to a more sustainable and resilient energy system. As a result, environmental, social and governance considerations are relevant not only to how we operate our business, but also to the services we provide to our customers and the outcomes those services are intended to deliver. The group's activities are particularly aligned with the following United Nations Sustainable Development Goals (SDGs): Affordable and Clean Energy (SDG 7), Sustainable Cities and Communities (SDG 11), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), and Partnership for the Goals (SDG 17). The group supports the principles of the United Nations Global Compact and seeks to reflect those principles through its policies, governance arrangements and business practices. Our approach encompasses environmental management, health and safety, ethical business conduct, employee wellbeing, supply chain engagement and wider social value considerations.

This section provides a high-level overview of sustainability matters considered most relevant to the group during FY26. It is not intended to be a comprehensive sustainability report and does not seek to present a complete set of ESG metrics. As our reporting arrangements continue to evolve, we will seek to provide meaningful insight that remains proportionate, transparent and supported by robust underlying data, with further information provided to investors and other stakeholders where appropriate.

This section presents a snapshot of our performance for FY26. **The RAG definitions are as follows:**

- Commitment completed as defined
- Substantive progress, but commitment not fully completed
- Limited progress or the commitment was not achieved

FY26 PROGRESS TRACKER

AREA	FY26 COMMITMENT	R.A.G	FY26 PROGRESS	FY27 LOOK AHEAD
Carbon footprinting	Complete group carbon footprint and strengthen reporting		Full GHG inventories covering four reporting periods completed. Reporting boundaries expanded and cross-business reporting processes established	Disaggregate into individual business units; continue to strengthen data gathering in areas of weakness identified
Net Zero strategy	Develop pathway to Net Zero		Net Zero targets established; Climate Transition Plan outline created	Complete Climate Transition Plan incorporating group and individual business unit roadmaps
Whole life carbon	Introduce lifecycle carbon assessment capability		One Click LCA procured and deployed to support whole life carbon assessments (WLCA) and design-stage carbon analysis	Continue training design team and embedding WLCA; build up library of case studies; share findings publicly to advance knowledge across the sector
Social Value	Develop a structured social value framework		Social Value Framework developed, data platform completed and deployed across projects and corporate initiatives, project-level delivery expanded across major programmes	Complete Social Value Strategy, embed Framework metrics across all business units
Gender diversity and pay	Improve gender representation and inclusion across the business		Expanded graduate and apprenticeship recruitment; achieved 98% completion of ED&I training; strengthened gender diversity data and pay gap monitoring; and convened a Gender Pay Gap working group	Publish Gender Pay Gap Action Plan alongside next statutory Gender Pay Gap report; strengthen initiatives to attract, develop and retain under-represented groups across roles, particularly site-based and technical
Modern Slavery and Sustainable Procurement	Strengthen due diligence and supplier engagement		Supplier onboarding process, ESG questionnaires, modern slavery audits and training implemented. Worked with SafeContractor to increase the proportion of suppliers providing a valid modern slavery policy through their platform	Increase supply chain engagement and continue to strengthen sustainability due diligence
Biodiversity and ecosystems	Develop Biodiversity Strategy		Developed the scope of work for a group Biodiversity Strategy and identified advisors to support its development and implementation	Complete development and commence implementation of the Group Biodiversity Strategy
ESG Governance	Implement formal ESG governance arrangements		ESG governance framework established; ESG risk register reviewed and updated; ESG Committee created and reporting enhanced	Progress review after first 12 months of ESG Committee meetings
ESG Reporting	Expand disclosures and investor reporting		Progress made through Greenly reporting, Annual Report (including SECR) developments, strengthened energy reporting through ISO 50001 and ESOS and SFDR reporting; further data maturity and setting metrics and targets still required	Continue to develop reporting with reference to IFRS S1 and S2 and enable ESG dashboard reporting
EcoVadis and ESG Maturity	Improve ESG performance and external benchmarking score		Vital Energi Utilities Ltd maintained its EcoVadis Silver rating and increased its score from 72 to 77. Completed first UN Global Compact Communication on Progress and established a formal ESG improvement action plan	Implement CoP and EcoVadis improvement actions, with a focus on sustainable procurement, human rights, biodiversity, climate transition planning and enhanced ESG reporting



Environmental Performance

Environmental performance during FY26 focused on improving carbon measurement, embedding whole life carbon assessment capability and supporting delivery of infrastructure that contributes to the UK's energy transition. As a developer, contractor, operator and owner of energy infrastructure, the group's environmental impact includes both its own footprint and the infrastructure it delivers and operates for customers and communities.

Advancing whole life carbon assessment for heat networks

During the year the group embedded One Click LCA capability to support whole life carbon assessment and PAS 2080-aligned carbon decision-making across projects. The resulting analysis provides insight into the embodied carbon of heat networks, helping to inform design-stage decisions and support customer understanding of infrastructure carbon impacts.

Climate Change and Adaptation

As the group's portfolio of operational energy assets grows, climate resilience becomes increasingly important to asset performance. Climate risks and opportunities are incorporated into sustainability planning, asset management, planned preventative maintenance (PPM) schedules and infrastructure development activities. During FY26, the group developed a Climate Change Risk Assessment (CCRA) template to support a more consistent approach to assessing physical climate risks. Existing assessments for the group's permitted sites were reviewed and updated during the year, helping to inform adaptation planning and strengthen the resilience of operational assets.



GREENHOUSE GAS EMISSIONS

These are the group's scope 1-3 for the financial year. Please see the SECR report on page 19 for further detail.

METRIC	FY26
Scope 1	164,366 tCO2e
Scope 2	482 tCO2e
Scope 3	289,057 tCO2e
TOTAL	**453,905 tCO2e**

Biodiversity and Environmental Stewardship

Environmental management is supported through ISO-certified management systems, environmental audits, permitting controls and site assurance activities. During FY26, the group strengthened waste management, environmental reporting and environmental compliance processes and commenced development of a Group Biodiversity Strategy. This work is intended to support a more structured approach to biodiversity management as the group's infrastructure and asset ownership activities continue to grow.

Social Performance

Social Value and Community Impact

During FY26 the group developed a more strategic approach to social value delivery. The group's Social Value Framework supports governance, planning, budgeting and measurement across major programmes, underpinned by a bespoke Social Value data portal that supports the tracking of project and corporate activities against both National TOMs and the group's internal KPIs. Notable outcomes were achieved through education partnerships, community engagement activities and skills development initiatives.

SOCIAL INDICATOR	FY26
Educational reach (no. students engaged)	11,638
Workforce on "earn and learn" pathways	85 representing 9.9% of the workforce
Charitable donations	£203,435

Health, Safety and Wellbeing

Health and safety is a core priority for the group. Throughout FY26 the group continued to invest in behavioural safety, leadership training, inspections and workforce engagement to strengthen safety performance and support continuous improvement.

KPI	RESULT
Lost Time Incidents	9
RIDDOR-reportable injuries	2
All Accident Frequency Rate (per 100,000 hours worked)	1.99
Fatalities	0

People and Workforce

The group's continued growth depends on attracting, developing and retaining skilled people across technical, operational and professional disciplines. During FY26, the business invested in workforce capability, learning systems, early careers programmes and employee engagement to support delivery.

At 30 June 2026, the group employed 860 people. Total employee turnover during the year was 20.85%. The group also undertook an employee survey to strengthen its understanding of workforce engagement and priorities for improvement. The survey achieved a 90% response rate, with an employee loyalty score of 79%.

WORKFORCE INDICATOR	FY26
Employees at 30 June	860
Total employee turnover	20.85%
Employee survey response rate	90%
Employee loyalty	79%

Gender Diversity and Pay

The group monitors gender representation across the business, with particular focus on leadership and governance roles. At group board level, women represent 28.5% of membership, with 2 of 7 positions held by women. Across the Executive and Strategic and Operational Boards, women represent 14.3% of directors, with 5 of 35 positions held by women. The median gender pay gap for FY26 was 34.56%.

WORKFORCE INDICATOR	FY26
Women on Group Board	2 of 7, 28.5%
Women on Executive, Strategic & Operational Boards	5 of 35, 14.3%
Median gender pay gap	34.56%

Training and Development

Training and workforce capability were key areas of focus during the year. The group delivered mandatory and role-relevant training through internal systems, including training on anti-bribery and corruption, diversity, equity and inclusion, environmental awareness, modern slavery and human trafficking, data protection and cyber security, and GDPR.



GOVERNANCE PERFORMANCE

GOVERNANCE AND ETHICS
During the year, the group strengthened governance arrangements through the establishment of several group board subcommittees, enhanced the ESG risk framework, updated reporting processes and continued to embed sustainability considerations business-wide. Specifically, progress was made in strengthening modern slavery processes, supply chain due diligence, policy governance and sustainability reporting.

CYBERSECURITY AND DATA GOVERNANCE
The group continues to strengthen governance and oversight of business-critical systems, digital infrastructure and data management processes as part of its wider organisational transformation and digitalisation programme. Employee awareness remains a key component of this approach, with ongoing cyber security and data protection training helping to strengthen organisational resilience.

ANTI-BRIBERY, CORRUPTION AND WHISTLEBLOWING
Actions have been taken to strengthen ethics governance, anti-bribery processes, conflict of interest controls and whistleblowing arrangements. These include new policies, enhanced training and the introduction of an external, anonymous whistleblowing hotline. These remain key priorities within the group's governance framework.

During FY26 Vital Energi Utilities Ltd, the group's largest business unit, retained its EcoVadis Silver rating and improved its overall score from 72 to 77. The assessment identified further opportunities across sustainable procurement, labour and human rights, environmental disclosure and anti-corruption evidence, which have been incorporated into the ESG improvement programme.

The group also completed its first United Nations Global Compact Communication on Progress (CoP). The process informed an improvement plan covering governance, climate transition planning, biodiversity, stakeholder engagement, due diligence, reporting and supply-chain management.

GOVERNANCE METRIC	FY26
Whistleblowing reports	0
Confirmed corruption incidents	0
Information security incidents	10[1]

[1] Eight information security incidents involved limited personal-data disclosures within the Metering & Billing division. Two involved credentials entered following malicious links and were identified and contained before a security breach occurred.



Section 172(1) statement

The Directors recognise their duty under Section 172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, while having regard to the interests of employees, customers, suppliers, communities and the environment, together with the long-term consequences of decisions and the need to maintain high standards of business conduct, and the need to act fairly between members of the company. The Board considered stakeholder interests as part of its decision-making processes throughout the year.

STAKEHOLDER CONSIDERATIONS

EMPLOYEES:
The Board received updates on recruitment, retention, employee engagement, workforce development, wellbeing and health and safety. These matters informed continued investment in apprenticeships, graduate recruitment, leadership development and learning systems, with the aim of maintaining the skills and organisational capability required for the company's long-term plans.

CUSTOMERS:
The Board monitored project delivery, operational performance, customer satisfaction and work-winning activity. Customer engagement informed project development, service delivery and investment decisions, particularly for complex energy infrastructure and long-term operational contracts.

SUPPLIERS AND BUSINESS PARTNERS:
The Board considered the importance of resilient and responsible supply chains in supporting the safe and effective delivery of projects. Oversight during the year included responsible procurement, supplier engagement, supply chain resilience and modern slavery due diligence.

COMMUNITIES AND THE ENVIRONMENT:
The Board considered the environmental and social impacts of the Company's activities when reviewing strategic and operational decisions. Through the development and operation of energy infrastructure, social value initiatives, stakeholder engagement and environmental management activities, the Board sought to support responsible growth and contribute to the UK's decarbonisation objectives.

INVESTORS AND LENDERS:
The Board maintained engagement with shareholders, lenders and other providers of capital, with particular attention to liquidity, funding requirements, financial risk and the capital required for long-term investment.

LONG-TERM DECISION MAKING

When considering significant decisions, the Board evaluates the likely long-term consequences, including impacts on employees, customers, suppliers, communities, the environment and the Company's financial position. Significant decisions during the year included the acquisition of Vital Energi (Drakelow) Limited, the acquisition and redevelopment of Port Clarence, supporting the development of the company's IDNO activities, progressing strategic heat network opportunities and maintaining investment in workforce capability and operational systems. The Board considered the capital and funding requirements, expected long-term returns, delivery and regulatory risks, customer requirements, workforce capacity, supply-chain impacts and the potential environmental and community benefits. These considerations informed the timing, structure and resourcing of the relevant investments and projects.

MAINTAINING HIGH STANDARDS OF BUSINESS CONDUCT:
The Board considered governance, ethics and compliance matters throughout the year. Oversight included anti-bribery, modern slavery and whistleblowing arrangements, together with wider sustainability and governance initiatives. During FY26, the Company maintained its EcoVadis Silver rating with an improved score and completed its first United Nations Global Compact Communication on Progress.

CONCLUSION:
The Directors believe that the decisions taken during FY26 have been consistent with their duties under Section 172(1) and have supported the long-term success of the Company while balancing the interests of stakeholders, responsible business conduct and sustainable growth initiatives and a low-carbon future.

Streamlined Energy Carbon Report (SECR)

1. Purpose and Basis of Preparation

This disclosure has been prepared for inclusion in the Directors' Report of Vital Holdings Group for the financial year 1 July 2025 to 30 June 2026 (FY26), in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and the UK Government's Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting requirements. The disclosure reports UK energy use and associated greenhouse gas emissions for the group's relevant operations, together with an intensity ratio, prior-year comparative information, methodology and energy efficiency actions taken during the reporting year.

2. Company Information

The company is headquartered in Blackburn, Lancashire with regional offices located in London, Glasgow, Newcastle[1], Swansea and Hereford. Drakelow, the group's first Energy-from-Waste facility (EfW) plant was operational throughout the reporting period. A second EfW, Port Clarence near Middlesbrough, is currently under construction and will become operational in the next financial year (FY27). As of 30th June 2026, the combined headcount for the Vital Energi Group of companies stood at 860 employees. Staff are based across the UK at office locations, operational sites and project locations, supporting the development, delivery, operation and maintenance of energy centres, energy-from-waste facilities and wider decarbonisation programmes. The group's geographical presence supports the delivery and operation of energy infrastructure projects across the UK.

3. Methodology for Reporting

This report covers the financial year from 1 July 2025 to 30 June 2026 (FY26) and is based on energy and activity data relating to electricity consumption, fuel use, fleet operations, Energy Services Company (ESCo) assets, Energy-from-Waste facility (EfW) operations and business travel. Greenhouse gas emissions have been calculated in accordance with the Greenhouse Gas Protocol and using the UK Government's 2026 DESNZ greenhouse gas conversion factors. Emissions are classified as follows:

- **Scope 1:** Direct emissions from owned or controlled sources, such as fuel combustion.
- **Scope 2:** Indirect emissions from the generation of purchased electricity, steam, heat, or cooling; emissions from purchased electricity for company offices and operational facilities. For SECR we report location-based Scope 2 emissions using UK grid factors.
- **Scope 3:** All other indirect emissions from the company's value chain, including upstream and downstream activities like the extraction of materials and transportation. The Group voluntarily reports Scope 3.6 for UK business travel (grey fleet, rail and air) separately from mandatory totals. Any non-UK travel is excluded from SECR totals and, if material, is disclosed separately.

Emissions are presented using an intensity ratio of tonnes of carbon dioxide equivalent (tCO2e) per employee. Employee headcount has been selected as the primary intensity metric as it provides a consistent basis for assessing energy use and emissions relative to business growth. Conversion factors are sourced from the UK Government's 2026 DESNZ greenhouse gas reporting guidance.
Where material errors or omissions have been identified in previously reported data, prior-year figures have been restated to improve comparability.

[1] *This office was closed during the reporting*

4. Reporting Boundary, Changes and Impact

4.1 REPORTING ENTITY AND BOUNDARY (GROUP)

This SECR disclosure covers the Vital Energi Group of companies (Vital Holdings Ltd and its subsidiaries). The group is reporting as a large unquoted company. Disclosures are presented on a UK-only basis as required for large unquoted companies. Where data was unavailable or impracticable to obtain, estimates have been applied using methods consistent with SECR guidance. The group does not consider any exclusions or estimations used in preparing this disclosure to materially affect the reported results.

4.2 CHANGES FROM PREVIOUS SECR DISCLOSURES

The following changes since the FY25 disclosure should be noted:

- **Plumstead ESCo:** Plumstead ESCo became operational during FY26 and associated gas and electricity consumption is therefore included within the reporting boundary.
- **Drakelow imported electricity**: Imported electricity consumption at the Drakelow EfW was not available during FY25 and was therefore excluded from the previous disclosure. Improvements to monitoring and data collection implemented during FY26 have enabled imported electricity consumption to be included within the reporting boundary.
- **Headcount Increase:** The reporting year-end headcount increased from 774 to 860.
- **FY25 restatement:** Certain FY25 figures have been restated to improve accuracy and comparability. The restatement reflects the correction of site fuel consumption data during FY26, the availability of accurate travel data replacing previously estimated data and the correction of Scope 2 emissions to align with the location-based method used in this disclosure.

Emissions Category and Data Points

For this report our reporting boundary includes the following emissions:

GHG CATEGORY	DATA POINTS
1.1 Generation of Electricity, Heat and Steam	> Gas consumption in buildings and Energy Services Companies (ESCos) > Fuel combustion associated with operation of the Drakelow EfW > Fuel used on project sites
1.2 (Partial) Transportation of employees	Fuel used in company cars and vans for business travel
2.1 Electricity-related Indirect Emissions	> Electricity consumption in company offices and operational facilities > Electricity consumption within ESCo operations > Imported electricity at the Drakelow EfW
3.6 Business Travel	Consumption incurred by grey fleet, Air and Rail business travel

5. Results

5.1 Summary of Total Energy Consumption for FY26

Scope	Energy	kWh	tCO_2e
1.1	Gas in Buildings	464,795.05	84.88
1.1	Gas in ESCos	6,940,671.00	1,266.83
1.1	EfW auxiliary energy	14,192,861.59	24,269.80
1.1	Site Fuels	11,215,016.68	3,036.57
1.2	Vehicles (cars and vans)	3,168,172.64	807.20
2.1	Electricity in Buildings	1,293,929.42	179.22
2.1	Electricity in ESCos	217,658.70	31.34
2.1	EfW Generation (imported electricity)	1,101,213.50	144.21
3.6	Employee travel (air and rail)	505,298.68	46.05
3.6	Grey Fleet	863,472.64	212.70

5.2 Restated Total Energy Consumption for FY25

Scope	Energy	kWh	tCO_2e
1.1	Gas in Buildings	442,076.10	80.88
1.1	Gas in ESCos	6,363,578.59	1,164.08
1.1	EfW auxiliary energy	15,427,912.00	26,381.70
1.1	Site Fuels	3,640,275.70	1012.67
1.2	Vehicles (cars and vans)	2,673,366.33	713.68
2.1	Electricity in Buildings	981,564.00	213.38
2.1	Electricity in ESCos	171,506.00	35.51
2.1	EfW Generation (imported electricity)	544,660.00	96.40
3.6	Employee travel (air and rail)	752,590.37	46.94
3.6	Grey Fleet	883,945.32	217.32

Emissions Category and Data Points

For this report our reporting boundary includes the following emissions:

	Energy	Comparison Year July 24-June 25 (Financial year-end employee headcount = 774)			Comparison Year (Restated) July 24-June 25 (Financial year-end employee headcount = 774)			Current reporting period July 25-June 26 (Financial year-end employee headcount = 860)			IR Change (%)	
		kWh	tCO_2e	tCO_2e/ employee	kWh	tCO_2e	tCO_2e/ employee	kWh	tCO_2e	tCO_2e/ employee		
1.1	Generation of electricity, heat or steam	22,963,371.00	28,526.93	36.86	25,873,842.39	28,639.33	37.00	32,813,344.32	28,658.09	33.32	-10.0%	↓
1.2	Transportation of Employees	2,673,366.33	713.68	0.92	2,673,366.33	713.68	0.92	3,168,172.64	807.20	0.94	2.2%	↑
2.1	Electricity Consumption	931,062.67	76.03	0.10	1,697,730.00	345.29	0.45	2,612,801.62	354.77	0.41	-9.0%	↓
3.6	Business Travel	1,564,968.07	347.00	0.45	1,636,535.69	264.26	0.34	1,368,771.32	258.74	0.30	-12.0%	↓
TOTAL ENERGY USE		**28,132,768.07**	**29,663.64**	**38.33**	**31,881,474.41**	**29,962.56**	**38.71**	**39,963,089.90**	**30,078.80**	**34.97**	**-10.0%**	↓

6. Analysis of Findings

During FY26, Vital Energi's headcount increased by 11%, while total reported energy consumption increased by 25%. The corresponding ~10% reduction in emissions intensity ratio (tCO2e/ employee) should be considered in the context of both business growth and changes in emissions calculation factors. In particular, the continued reduction in the UK grid electricity emission factor reduced reported location-based Scope 2 emissions associated with purchased electricity consumption across the business. Following the operational commencement of the Drakelow EfW in the previous reporting period, FY26 also represents the first year of more comparable operational data, although comparisons remain affected by the reporting boundary and data improvements outlined in Section 4.2.

6.1 GENERATION OF ELECTRICITY, HEAT AND STEAM (SCOPE 1.1)

6.1.1 Gas consumption in buildings

During FY26, gas consumption and associated emissions from office buildings, primarily Century House, increased by 5% compared with the previous reporting period. However, because headcount increased by 11% over the same period, the associated emissions intensity ratio (tCO2e per employee) decreased by 5%.

6.1.2 Gas consumption in ESCos

During FY26, ESCo gas consumption increased following the inclusion of Plumstead ESCo, which became operational during the reporting year and is now included within the reporting boundary. Compared with the previous reporting period, gas consumption increased by 8%, resulting in a corresponding 8% increase in associated carbon emissions. As year-end headcount increased by 11% over the same period, the associated emissions intensity ratio (tCO2e per employee) decreased by 2%.

6.1.3 Drakelow EfW generation

Drakelow was operational throughout FY26, providing the first full year of operational energy consumption data for comparison against the previous financial year. As FY25 included both commissioning activities and the transition to operational control, year-on-year comparisons should be interpreted in that context.
Emissions from EfW are typically separated into fossil and biogenic components to reflect the mixed composition of residual waste. The proportion attributable to fossil and biogenic sources varies depending on the composition of the waste stream. Emissions from the Drakelow EfW have been calculated using an interim assumption that waste-derived carbon is 50% fossil and 50% biogenic, pending site-specific compositional data. This sits close to the UK sector average and reflects the default fossil-fraction treatment applied under the Renewables Obligation Order 2015 where composition data is not yet available.

Plant-specific carbon-14 analysis is expected to be available during FY27 and will be used to determine the actual fossil and biogenic split of emissions from the facility. Following receipt of this data, prior-year figures will be reviewed and restated if any resulting change is considered material. Given the significance of Drakelow within the group's reported emissions inventory, the fossil/biogenic split remains an important source of estimation uncertainty until plant-specific carbon-14 data becomes available.

6.1.4 Site fuel use

Site fuel use comprises both diesel used to power temporary generators on

construction sites and industrial heating oil (IHO) used in temporary boilers. As described in Section 4.2, FY25 site fuel consumption has been restated to reflect the inclusion of previously omitted consumption associated with the classification of certain fuel purchases that were not previously captured within the site fuel reporting dataset. The restatement follows a review of fuel data collection processes and provides a more complete baseline for year-on-year comparison. Excluding the impact of the restatement, diesel consumption on project sites continued to decrease during FY26, with both diesel consumption and associated carbon emissions reducing by 68% compared with the previous reporting period. This reduction reflects continued efforts to standardise site set-up arrangements and prioritise mains electricity connections over diesel-powered generators where practicable. Where this is not possible, lower-carbon alternatives, including hydrogenated vegetable oil (HVO)-fuelled generators and hybrid systems incorporating solar generation, are used where appropriate to reduce fuel consumption and associated emissions.

6.2 TRANSPORTATION OF EMPLOYEES (SCOPE 1.2)

During FY26, the size of Vital Energi's vehicle fleet increased by 8.8% compared with the previous reporting period. The fleet comprises both company cars and vans. Associated fleet emissions increased by 13% (93.52 tCO2e), exceeding the rate of headcount growth and resulting in a 2% increase in the corresponding emissions intensity ratio (tCO2e per employee). As of 30 June 2026, 68% of the fleet was electric, unchanged from FY25.

6.3 ELECTRICITY CONSUMPTION (SCOPE 2.1)

6.3.1 Electricity consumption in buildings

During FY26, electricity consumption in office buildings increased by 24% compared with the previous reporting period. This increase primarily reflects business growth and the associated increase in headcount across the group. Comparisons should also be considered in the context of improvements in data availability, with additional electricity data consumption data captured for office locations that were not fully represented in the previous reporting period. Associated Scope 2 emissions have been calculated using the location-based method and the UK Government's 2026 grid electricity emission factor. As discussed in Section 4.2, FY25 Scope 2 emissions have been restated (using the 2025 grid emission factor) to align with the reporting methodology used in this disclosure. Despite the increased consumption, the intensity ratio decreased by 33%. This is a function of both the lower UK carbon grid factors and increased headcount.

6.3.2 Electricity consumption in ESCos

Compared with the previous reporting period, ESCo electricity consumption increased by 27%, which is primarily due to the inclusion of Plumstead ESCo following its operational commencement during the reporting year. Associated Scope 2 emissions decreased by 13% despite the increase in electricity consumption, reflecting the reduction in the UK grid electricity emission factor rather than a reduction in energy use. As a result, the associated emissions intensity ratio decreased by 28%.

6.3.3 Electricity consumption at the Drakelow EfW

As noted above, FY26 represents the first full year of operation at the Drakelow EfW. In contrast, FY25 included only a partial year of operation following commissioning and transition to operational control. In addition, imported electricity consumption was not included in the FY25 disclosure due to limitations in data availability. During FY26, improvements in data capture enabled imported electricity consumption to be included within the SECR boundary, providing a more complete view of the energy consumed in operating the facility. Consequently, reported electricity consumption and associated Scope 2 emissions increased compared with the previous reporting period. However, this increase reflects both the inclusion of previously unavailable consumption data and a full year of operations, rather than a like-for-like increase in electricity demand.

6.4 BUSINESS TRAVEL (SCOPE 3.6)

During FY26, emissions associated with business travel declined overall. Grey fleet travel, where employees use personal vehicles for business purposes, reduced modestly, with both energy consumption and associated emissions falling by 2% compared with the previous reporting period. Rail and air travel combined decreased by 32.9%, although the associated emissions fell by only 1.9%, reflecting a 28% increase in air travel activity. Despite this increase,





rail remained the primary mode of non-car business travel, while air travel continued to account for a relatively small proportion of total business travel emissions. The overall business travel emissions intensity decrease is a function of the headcount increase.

7. Energy Efficiency Actions

7.1 ENERGY EFFICIENCY MEASURES TAKEN IN FY26

During FY26, Vital Energi continued to develop its approach to energy management and energy efficiency through:

- Energy management: Continued compliance with ISO 50001 and ESOS requirements, supporting the monitoring and management of energy performance across the business.
- Head Office Heat Pump Project: Progressed commissioning of the heat pump system at Vital Energi's Head office, supporting the decarbonisation of building heating.
- Site Energy Management: Continued efforts to standardise site set-up arrangements and prioritise mains electricity connections over temporary diesel generators where practicable.
- Monitoring and Reporting Improvements: Enhanced energy and fuel data collection processes to improve the accuracy and completeness of energy and carbon reporting.

7.2 PLANNED ACTIONS FOR FY27

- Continue to improve energy and fuel data capture and reporting.
- Review operational energy consumption across ESCo assets and fleet operations to identify opportunities for reducing energy use and associated emissions.

This Strategic Report is approved by the Board of Directors and signed on its behalf by:

Ms C Parker, Chief Financial Officer
29th October 2026

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2026

The directors present their report and the financial statements for the year ended 30 June 2026.

Principal activities

The principal activity of the company and group is disclosed in the group's Strategic Report.

Results and dividends

The profit for the year, after taxation, amounted to £19,350,000 *(2025: £7,223,000).*

No ordinary dividends were paid *(2025: £Nil)*. The directors do not recommend payment of a further dividend.

Directors

The directors who served during the year, and up to the date of signing this report, were:

Mr G J Fielding
Mrs S A Fielding
Mr G D V Le Sueur
Ms C Parker
Mr I M Whitelock
Mr M I Cooke (appointed 1 July 2025)
Mr A P Malin (appointed 1 July 2025)

Mr A J Smyth was appointed as a director after the year ended on 1 September 2026.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law, and under the rules of Euronext ABM, to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’). The directors are also responsible for ensuring that they meet their responsibilities under rules of Euronext ABM. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing each of the group and company financial statements, the directors are required to:

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

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

Directors' Responsibilities Statement (continued)

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

Qualifying third-party indemnity provisions

The group and company have made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Group Strategic Report

The group has chosen in accordance with Companies Act 2006, s 414C(11) to set out in the group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the Directors' Report. This applies to carbon reporting.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Ms C Parker
Director

Date: 29/10/26

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Vital Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2026, which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2026 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 group 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 group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the auditor was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The extent to which the auditor was considered capable of detecting irregularities, including fraud (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statements disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and performed procedures including a review of board minutes and performed a search for notices published by the Health and Safety Executive.

The group audit engagement team identified the risk of management override of controls and judgements and estimates made in the valuation, existence and cut off of amounts recoverable on contracts, work in progress and amounts recognised in revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- challenging judgements and estimates applied in the valuation of amounts recoverable on contracts and amounts recognised in revenue by reviewing contract meeting minutes, reviewing contracts, holding discussions with commercial teams, reviewing post year end performance, and comparing outturn of projects with estimates made in preparing the previous year's financial statements.

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

Use of our report

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

A C Monteith

Andrew Monteith
Senior Statutory Auditor
for and on behalf of RSM UK Audit LLP
Chartered Accountants
Statutory Auditor
Bluebell House
Brian Johnson Way
Preston
PR2 5PE
Date: 29/10/26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Continuing operations 2026 £000	Discontin'd operations 2026 £000	Total 2026 £000	*Continuing operations 2025 £000*	*Discontin'd operations 2025 £000*	*Total 2025 £000*
Turnover	4	**310,908**	**-**	**310,908**	*274,603*	*-*	*274,603*
Cost of sales		**(261,619)**	**-**	**(261,619)**	*(232,170)*	*-*	*(232,170)*
Gross profit		**49,289**	**-**	**49,289**	*42,433*	**-**	*42,433*
Administrative expenses - other		**(37,100)**	**-**	**(37,100)**	*(29,506)*	*-*	*(29,506)*
Administrative expenses - exceptional	5	**25,790**	**-**	**25,790**	*(1,037)*	*-*	*(1,037)*
Administrative expenses - share based payments	30	**(1,188)**	**-**	**(1,188)**	*(752)*	*-*	*(752)*
Other operating income	6	**818**	**-**	**818**	*759*	*-*	*759*
Operating profit	7	**37,609**	**-**	**37,609**	*11,897*	**-**	*11,897*
Interest receivable and similar income	11	**6,089**	**-**	**6,089**	*3,151*	*-*	*3,151*
Interest payable and similar expenses	12	**(16,497)**	**-**	**(16,497)**	*(7,463)*	*-*	*(7,463)*
Profit on disposal of investments		**-**	**-**	**-**	*-*	*3*	*3*
Profit before taxation		**27,201**	**-**	**27,201**	*7,585*	**3**	*7,588*
Tax on profit	13	**(7,851)**	**-**	**(7,851)**	*(365)*	*-*	*(365)*
Profit for the financial year		**19,350**	**-**	**19,350**	*7,220*	**3**	*7,223*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Continuing operations 2026 £000	Discontin'd operations 2026 £000	Total 2026 £000	*Continuing operations 2025 £000*	*Discontin'd operations 2025 £000*	*Total 2025 £000*
Profit for the year attributable to:							
Owners of the parent company		**17,072**	**-**	**17,072**	*8,718*	*3*	*8,721*
Non-controlling interests		**2,278**	**-**	**2,278**	*(1,498)*	*-*	*(1,498)*
		19,350	**-**	**19,350**	*7,220*	**3**	*7,223*
Total comprehensive income for the year attributable to:							
Owners of the parent company				**17,072**			*8,721*
Non-controlling interest				**2,278**			*(1,498)*
				19,350			*7,223*

The notes on pages 40 to 80 form part of these financial statements.

VITAL HOLDINGS LIMITED
REGISTERED NUMBER:06395526

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2026

	Note		2026 £000		*2025 £000*
Fixed assets					
Goodwill	14		**19,378**		*19,382*
Other intangible assets	14		**11,408**		*7,740*
Total intangible assets	14		**30,787**		*27,122*
Tangible assets	15		**158,786**		*130,306*
Investments	16		**7,912**		*9,291*
			197,485		*166,719*
Current assets					
Stocks	17	**11,998**		*11,523*	
Debtors	18	**118,314**		*118,180*	
Cash at bank and in hand	19	**144,371**		*70,629*	
Current liabilities		**274,683**		*200,332*	
Creditors: amounts falling due within one year	20	**(219,581)**		*(193,594)*	
Net current assets			**55,102**		*6,738*
Total assets less current liabilities			**252,587**		*173,457*
Creditors: amounts falling due after more than one year	21		**(158,920)**		*(86,128)*
Provisions for liabilities					
Deferred taxation	24		**(8,133)**		*(3,333)*
Other provisions	25		**-**		*(19,000)*
Net assets			**85,534**		*64,996*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2026

	Note	2026 £000	*2025 £000*
Capital and reserves			
Called up share capital	26	**10,240**	*10,240*
Share premium account	28	**29**	*29*
Own shares	28	**(2,664)**	*(2,664)*
Share-based payment reserve	28	**3,562**	*2,374*
Merger reserve	28	**(233)**	*(233)*
Profit and loss account	28	**80,460**	*63,388*
Equity attributable to owners of the parent company		**91,394**	*73,134*
Non-controlling interests		**(5,860)**	*(8,138)*
Total equity		**85,534**	*64,996*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Ms C Parker
Director

Date: 29/10/26

The notes on pages 40 to 80 form part of these financial statements.

VITAL HOLDINGS LIMITED
REGISTERED NUMBER:06395526

COMPANY BALANCE SHEET
AS AT 30 JUNE 2026

	Note		2026 £000		*2025* *£000*
Fixed assets					
Intangible assets	14		**14**		*20*
Investments	16		**33,747**		*32,559*
			33,761		*32,579*
Current assets					
Debtors	18	**34,237**		*49,567*	
Cash at bank and in hand	19	**115**		*282*	
Current liabilities		**34,352**		*49,849*	
Creditors: amounts falling due within one year	20	**(49,372)**		*(160)*	
Net current (liabilities)/assets			**(15,020)**		*49,689*
Total assets less current liabilities			**18,741**		*82,268*
Creditors: amounts falling due after more than one year	21		**-**		*(43,589)*
Provisions for liabilities					
Other provisions	25		**-**		*(19,000)*
Net assets			**18,741**		*19,679*
Capital and reserves					
Called up share capital	26		**10,240**		*10,240*
Share premium account	28		**29**		*29*
Own shares	28		**(2,664)**		*(2,664)*
Share-based payment reserve	28		**3,562**		*2,374*
Merger reserve	28		**10,247**		*10,247*
Profit and loss account	28		**(2,673)**		*(547)*
Total equity			**18,741**		*19,679*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2026

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £2,126k *(2025: £205k)*.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Ms C Parker
Director

Date: 29/10/26

The notes on pages 40 to 80 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Called up share capital	Share premium account	Own shares	Share-based payment reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 July 2024	**233**	**-**	**(2,664)**	**1,621**	**(233)**	**54,432**	**53,389**	**(5,805)**	**47,584**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**8,721**	**8,721**	**(1,498)**	**7,223**
Share-based payment	**-**	**-**	**-**	**753**	**-**	**-**	**753**	**-**	**753**
Shares issued during the year	**10,007**	**29**	**-**	**-**	**-**	**-**	**10,036**	**-**	**10,036**
Non-controlling interest movement	**-**	**-**	**-**	**-**	**-**	**235**	**235**	**(835)**	**(600)**
At 1 July 2025	**10,240**	**29**	**(2,664)**	**2,374**	**(233)**	**63,388**	**73,134**	**(8,138)**	**64,996**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**17,072**	**17,072**	**2,278**	**19,350**
Share-based payment	**-**	**-**	**-**	**1,188**	**-**	**-**	**1,188**	**-**	**1,188**
At 30 June 2026	**10,240**	**29**	**(2,664)**	**3,562**	**(233)**	**80,460**	**91,394**	**(5,860)**	**85,534**

The notes on pages 40 to 80 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Called up share capital	Share premium account	Own shares	Share-based payment reserve	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 July 2024	**233**	**-**	**(2,664)**	**1,621**	**10,247**	**(342)**	**9,095**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(205)**	**(205)**
Share-based payment	**-**	**-**	**-**	**753**	**-**	**-**	**753**
Shares issued during the year	**10,007**	**29**	**-**	**-**	**-**	**-**	**10,036**
At 1 July 2025	**10,240**	**29**	**(2,664)**	**2,374**	**10,247**	**(547)**	**19,679**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(2,126)**	**(2,126)**
Share-based payment	**-**	**-**	**-**	**1,188**	**-**	**-**	**1,188**
At 30 June 2026	**10,240**	**29**	**(2,664)**	**3,562**	**10,247**	**(2,673)**	**18,741**

The notes on pages 40 to 80 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 £000	*As restated 2025 £000*
Cash flows from operating activities		
Profit for the financial year	**19,350**	*7,223*
Adjustments for:		
Amortisation of intangible assets	**761**	*411*
Depreciation of tangible assets	**5,955**	*3,561*
Loss on disposal of tangible assets	**520**	*-*
Taxation charged	**7,851**	*365*
(Increase) in stocks	**(475)**	*(641)*
Decrease/(increase) in debtors	**974**	*(17,045)*
(Decrease)/increase in creditors	**(27,452)**	*34,770*
(Decrease)/increase in provisions	**(8,809)**	*19,000*
Corporation tax received	**1,513**	*1,146*
Interest paid	**16,497**	*7,283*
Share based payment	**1,188**	*753*
Interest received	**(6,090)**	*(3,151)*
Profit on divestment	**-**	*(3)*
Impairment of unlisted investments	**1,593**	*-*
Net cash generated from operating activities	**13,376**	*53,672*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(4,397)**	*(2,137)*
Purchase of tangible fixed assets	**(35,076)**	*(23,213)*
Sale of tangible fixed assets	**93**	*-*
Purchase of unlisted investments	**(214)**	*(3,846)*
Purchase of subsidiary	**-**	*(19,151)*
Issue of loans	**(9,788)**	*(17,298)*
Repayment of loans	**7,757**	*2,000*
Interest received	**4,189**	*1,461*
Proceeds from government grants	**11,826**	*10,715*
Net cash used in investing activities	**(25,610)**	*(51,469)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

	2026 £000	*As restated* *2025* *£000*
Cash flows from financing activities		
Issue of ordinary shares	**-**	*10,007*
Share premium	**-**	*29*
SDLT refund received	**-**	*634*
Repayment of debenture loans	**(52,000)**	*(3,009)*
Repayment of finance leases	**(396)**	*(374)*
Movement on non-controlling interest	**-**	*(600)*
Interest paid	**(7,954)**	*(102)*
Proceeds from bond issue	**146,326**	*-*
Net cash generated from financing activities	**85,976**	*6,585*
Net increase in cash and cash equivalents	**73,742**	*8,788*
Cash and cash equivalents at beginning of year	**70,629**	*61,841*
Cash and cash equivalents at the end of year	**144,371**	*70,629*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**144,371**	*70,629*

During the year there has been a re-categorisation of certain cashflows in the comparative period. This relates to; re-categorising costs of intangible assets developed from operating to investing (£1,498,000); re-categorising proceeds from government grants from financing to investing £10,715,000. These better reflect the appropriate categorisation of these cash flows and have therefore been restated in the comparatives.

The notes on pages 40 to 80 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. General information

Vital Holdings Limited (“the company”) is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

The group consists of Vital Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the group Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The company's functional and presentation currency is Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions - company only

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' - Carrying amounts, interest income/expense and net gains/ losses for each category of financial instrument and details of collateral; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements incorporate those of Vital Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 June 2026. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Total comprehensive income and other movements on reserves are split between owners of the parent company and non-controlling interests according to the interest held. Non-controlling interests are recorded separately from equity attributable to owners of the parent company on the Consolidated Balance Sheet.

2.4 Going concern

The directors have assessed the group's and company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. As part of this assessment, management has prepared financial forecasts extending to June 2030. Whilst these longer-term forecasts have been considered in evaluating the group's future financial performance and liquidity, the directors' formal going concern assessment relates to the period of at least twelve months from the date of approval of these financial statements. These forecasts indicate a positive outlook for future revenues and profitability, underpinned by a robust order book and a pipeline of new projects.

The group continues to operate in the energy sector, a dynamic environment facing challenges such as inflationary pressures and supply chain disruptions. However, its diversified service offerings and strong track record, particularly in low-carbon and renewable solutions, position it well to manage these complexities and capitalise on the broader industry shift towards decarbonisation, a trend supported by government policy.

In their assessment, the directors have given careful consideration to the group's overall liquidity and existing borrowing arrangements. This includes the successful completion of a five-year, £150m bond issuance, which provides significant funding for future asset ownership and growth. They are confident that the group and company will have sufficient financial resources to meet their obligations as they fall due over at least the next twelve months.

While the company itself incurred a loss for the year of £2,126k, and is in a net current liability position, this is offset by the ongoing financial support provided by Vital Energi Utilities Limited.

On this basis, the directors consider it appropriate to prepare the group and company financial statements on a going concern basis.

2. Accounting policies (continued)

2.5 Turnover

The turnover shown in the profit and loss account represents the value of all goods and services provided during the year, at selling price exclusive of Value Added Tax. Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Turnover from ongoing maintenance and project management services is recognised as the service is provided.

In the case of other revenue, turnover is recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer, which is usually on dispatch of the goods.

For construction contracts, turnover represents the value of work done in the year and is determined by reference to the stage of completion of each contract.

Waste Acceptance Fees: Revenue from waste acceptance fees is recognised upon receipt of the waste at the plant, provided the terms of the contract are met and the customer has an unconditional right to receive the services.

Energy Production: Revenue from energy production is recognised as the electricity is generated and sold to the grid. The fair value of the electricity sold is determined based on market prices and contractual terms.

Construction contracts

Profit on construction contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit is calculated on a stage of completion basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses.

Turnover is calculated as that proportion of total contract revenue which costs incurred to date bear to total expected costs for that contract. Revenue derived from the variations on contracts is only recognised when they have been accepted by the customer.

Full provision is made for losses on all contracts in the year in which they are foreseen.

Amounts recoverable on contracts are amounts not yet invoiced for which work has been completed but not yet certified. Payments received on account are payments received in advance of the work being undertaken.

2. Accounting policies (continued)

2.6 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.7 Operating leases: the group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.9 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised if all the following criteria are met:

- The technical feasibility;
- Intention to complete the development of the intangible asset;
- Ability to use or sell the intangible asset;
- Demonstrate that the intangible asset will generate probable future economic benefits;
- The availability of resources to complete the development; and
- Ability to measure reliably the expenditure attributable to the intangible asset during its development.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

The government grant income received during the current and prior year relates to the government's Heat Networks Investment Project (HNIP). This is included in other income in the financial statements.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.14 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the UK where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.17 Intangible assets

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition (being the cash paid and the fair value of other consideration given) over the fair value of the separable assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life which is the period that it is expected to provide economic benefit to the group, in this case of 20 years.

Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit, and is reviewed on an annual basis.

In addition, an impairment review is also performed where there are indicators that goodwill has been impaired, such as income or profits deriving from the acquired business which gave rise to goodwill being below original expectations.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	20% straight line
Development costs	-	5% - 33% straight line
Business set up costs	-	20% straight line once in operation
Lease premium	-	See below
Other intangibles	-	40% straight line

The lease premium will have a useful economic life in line with its expected operational life (from July 2025) and is amortised over that period (expected to be operational until December 2052).

2.18 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.18 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land	- Not depreciated
Plant and machinery	- 5% - 25% straight line
Fixtures, fittings and equipment	- 10% - 33% straight line
Energy generating plant	- see below

Assets in the course of construction are not depreciated until they are completed and ready for use.

Vital Energi (Drakelow) Limited, a subsidiary undertaking within the group, owns an energy generating plant, which has a useful economic life in line with its expected operational life and is depreciated over that period (expected to be operational until December 2052).

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

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

2.19 Fixed asset investments

In the separate accounts of the company, interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group’s share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate’s financial statements to 30 June. For certain undertakings the group has shareholding above 20% and whilst this ordinarily would presume the group has significant influence, it can be clearly demonstrated that this is not the case due to limited board representation and de facto minimal control over day-to-day operations. Such undertaking are recognised as unlisted investments and are recognised at cost less impairment. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group’s interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group. Dividends received from the associate reduce the carrying amount of the investment. Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

2. Accounting policies (continued)

2.20 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Materials held for use in the delivery of contracts are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises purchase price and other directly attributable costs incurred in bringing the materials to their present location and condition.

Work in progress and finished goods are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the work in progress to its present condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over their estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.22 Captive insurance scheme

The group self-insures potential insurance claims through a captive insurance scheme. It has invested in 100,000 redeemable preference shares of £1 each in its own cell of a protected cell company and has de facto control of the assets and liabilities of the cell. The group accounts for the cell as an intermediate payment arrangement, recording the assets and liabilities, expenses and any investment income of its cell as its own, and payments made into the scheme are eliminated.

2.23 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.24 Financial instruments

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's Balance Sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and most other debtors due within the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. Where there is objective evidence that an asset is impaired, an impairment loss is recognised in profit or loss. The impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted using the asset's original effective interest rate.

Financial assets are impaired when objective evidence indicates that one or more events occurring after initial recognition of the asset have had an adverse effect on the estimated future cash flows of that asset.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. The reversal shall not result in the carrying amount of the financial asset exceeding the amount that would have been recognised had no impairment loss been recognised.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after the deduction of all its liabilities.

2. Accounting policies (continued)

2.24 Financial instruments (continued)

Basic financial liabilities, which include trade and other creditors, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

2.25 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.26 Retirement benefits

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

2. Accounting policies (continued)

2.27 Share-based payments

The group grants share options ("equity-settled share based payments") over the shares of the company to certain employees.

The company recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of employees benefiting from the share based payment plans employed by each group entity.

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

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

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

2.28 Employee benefit trusts

The group has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the group retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the group until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the group on the basis of employees' past services to the business and the group can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the group are charged to the profit and loss account in the period to which they relate.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The following judgements, estimates and assumptions have had the most significant effect on amounts recognised in the financial statements.

Estimates

Construction contracts *(Note 4)*
In producing the financial statements, the directors have taken judgements over the profit to be taken on construction contracts. Profit is taken as the work is carried out where the final outcome can be assessed with reasonable certainty. The profit is calculated on a stage of completion by the year end which can sometimes differ to the assessments of external Quantity Surveyors. Full provision is made for losses on all contracts in the year in which they are foreseen.

Fair value of unlisted investments *(Note 16)*
The directors believe that the fair value of unlisted investments cannot be measured reliably. All unlisted investments are therefore measured at cost less impairment.

The directors have concluded that the fair value of unlisted investments cannot be measured reliably due to the absence of an active market and the lack of recent observable market transactions for comparable investments. Accordingly, these investments are measured at cost less impairment. The directors assess the investments for indicators of impairment at each reporting date.

Judgements

Group reconstruction
The directors have exercised judgement in determining that the insertion of Vital Energi Midco PLC as an intermediate holding company on 1 August 2025 meets the criteria for a group reconstruction under FRS 102, and that merger accounting rather than acquisition accounting is the appropriate basis. This judgement is based on there being no change in ultimate control, no consideration paid, and continuity of the underlying economic interests of the group's shareholders.

Revenue recognition *(Note 4)*
The group reviews the nature of its contracts to assess whether they are acting as a principal or an agent in the transaction. Where the group concludes that they do not bear any price, inventory or credit risk in the transaction, the agreed fixed fees are recognised as revenue (rather than the gross amounts transacted).

Share options *(Note 30)*
The Black Scholes option pricing model is used to determine the fair value of options granted. A number of estimates and assumptions are used in the model including a risk free interest rate, a dividend yield and volatility in order to determine the weighted average value of the options included.

3. Judgements in applying accounting policies (continued)

Investments and other debtors *(Notes 16 and 18)*
The directors have evaluated the carrying value of investments and other debtors at the end of the period for potential impairment indicators, as mandated by FRS 102. Based on this assessment, they have determined that an impairment was necessary as at 30 June 2026 for projects no longer considered commercially viable and other debtors no longer considered recoverable. Vital Energi Group's strategic shift from a predominantly "Design and Build" approach to an "Energy Asset Owner" model involves securing long-term energy supply contracts (typically 25-40 years). While initially capital-intensive, this strategy enhances profitability predictability, mitigates market volatility, and increases overall group value.

The Company's investments, whether in equity or loans, support this strategic direction. The ultimate goal is to become the long-term energy supplier for each project involved. While there may be additional benefits from equity stakes, the primary focus remains on energy supply.

Despite the longer-term nature of some projects, current progress is deemed sufficient to justify the carrying value on the balance sheet. The directors conduct monthly reviews of all investments and loans, actively participating in the projects and often serving on relevant subsidiary boards.

Based on these ongoing assessments, the directors impaired relevant loans and investments during the year which were no longer considered commercially viable.

Other borrowings *(Note 22)*
A loan of £7,155,000 was received during the period ended 30 June 2022. The loan attracts an interest rate of 0.01%. Having considered Section 11 of FRS 102, the directors have assessed this as a financing transaction and as such have measured the liability at the present value of the future payments discounted at a market rate of interest which was determined to be 5%, taking into account the rates on the funding currently utilised by the company and the rates available on Government bonds.

Investment in subsidiaries (Note 16)
Although the group holds more than 50% of the share capital in certain entities, these investments have been classified as unlisted investments rather than consolidated subsidiaries. This classification reflects the fact that the group does not exercise control over the day-to-day operations, strategic direction, or financial and operating policies of these entities.

4. Turnover

An analysis of turnover by class of business is as follows:

	2026	*2025*
	£000	*£000*
Energy generation and distribution schemes	**282,172**	*260,320*
Waste acceptance fees	**13,197**	-
Other sales	**199**	-
Operation & maintenance fees	**15,340**	*14,283*
	310,908	*274,603*

Included within energy generation and distribution schemes revenue is *£242,114,000 (2025: £215,650,000)* of revenue generated from construction contracts.

4. Turnover (continued)

Analysis of turnover by country of destination:

	2026 £000	*2025* *£000*
United Kingdom	**310,908**	*274,603*

5. Exceptional items

	2026 £000	*2025* *£000*
Exceptional gains	**(34,656)**	*-*
Exceptional losses	**8,866**	*1,037*
	(25,790)	*1,037*

Included within exceptional gains is £5,000,000 *(2025: £Nil)* in respect of reversal of impairment of receivables from previous ownership. Also included within exceptional gains is a net gain of £29,656,000 *(2025: £Nil)* arising on the extinguishment of the Aviva debenture. The gain reflects the early settlement of lease rental obligations that would otherwise have been payable through to 2053.

Included within exceptional losses in the year is £473,000 *(2025: £759,000)* in respect of redundancy costs for staff and certain senior individuals who ceased employment, £4,000 *(2025: £51,000)* in respect of company Share Option Plans (CSOP) accounting costs, £Nil *(2025: £3,000)* in fees in respect of taking action against an IP infringement, £414,000 *(2025: £224,000)* in group reorganisation costs, £1,705,000 *(2025: £Nil)* incurred in relation to the settlement of a consultancy supply agreement arrangement with previous owners of the company, £1,205,000 *(2025: £Nil)* in respect of aborted project costs, £1,873,000 *(2025: £Nil)* in respect of a third party loan write off, £1,592,000 *(2025: £Nil)* in respect of the impairment of unlisted investments held by the group that are no longer considered commercially viable, £743,000 *(2025: £Nil)* relating to the impairment of external loans advanced by the parent company to those entities, £399,000 *(2025: £Nil)* in respect of legal and professional fees in relation to the extinguishment of the Aviva debenture, £57,000 *(2025: £Nil)* of one-off salary costs, £48,000 *(2025: £Nil)* in respect of obtaining due diligence reports for the Purchase Agreement of Port Clarence Energy Ltd, £10,000 *(2025: £Nil)* of valuation fees, £42,000 *(2025: £Nil)* in respect of professional fees related to valuation support of technology, £244,000 *(2025: £Nil)* relating to the Newport site project failing and an impairment for the grid connection, £6,000 *(2025: £Nil)* of s455 directors loan account costs, £40,000 *(2025: £Nil)* associated with exploring potential delivery models for contracts with NHS and other public sector organisations. The engagement was undertaken to identify commercially viable structures capable of meeting the specific procurement and financial requirements of these customers and supporting future business opportunities. Also included within exceptional losses is £11,000 *(2025: £Nil)* in respect of a shareholder dispute.

The directors consider these costs to be non-recurring due to the fact that they are not in the ordinary course of business, and one off in nature to the group. As such, the costs of the overlap period have been classified as exceptional.

6. Other operating income

	2026 £000	*2025 £000*
Government grants receivable	**192**	*183*
Research and development expenditure credit	**626**	*576*
	818	*759*

7. Operating profit

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

	2026 £000	*2025 £000*
Research and development costs	**369**	*393*
Exchange differences	**44**	*2*
Operating lease charges	**3,982**	*3,843*
Depreciation of owned tangible fixed assets	**5,810**	*3,416*
Depreciation of tangible fixed assets held under finance lease	**145**	*145*
Amortisation of intangible assets	**761**	*411*
Loss on disposals of tangible and intangible fixed assets	**520**	*-*
Research and Development Expenditure Credit	**(626)**	*(576)*
Government grants	**(192)**	*(183)*

8. Auditor's remuneration

During the year, the group obtained the following services from the company's auditor and its associates:

	2026 £000	*2025 £000*
Fees payable to the company's auditor and its associates		
Audit of the financial statements of the group and company	**31**	*32*
Audit of the financial statements of the company's subsidiaries	**154**	*88*
Taxation compliance services	**-**	*48*
All other non-audit services	**-**	*181*

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Wages and salaries	**51,355**	*45,838*	**36**	*36*
Social security costs	**6,963**	*5,504*	**5**	*4*
Pension costs	**2,695**	*2,292*	**-**	*-*
Equity settled share based payments	**1,188**	*752*	**-**	*-*
	62,201	*54,386*	**41**	*40*

The staff costs disclosed above are net of capitalised and exceptional costs of £2,086,000 *(2025: £1,614,000)* split by the following categories: wages and salaries £1,826,000 *(2025: £1,568,000),* social security costs £257,000 *(2025: £46,000),* and cost of defined contribution scheme £4,000 *(2025: £Nil).*

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2026 No.	*Group 2025 No.*	**Company 2026 No.**	*Company 2025 No.*
Direct staff	**576**	*530*	*-*	*-*
Indirect staff	**255**	*234*	*1*	*1*
	831	*764*	*1*	*1*

10. Directors' remuneration

	2026 £000	*2025 £000*
Remuneration for qualifying services	**1,803**	*1,138*
Company pension contributions to defined contribution schemes	**115**	*70*
	1,918	*1,208*

During the year retirement benefits were accruing to 4 directors *(2025: 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £392,000 *(2025: £322,000)*.

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £29,000 *(2025: £25,000)*.

11. Interest receivable

	2026 £000	*2025* *£000*
Other interest income	**1,902**	*1,718*
Other interest receivable	**77**	*-*
Bank interest receivable	**2,105**	*1,433*
Escrow Bond interest receivable	**2,005**	*-*
	6,089	*3,151*

12. Interest payable and similar expenses

	2026 £000	*2025* *£000*
Interest on bank loans	**192**	*183*
Other interest payable	**1,797**	*7,178*
Finance leases and hire purchase contracts	**79**	*102*
Bond loan interest payable	**14,429**	*-*
	16,497	*7,463*

Included within other interest payable is interest of £615,000 *(2025: £7,178,000)* charged in respect of a debenture which was extinguished during the year, further details are disclosed in note 22.

13. Taxation

	2026 £000	*2025* *£000*
Current tax		
UK corporation tax on profits for the year	**2,518**	*-*
Adjustments in respect of previous periods	**533**	*(2,078)*
Total current tax	**3,051**	*(2,078)*
Deferred tax		
Origination and reversal of timing differences	**4,077**	*2,980*
Adjustments in respect of previous periods	**723**	*(537)*
Total deferred tax	**4,800**	*2,443*
	7,851	*365*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2025: lower than)* the standard rate of corporation tax in the UK of 25% *(2025: 25%)*. The differences are explained below:

	2026 £000	*2025* *£000*
Profit on ordinary activities before tax	**27,202**	*7,588*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% *(2025: 25%)*	**6,801**	*1,897*
Effects of:		
Expenses not deductible for tax purposes	**872**	*77*
Fixed asset differences	**215**	*1,143*
Adjustments to tax charge in respect of previous periods	**533**	*(2,078)*
Adjustments to tax charge in respect of previous periods - deferred tax	**723**	*(537)*
Research and development tax credit	**(157)**	*(144)*
Utilisation of tax losses not previously recognised as a deferred tax asset	**(1,136)**	*-*
Other permanent differences	**-**	*7*
Total tax charge for the year	**7,851**	*365*

14. Intangible assets

Group

	Business set up costs £000	Development costs £000	Other intangibles £000	Software £000	Goodwill £000	Lease premium £000	Total £000
Cost							
At 1 July 2025	**342**	**3,189**	**1,654**	**191**	**19,676**	**3,728**	**28,780**
Additions	**82**	**2,704**	**995**	**85**	**25**	**-**	**3,891**
Internally generated additions	**-**	**508**	**-**	**-**	**-**	**-**	**508**
Disposals	**-**	**(221)**	**-**	**-**	**-**	**-**	**(221)**
Transfer	**-**	**-**	**29**	**-**	**-**	**-**	**29**
At 30 June 2026	**424**	**6,180**	**2,678**	**276**	**19,701**	**3,728**	**32,987**
Amortisation							
At 1 July 2025	**-**	**916**	**381**	**67**	**294**	**-**	**1,658**
Charge for the year	**-**	**522**	**66**	**9**	**29**	**135**	**761**
On disposals	**-**	**(219)**	**-**	**-**	**-**	**-**	**(219)**
At 30 June 2026	**-**	**1,219**	**447**	**76**	**323**	**135**	**2,200**
Net book value							
At 30 June 2026	**424**	**4,961**	**2,231**	**200**	**19,378**	**3,593**	**30,787**
At 30 June 2025	*342*	*2,273*	*1,273*	*124*	*19,382*	*3,728*	*27,122*

The amortisation charge is recognised in administrative expenses.

The £29,000 transfer relates to a reclassification that occurred in a subsidiary company not reflected in the consolidated accounts in the previous year. As such, it is being shown as a current year movement as it is not material to warrant a prior year adjustment.

Included within goodwill is £19,105,000 arising on the acquisition of CEP Teesside Biomass Limited in the prior year. The goodwill relates to the Port Clarence Energy from Waste facility held by its subsidiary, Vital Energi (Port Clarence) Limited. As the facility was not fully operational at the reporting date, no amortisation has been charged in the year. Amortisation will commence once the facility becomes fully operational.

14. Intangible assets (continued)

Company

	Software £000
Cost	
At 1 July 2025	**30**
At 30 June 2026	**30**
Amortisation	
At 1 July 2025	**10**
Charge for the year	**6**
At 30 June 2026	**16**
Net book value	
At 30 June 2026	**14**
At 30 June 2025	*20*

15. Tangible fixed assets

Group

	Land £000	Energy generating plant £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost							
At 1 July 2025	**905**	**121,680**	**6,972**	**4,088**	**1**	**4,459**	**138,105**
Additions	**-**	**5,308**	**181**	**770**	**-**	**28,817**	**35,076**
Disposals	**-**	**(517)**	**(256)**	**(482)**	**-**	**-**	**(1,255)**
Transfer	**(29)**	**-**	**-**	**-**	**-**	**-**	**(29)**
At 30 June 2026	**876**	**126,471**	**6,897**	**4,376**	**1**	**33,276**	**171,897**
Depreciation							
At 1 July 2025	**-**	**2,542**	**2,933**	**2,324**	**-**	**-**	**7,799**
Charge for the year	**-**	**4,747**	**459**	**749**	**-**	**-**	**5,955**
Disposals	**-**	**(29)**	**(233)**	**(381)**	**-**	**-**	**(643)**
At 30 June 2026	**-**	**7,260**	**3,159**	**2,692**	**-**	**-**	**13,111**
Net book value							
At 30 June 2026	**876**	**119,211**	**3,738**	**1,684**	**1**	**33,276**	**158,786**
At 30 June 2025	*905*	*119,138*	*4,039*	*1,764*	*1*	*4,459*	*130,306*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2026 £000	*2025 £000*
Plant and machinery	**2,058**	*2,204*

16. Fixed asset investments

Group

	Unlisted investments £000
Cost	
At 1 July 2025	**9,291**
Additions	**214**
At 30 June 2026	**9,505**
Impairment	
At 1 July 2025	**-**
Charge for the period	**1,593**
At 30 June 2026	**1,593**
Net book value	
At 30 June 2026	**7,912**
At 30 June 2025	*9,291*

The addition in the year relates to additional shareholder funding to support grid connections and projects.

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost	
At 1 July 2025	**32,559**
Additions	**1,188**
At 30 June 2026	**33,747**
Net book value	
At 30 June 2026	**33,747**
At 30 June 2025	*32,559*

On 1 August 2025, Vital Energi Midco PLC was inserted as a new intermediate holding company within the group, with ownership of certain existing group companies transferred beneath it by way of a share-for-share exchange. No consideration was paid and there was no change in ultimate ownership or control, which remains with Vital Holdings Limited and its ultimate controlling parties.

The directors have assessed this as a group reconstruction under FRS 102 and applied merger accounting accordingly: assets and liabilities transferred are recognised at existing book values, no goodwill has arisen, and the difference on elimination of the investment in Vital Energi Midco PLC against the underlying share capital and reserves transferred has been taken to a merger reserve.

Following the reorganisation, Vital Energi Generation Limited, Vital Energi Solutions Limited, Vital Energi Trustee Limited, Vital Energi Utilities Limited, Vital Community Energi Limited, Vital Energi Power Networks Limited, Vital Low Carbon Solutions Limited and CEP Teesside Biomass Limited are held indirectly via Vital Energi Midco PLC. Vital Holdings Investments Limited, Vital Chiltern Investments Limited and the group's associate undertaking were not affected. The reorganisation has no impact on the group's consolidated results, net assets or cash flows.

Direct subsidiary undertakings

The following are direct subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Vital Holdings Investments Limited	Note 1	Ordinary	100%
Vital Energi Midco Plc	Note 1	Ordinary	100%

16. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following are indirect subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
CEF and NHM ESCo Limited (2)	Note 1	Ordinary	100%
H2010 ESCo Limited (1)	Note 1	Ordinary	100%
Hepworth Place ESCo Limited (1)	Note 1	Ordinary	100%
The Movement ESCo Limited (1)	Note 1	Ordinary	100%
The Paintworks ESCo Limited (1)	Note 1	Ordinary	100%
Vital Energi (Drakelow) Limited (3)	Note 1	Ordinary	100%
Vital SGN Investments Limited (8)	Note 1	Ordinary	100%
Vital Chiltern Investments Limited (5)	Note 1	Ordinary	100%
Vital Energi (Bilsthorpe) Limited (2)	Note 1	Ordinary	100%
Monier Road ESCo Limited (1)	Note 1	Ordinary	100%
Plumstead West Thamesmead ESCo Limited (1)	Note 1	Ordinary	100%
Lewisham ESCo Limited (1)	Note 1	Ordinary	100%
Seaham Garden Village ESCo Limited (1)	Note 1	Ordinary	100%
Vital Future Software Limited (6)	Note 1	Ordinary	100%
Edmonstone ESCo Limited (1)	Note 1	Ordinary	100%
Vital Thermotech Limited (6)	Note 1	Ordinary	90%
Vital Energi (Port Clarence) Limited (4)	Note 1	Ordinary	100%
Vital Energi (Drakelow Property) Limited (3)	Note 1	Ordinary	100%
Vital Energi Generation Limited (8)	Note 1	Ordinary	76%
Vital Energi Solutions Limited (8)	Note 1	Ordinary	100%
Vital Energi Trustee Limited (8)	Note 1	Ordinary	100%
Vital Energi Utilities Limited (8)	Note 1	Ordinary	100%
Vital Community Energi Limited (8)	Note 1	Ordinary	100%
Vital Energi Power Networks Limited (8)	Note 1	Ordinary	100%
Vital Low Carbon Solutions Limited (8)	Note 1	Ordinary	100%
CEP Teesside Biomass Limited (8)	Note 1	Ordinary	100%
Heat Networks Development Company No. 1 Limited (5)	Note 1	Ordinary	100%
Plymouth Project Company No. 1 Limited (7)	Note 1	Ordinary	100%
Birkenhead Project Company No. 1 Limited (7)	Note 1	Ordinary	100%

16. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Note 1: Century House, Roman Road, Blackburn, Lancashire, BB1 2LD

(1) held as an investment in Vital Community Energi Limited
(2) held as an investment in Vital Energi Solutions Limited
(3) held as an investment in Vital Energi Generation Limited
(4) held as an investment in CEP Teesside Biomass Limited
(5) held as an investment in Vital Holdings Investments Limited
(6) held as an investment in Vital Low Carbon Solutions Limited
(7) held as an investment in Heat Networks Development Company No. 1 Limited
(8) held as an investment in Vital Energi Midco PLC

The company's voting rights in respect of each subsidiary are held in the same proportion as the company's share of the ordinary share capital of each subsidiary. All of the above companies are incorporated in England & Wales.

The below subsidiaries have taken exemption from Audit under section 479A of the Companies Act 2006 relating to subsidiary undertakings. The company has given a guarantee for all outstanding liabilities to which the entities are subject to at the reporting date:

Vital Chiltern Investments Limited (company number: 13786936)
Vital Holdings Investments Limited (company number: 13784244)

Associate

The following was an associate of the company:

Name	Registered office	Class of shares	Holding
G.J. Eco Power Private Limited*	Note 1	Ordinary	26%

Note 1: 3rd Floor, Sarayu Complex, Seaport Airport Road, Kakkanad, Kochi, Kerala 682030, India.

*held as an investment in Vital Energi Utilities Limited

The results of the associates have not been included within the consolidated figures as the impact is not considered material.

17. Stocks

	Group 2026 £000	*Group 2025 £000*	Company 2026 £000	*Company 2025 £000*
Contract work in progress	**9,304**	*7,953*	**-**	*-*
Finished goods and goods for resale	**2,694**	*3,570*	**-**	*-*
	11,998	*11,523*	**-**	*-*

18. Debtors

	Group 2026 £000	*Group 2025 £000*	Company 2026 £000	*Company 2025 £000*
Due after more than one year				
Amounts owed by group undertakings	**-**	*-*	**-**	*48,040*
Gross amounts owed by contract customers	**6,017**	*3,960*	**-**	*-*
Other debtors	**15,597**	*18,100*	**13,244**	*-*
	21,614	*22,060*	**13,244**	*48,040*
Due within one year				
Trade debtors	**40,402**	*38,081*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**9,095**	*1,437*
Other debtors	**15,490**	*12,739*	**11,867**	*60*
Prepayments and accrued income	**7,829**	*6,068*	**-**	*-*
Gross amounts owed by contract customers	**32,979**	*36,435*	**-**	*-*
Corporation tax recoverable	**-**	*2,797*	**-**	*-*
Deferred taxation	**-**	*-*	**31**	*30*
	118,314	*118,180*	**34,237**	*49,567*

Group

Included within other debtors due in less than one year is an amount of £672,000 *(2025: £672,000)* and after more than one year is an amount of £336,000 *(2025: £336,000)* in relation to a payment on contract.

18. Debtors (continued)

Included within other debtors are the following loans:

Amount outstanding 2026	Amount outstanding 2025	Interest terms	Repayments dates	Further details
£Nil	£1,816,000	8.19% per annum	-	The loan was impaired in full during the year.
£300,000	£91,000	0.00%	On demand	No further details.
£Nil	£683,000	10.00%	31 March 2026	The loans were impaired in full during the year. See note 34 for further details.
£1,288,000	£782,000	10.00% per annum	Details in note 34.	No further details.
£207,000	£187,000	10.00% per annum, charged quarterly	On demand	See note 34 for further details.
£2,272,000	£7,282,000	10.00% per annum	10 September 2029	No further details.
£Nil	£4,588,000	7.95% per annum, charged monthly	30 April 2028	This loan was combined into one being the £10,972,000 shown below.
£Nil	£5,895,000	7.95% per annum, charged monthly	30 April 2028	This loan was combined into one being the £10,972,000 shown below.
£10,972,000	£Nil	5.00% per annum, charged monthly	1 April 2028	No further details.
£216,000	£195,000	10.00% per annum	1 August 2027	Loans were classified as due within one year in 2025 but have been reclassified to due after more than one year in 2026.
£900,000	£840,000	6.95% per annum	1 September 2029	Loan was classified as due within one year in 2025 but has been reclassified to due after more than one year in 2026.
£7,483,000	£282,000	10.00% per annum	On demand	No further details.

18. Debtors (continued)

Company

Included within amounts owed by group undertakings falling due after more than one year are the following balances:

Amount outstanding 2026	Amount outstanding 2025	Interest terms	Repayment dates	Further details
£Nil	£46,635,000	12% per annum, charged monthly	27 January 2053 or any other date agreed by both parties.	No further details.
£Nil	£1,405,000	3.25% per annum	31 December 2026 or such date as may be determined by a resolution of the directors.	No further details.

Included within amounts owed by group undertakings falling due within one year are the following balances:

Amount outstanding 2026	Amount outstanding 2025	Interest terms	Repayment date	Further details
£8,387,000	£Nil	3.25% per annum	On demand	No further details.
£708,000	£Nil	0.00%	On demand	No further details.

19. Cash and cash equivalents

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Cash at bank and in hand	**144,371**	*70,629*	**115**	*282*

Cash at bank and in hand includes a restricted amount of £343,000 *(2025: £372,000)* in relation to the group's captive insurance scheme.

At 30 June 2026, £228,000 *(2025: £495,000)* of the group's cash balances are not available for use by the group due to restrictions on their use as sinking fund accounts.

20. Creditors: amounts falling due within one year

	Group 2026 £000	*Group 2025 £000*	Company 2026 £000	*Company 2025 £000*
Debenture loans	**-**	*3,061*	**-**	*-*
Interest accrued on secured bond loan	**6,038**	*-*	**-**	*-*
Other borrowings	**141**	*-*	**-**	*-*
Trade creditors	**34,164**	*30,995*	**-**	*104*
Gross amounts owed to contract customers	**9,695**	*4,344*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**39,110**	*-*
Corporation tax	**1,768**	*-*	**-**	*-*
Other taxation and social security	**1,964**	*7,518*	**-**	*-*
Obligations under finance lease and hire purchase contracts	**420**	*396*	**-**	*-*
Other creditors	**1,777**	*5,746*	**-**	*-*
Accruals and deferred income	**153,423**	*141,534*	**71**	*56*
Deferred consideration	**10,191**	*-*	**10,191**	*-*
	219,581	*193,594*	**49,372**	*160*

Group

Included in other creditors is an amount of £192,000 *(2025: £187,000)* in respect of a grant received at what is considered to be a below market rate of interest (see note 22). The total grant balance is being amortised over a period of 30 years, being the life of the loan, which the directors do not consider to be materially different to the life of the asset operated by the business, to which the loan relates.

Included within accruals and deferred income is £26,885,000 *(2025: £19,555,000)* in respect of government grant income for the government's Heat Networks Investment Project. Grant income of £192,000 *(2025: £183,000)* was recognised in the year. The grants are subject to specified performance and project delivery conditions. Where the underlying project does not proceed, or the conditions attached to the grant are otherwise not met, the grant funding may become repayable. Accordingly, grant income is recognised only when the group has satisfied the relevant conditions and there is reasonable assurance that the grant will not be subject to repayment.

Please see note 22 for the terms of the secured bond loan.

Company

Included within deferred consideration is £10,191,000 *(2025: £19,000,000, previously classified as a provision),* which is subject to interest at 15.00% per annum. The carrying value of the deferred consideration, including accrued interest, is £10,191,000. The amount was due for repayment on the earlier of 1 March 2027, such other date as agreed between the parties in writing, or the occurrence of a trigger event. Subsequent to the year end, the parties agreed to early settlement of the balance on 18 August 2026.

Included within amounts owed to group companies includes £39,065,000 *(2025: £Nil)* which attracts interest at 3.25% and is repayable on demand. All remaining amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

21. Creditors: amounts falling due after more than one year

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Debenture loans	**-**	*77,981*	**-**	*-*
Other borrowings	**3,803**	*3,756*	**-**	*-*
Secured bond loan	**146,843**	*-*	**-**	*-*
Net obligations under finance leases and hire purchase contracts	**759**	*1,179*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**-**	*43,589*
Other creditors	**3,019**	*3,212*	**-**	*-*
Accruals and deferred income	**4,496**	*-*	**-**	*-*
	158,920	*86,128*	**-**	*43,589*

Group

Included in other creditors is an amount of £3,019,000 *(2025: £3,212,000)* in respect of a grant received at what is considered to be a below market rate of interest (see note 22). The total grant balance is being amortised over a period of 30 years, being the life of the loan, which the directors do not consider to be materially different to the life of the asset operated by the business, to which the loan relates.

Included within accruals and deferred income is an amount of £4,496,000 *(2025: £Nil)* in respect of a grant received. This will be amortised over a period of 40 years over the concession arrangement. For more details see note 20.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Repayable by instalments	**-**	*62,284*	**-**	*-*
Repayable other than by instalments	**-**	*-*	**-**	*43,589*
	-	*62,284*	**-**	*43,589*

Company

Amounts owed to group undertakings falling due after more than one year includes £Nil *(2025: £43,589,000)* with interest charged at 12% per annum, charged monthly. The loan is due for repayment by 27 January 2053 or any other date agreed between by both parties.

22. Loans

Analysis of the maturity of loans is given below:

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Amounts falling due within one year				
Other borrowings	**141**	*-*	**-**	*-*
Secured bond loan	**6,038**	*-*	**-**	*-*
Debenture loans	**-**	*3,061*	**-**	*-*
	6,179	*3,061*	**-**	*-*
Amounts falling due 1-2 years				
Other borrowings	**3,803**	*3,756*	**-**	*-*
Debenture loans	**-**	*77,981*	**-**	*-*
	3,803	*81,737*	**-**	*-*
Amounts falling due 2-5 years				
Secured bond loan	**146,843**	*-*	**-**	*-*
	156,825	*84,798*	**-**	*-*

Included in other borrowings falling due within one year is a balance of £141,000 *(2025: £Nil)* and included in other borrowings falling due more than one year is a balance of £3,803,000 *(2025: £3,756,000)* which relates to a loan, received from Department for Energy Security and Net Zero (DESNZ). The loan is repayable in 51 six monthly instalments commencing June 2027 and carries interest of 0.01%. As noted in the accounting policies, the directors have assessed the balance as representing a financing transaction and have discounted the liability to present value. As at 30 June 2026, the gross liability has been discounted by £3,211,000 *(2025: £3,399,000).* The final repayment will be made in June 2052. No security is held in respect of this loan.

On 13 August 2025, the group entered into a secured bond loan, listed on Euronext ABM, with a nominal value of £150,000,000 and a maturity date of 13 August 2030. The bond bears a fixed coupon of 10.50% per annum, payable semi-annually. Directly attributable transaction costs of £3,674,000 were incurred in connection with the issuance of the bond and have been capitalised. These costs are amortised to finance costs over the term of the bond, the effective interest rate of 11.45% is incurred on these fees.

The debenture that was extinguished in full during the year *(2025: £81,042,000)* had a total term of 33 years, of which 30 years were remaining. Interest was charged at an effective rate of 9.18% per annum. The debenture was secured by fixed and floating charges over all property and undertakings of Vital Energi (Drakelow) Limited, a subsidiary undertaking, including a negative pledge.

23. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	Group 2026 £000	*Group 2025 £000*
Within one year	**420**	*396*
Between one and five years	**759**	*1,179*
	1,179	*1,575*

Hire purchase payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The group has a charge dated 29 June 2022, in favour of Paragon Commercial Finance Limited, in respect of the hire purchase. The charge contains a fixed charge over the leased assets of Vital Energi Utilities Limited, a subsidiary undertaking, including a negative pledge.

There are no amounts due under hire purchase in the company as at 30 June 2026 *(2025: £Nil).*

24. Deferred taxation

Group

	2026 £000
At beginning of year	**(3,333)**
Charged to profit or loss	**(4,800)**
At end of year	**(8,133)**

Company

	2026 £000
At beginning of year	**30**
Credited to profit or loss	**1**
At end of year	**31**

24. Deferred taxation (continued)

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Losses and other deductions	**5,493**	*10,236*	**31**	*30*
Short term timing differences	**794**	*342*	**-**	*-*
Fixed asset timing differences	**(14,420)**	*(13,911)*	**-**	*-*
	(8,133)	*(3,333)*	**31**	*30*

The deferred tax asset of £6,287,000 *(2025: £10,578,000)* is expected to be utilised as the underlying tax losses and temporary timing differences reverse. £5,493,000 *(2025: £10,236,000)* relates to tax losses which are expected to be recovered against future taxable profits. The remaining balances of £794,000 *(2025: £342,000)* relate to temporary timing differences arising between the accounting and tax treatment of certain income and expenditure.

The deferred tax liability of £14,420,000 *(2025: £13,911,000)* principally relates to accelerated capital allowances on fixed assets and is expected to reverse over the remaining useful lives of the related assets as capital allowance claims and accounting depreciation unwind.

25. Provisions

Group and Company

	Provision £000
At 1 July 2025	**19,000**
Cash payment	**(10,000)**
Interest accrued	**1,191**
Reclassification to creditors	**(10,191)**
At 30 June 2026	**-**

The movement in the year relates to Glennmont deferred consideration that was paid during the year.

26. Share capital

	2026 £000	*2025* *£000*
Allotted, called up and fully paid		
100,000,000 *(2025: 100,000,000)* Ordinary shares 1 of 0.00099p each	**99**	*99*
83,002,000 *(2025: 83,002,000)* Ordinary shares 2 of 0.001p each	**83**	*83*
45,750,000 *(2025: 45,750,000)* Ordinary shares 3 of 0.000109p each	**50**	*50*
707,928 *(2025: 707,928)* B Ordinary shares of £0.009880 each	**7**	*7*
100,000 *(2025: 100,000)* Preferred shares of 1p each	**1**	*1*
10,000,000 *(2025: 10,000,000)* Preference A shares of £1 each	**10,000**	*10,000*
	10,240	*10,240*

The holders of Preferred shares have the right to a preferential payment of £45 per share upon a capital distribution or in the case of winding up the company. The shares do not confer any rights of redemption, any rights to a dividend, nor any rights to vote at a general meeting of the company.

The holders of the Ordinary shares have the right to vote and receive income. All Ordinary shares rank below Preferred shares in the case of winding up the company.

The holders of the B Ordinary shares have restricted capital distribution rights. The shares do not confer any rights of redemption, any rights to a dividend, nor any rights to vote at a general meeting of the company.

The holders of the Preference A shares have the right to a preferential capital distribution or in the case of winding up the company. The shares do not confer, any rights to a dividend, nor any rights to vote at a general meeting of the company. These are redeemable in accordance with the articles of association.

27. Employee Benefit Trust

The group has established an Employee Benefit Trust with the object of promoting employee loyalty and goodwill.

In accordance with Section 9 of FRS 102 the trust net deficit of £23,000 *(2025: £23,000)* has been incorporated into the company and group Balance Sheet.

28. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Own shares

The own share reserve comprises the investment in own shares of 8,692,520 *(2025: 8,692,520)* Ordinary shares of £0.001 *(2025: £0.001)* each in Vital Holdings Limited that are held by The Vital Energi Utilities Employee Benefit Trust. In accordance with section 9 of FRS 102 the investment has been shown as a deduction in shareholders' funds.

Share-based payment reserve

The cumulative share-based payment expense.

Merger Reserve

Representing the difference in consideration paid and net assets consolidated as a result of a group reorganisation.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

29. Analysis of net debt

	At 1 July 2025 £000	Cash flows £000	Non-cash movements £000	At 30 June 2026 £000
Cash at bank and in hand	**70,629**	**73,742**	**-**	**144,371**
Borrowings	**(84,798)**	**(94,326)**	**22,299**	**(156,825)**
Finance leases	**(1,575)**	**396**	**-**	**(1,179)**
	(15,744)	**(20,188)**	**22,299**	**(13,633)**

Included within the non-cash borrowings movements is the exceptional gain of £29,656,000 arising from the early extinguishment of the Aviva debenture over the Drakelow EfW site. The remaining movement of (£7,357,000) relates to accrued interest movements.

30. Share-based payments

Group

	Weighted average exercise price (pence) 2026	Number 2026	*Weighted average exercise price (pence) 2025*	*Number 2025*
Outstanding at the beginning of the year	**0.10**	**12,048,289**	*0.07*	*8,842*
Granted during the year	**-**	**-**	*0.05*	*12,039,597*
Lapsed during the year	**-**	**-**	*0.07*	*(150)*
Outstanding at the end of the year	**0.10**	**12,048,289**	*0.07*	*12,048,289*

The Vital Energi Utilities Enterprise Management Incentive Plan between The Vital Energi Utilities Employee Benefit Trust and certain officials of the company:

The options were exercised during a previous year and had an exercise price of £1.00. No charge has previously been recognised for these options as the amount involved was not considered to be material.

The company Share Option Plans between Vital Holdings Limited and certain officials of the group:

During the year, management reviewed the assumptions applied in respect of certain share option arrangements and concluded that an exercise price of £0.10 per share is the most appropriate basis for determining the current year share-based payment charge. The impact of this reassessment on the share-based payment expense and weighted average exercise price disclosures was not material and accordingly has been recognised within the current year.

The share based payment expenses relate to employees in one of the company's trading subsidiaries. The options outstanding for the CSOP at 30 June 2026 had an exercise price of £0.10 *(2025: £0.07)*, and a remaining contractual life of 1 year *(2025: 2 years)*.

The options outstanding for the Joint Share Option Plan (JSOP) at 30 June 2026 had an exercise price of £0.07 *(2025: £0.07),* and a remaining contractual life of 3 years *(2025: 4 years)*.

The options outstanding for the Growth Shares CSOP at 30 June 2026 had an exercise price of £0.05 *(2025: £0.05),* and a remaining contractual life of 2 years *(2025: 3 years)*. There were no options outstanding for this plan in the year *(2025: Nil)*.

The options outstanding at the end of the year are 12,039,597 *(2025: 12,039,597)*. None of these options are exercisable at the current and prior year end.

30. Share-based payments (continued)

The weighted average fair value of options granted in the prior year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date"). Options granted under the CSOP and NTA plans are not ordinarily exercisable before a Qualifying Exit event (broadly defined under the Plan rules as a 75% exit event for the company).

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations. The maximum term of the options granted under the Plan is 10 years from the date of grant.

Options are equity-settled by the allotment and issue of new £0.01 B Ordinary shares in the capital of the Company upon exercise at a subscription price of £0.0512 per share.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

31. Financial commitments, guarantees and contingent liabilities

A group undertaking has three charges dated 3 December 2015, 6 December 2018 and 15 December 2021, in favour of De Lage Landen Leasing Limited over a future income stream in other debtors. The charges contain a fixed charge, a floating charge and a negative pledge over property or undertaking of the company.

A group undertaking has a charge dated 29 June 2022, in favour of Paragon Commercial Finance Limited, in respect of the finance leases. The charge contains a fixed charge over the leased assets of Vital Energi Utilities Limited, a subsidiary undertaking, including a negative pledge.

The company has five charges, four being dated 22 November 2024 and 31 December 2024 in favour of Birchyard Trustee 1 Limited and Birchyard Trustee 2 Limited Acting as Joint Trustees of Birchyard Property Unit Trust over a project asset income stream. These charges contain a fixed charge over legal assignment over the company's rights to certain payment obligations and related rights and proceeds thereof.

A group undertaking has two charges dated 11 August 2025 and 25 September 2025, in favour of Nordic Trustee AS over the Bond. The charges contain a fixed charge, and a negative pledge over property or undertaking of the company and over an escrow account held with DNB Bank ASA. The escrow account is formally held by Pareto Securities AS as account manager, with the company as beneficial owner.

32. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £2,695,000 *(2025: £2,292,000)*. Contributions totalling £471,000 *(2025: £320,000)* were payable to the fund at the balance sheet date and are included in creditors.

33. Commitments under operating leases

At the reporting date the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2026 £000	*Group 2025 £000*	**Company 2026 £000**	*Company 2025 £000*
Not later than 1 year	**3,641**	*3,037*	**-**	-
Later than 1 year and not later than 5 years	**9,944**	*5,820*	**-**	-
Later than 5 years	**58,411**	*1,377*	**-**	-
	71,996	*10,234*	**-**	-

Included within the operating leases committed to at year end is £599,000, £2,646,000, and £51,491,000 due within one year, between one and five years and more than five years respectively for the leasehold land in respect of the Port Clarence EfW site.

34. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group is as follows:

	2026 £000	*2025 £000*
Aggregate compensation	**6,221**	*5,806*

Key management personnel comprise the directors of the group together with members of the executive leadership team who have authority and responsibility for planning, directing and controlling the activities of the group.

Key management personnel includes £503,000 *(2025: £406,000)* relating to equity-settled shared-based payments.

Other information

Included within trade debtors falling due within one year, the group is owed £112,000 *(2025: £5,000)* from companies with common directors, shareholders and close family members. Included within trade creditors falling due within one year, the group owes £25,000 *(2025: £Nil)*. During the year the group made sales of £831,000 *(2025: £639,000)* to these companies and made purchases of £593,000 *(2025: £1,069,000)* from these companies. The remaining movement relates to payments and receipts.

Included in other creditors falling due within one year is an amount due to a director of £153,000 *(2025: £764,000)*. An amount of £3,774,000 *(2025: £7,802,000*) was repaid and an amount of £3,163,000 *(2025: £7,502,000)* was advanced during the year. The maximum overdrawn amount during the year was £340,000 *(2025: £3,053,000).*

34. Related party transactions (continued)

Included within amounts owed by group undertakings due within one year is an amount of £32,656,000 *(2025: £Nil)* due from Vital Energi (Drakelow) Limited, a fellow group undertaking, with a participating interest. Interest is charged at 3.25% per annum.

Included within amounts owed by group undertakings due within one year is an amount of £2,582,000 *(2025: £8,232,000)* due from Vital Energi Generation Limited, a fellow group undertaking, with a participating interest. Interest is charged at 3.25% per annum.

Included within amounts owed by group undertakings due within one year is an amount of £7,940,000 *(2025: £5,731,000)* due from Vital Energi Generation Limited, a fellow group undertaking, with a participating interest. Interest is charged at 12% per annum.

Included within amounts owed by group undertakings due within one year is an amount of £1,043,000 *(2025: £Nil)* due from Vital Community Energi Limited, a fellow group undertaking, with a participating interest. Interest is charged at 3.25% per annum.

Included within other debtors due within one year is an amount of £2,852,000 *(2025: £2,652,000)* due from a company in which Vital Chiltern Investments Limited, a fellow group undertaking, has a participating interest. Interest is charged at 10% per annum, charged quarterly. The directors do not expect these amounts to be fully repaid within 12 months.

Included within other debtors due within one year is an amount of £Nil *(2025: £683,000)* due from a company in which Vital Chiltern Investments Limited, a fellow group undertaking, has a participating interest. Interest was charged at 10% from the first anniversary of the agreement, being 30 September 2022. The loan is due for repayment by 31 March 2026. This has been fully impaired during the year.

Included within other debtors due within one year is an amount of £207,000 *(2025: £187,000)* due from a company in which Vital Chiltern Investments Limited, a fellow group undertaking, has a participating interest. Interest is charged at 10% per annum, charged quarterly. The loan is repayable on demand.

Included within other debtors due after one year is an amount of £1,288,000 *(2025: £782,000)* with interest being charged at 10% per annum. The loan is due for repayment on the earlier of the date on which the project closes, the date of sale or disposal of twenty five or more percent of the equity share capital, or on demand.

Included within other debtors due within one year is an amount of £7,483,000 *(2025: £282,000)* with interest being charged at 10% per annum. The loan is repayable on demand.

Included within other debtors due after more than one year is an amount of £2,272,000 *(2025: £7,282,000)* with interest being charged at 10% per annum. The loan is due for repayment on 10 September 2029.

Included within other debtors due after more than one year is an amount of £Nil *(2025: £4,588,000)* with interest being charged at 7.95% per annum, charged monthly. The loan is due for repayment on 30 April 2028. As part of the group reorganisation, this loan has been merged into the below £10,972,000 loan.

Included within other debtors due after more than one year is an amount of £Nil *(2025: £5,895,000)* with interest being charged at 7.50% per annum, charged monthly. The loan is due for repayment on 30 April 2025. As part of the group reorganisation, this loan has been merged into the below £10,972,000 loan.

Included within other debtors due after more than one year is an amount of £10,972,000 *(2025: £Nil)* with interest being charged at 5% per annum, charged monthly. The loan is due for repayment on 1 April 2028.

34. Related party transactions (continued)

Company

Included within amounts owed by group undertakings due within one year is an amount of £400,000 *(2025: £Nil),* this is interest free and repayable on demand.

35. Subsequent events

There have been no significant events affecting the company since the reporting date.

36. Controlling party

The company is ultimately controlled by Mr G J Fielding and close family members, who controlled the majority of the issued share capital of the company during the year.