



VITAL HOLDINGS LIMITED

# REPORT & FINANCIAL STATEMENTS

For the year ended 30th June 2025



# CONTENTS

1. Company Information
2. Chairman and CEO statement
3. Principal activity
4. Review of the business accounts and context
5. Environmental
6. Social
7. Governance
8. Key risks and uncertainties
9. Future developments
10. Section 172(1) statement
11. Streamlined Energy Carbon Report (SECR)



VITAL HOLDINGS LIMITED

# COMPANY INFORMATION

## VITAL HOLDINGS LIMITED

### **DIRECTORS**

Mr G J Fielding  
Mr I M Whitelock  
Mr G Le Sueur  
Mrs S A Fielding  
Ms C Parker  
Mr M I Cooke (*Appointed July 2025*)  
Mr A P Malin (*Appointed July 2025*)  
Mr N Gosling (*Resigned January 2025*)

### **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



## EMPOWERING CHANGE: OUR JOURNEY TOWARD A SUSTAINABLE FUTURE

I am pleased to present Vital Energi's annual report, 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.

This year, we took a major step forward by successfully raising funding through a senior secured £175m Nordic bond facility, drawing £150m to support our growth in asset ownership. This strategic move strengthens our position as an established player in the energy landscape, enabling us to secure stable long term revenue streams, enhance financial performance, and contribute to the UK's energy transition. We expanded our energy-from-waste ('EfW') assets by acquiring Aviva's stake in our existing Drakelow EfW plant and acquiring the Port Clarence EfW plant. These transactions provide a 'step change' in our asset ownership journey.

We continue to significantly expand our portfolio of sustainable energy assets, from developing, operating and owning heat networks, innovative storage solutions, to large-scale renewable technology projects such as Lancaster University Net Zero Infrastructure Project, the Gatwick Airport Sustainability Framework and our acquisition of the Gloucestershire Science and Technology Park.

Environmental sustainability remains central to our business, and this year we strengthened our approach to carbon reporting and accountability, laying the groundwork for future reductions. We implemented



We are  
**protecting our  
planet for future  
generations,**  
and this purpose  
drives everything  
we do.

innovative energy solutions and engaged with stakeholders to drive sustainable practices. We are proud to have maintained a Silver rating in the EcoVadis assessment with an improved score, recognising

both our strong environmental and social performance. As we look ahead, we are confident in our ability to navigate the evolving energy landscape and deliver long-term value. By embracing innovation, fostering strong partnerships, and maintaining our unwavering commitment to sustainability, we will continue to shape a more sustainable future.

I would like to express my sincere gratitude to our talented team, dedicated partners, and supportive stakeholders for their invaluable contributions. Together, we are shaping a brighter future, one project at a time.

**GARY FIELDING | CHAIRMAN**





VITAL HOLDINGS LIMITED

## INVESTING IN A SUSTAINABLE FUTURE

As we reflect on FY24/25, I am proud to report that Vital Energi has continued to make a significant contribution to the UK's energy transition, delivering sustainable, long-term value to our stakeholders. In a year marked by both opportunity and complexity, we have achieved critical milestones that underscore our commitment to innovation, affordability, and

operational excellence. Our ability to adapt and respond to evolving market conditions has been instrumental in maintaining momentum and delivering results.

We are also proud to be involved in several strategic partnerships to address one of the most pressing challenges in the sector: the affordability of low-carbon heat. For example, through the joint industry and government forum the Heat Networks Industry Council's "Cost of Heat" workstream, we are helping to shape policy and market mechanisms that will close the "gap to gas"

and make heat networks a viable alternative for more communities. This collaborative approach is essential to unlocking scalable, long-term solutions that benefit both consumers and the climate.

At Vital Energi, we believe that investing in people is the foundation of long-term success. This year, we've significantly expanded our early careers pipeline, welcoming a record intake of 30 apprentices and 29 graduates.

To support their development, we launched a structured graduate programme alongside our established apprenticeship programme, focusing on accelerating learning, fostering leadership, and embedding sustainability into every career journey. Our membership of the 5% Club reinforces our commitment to inclusive and impactful talent development, and we're proud that 15% of our workforce is now on structured "earn and learn" pathways, combining practical experience with continuous learning.

The investment in our digital learning environment has delivered strong results, significantly advancing both technical excellence and personal growth. These initiatives are helping us build a workforce that is not only skilled and resilient but also inspired to lead the energy transition. Looking ahead, we remain focused on shaping the future of heat networks through strategic collaboration with government, industry, and local communities.

Our expanding portfolio, strengthened by new partnerships and a robust financial platform, positions us to deliver transformative infrastructure that meets the UK's decarbonisation goals.

IAN WHITELOCK | CEO





## Principal activity

We operate at the forefront of the UK's transition to low-carbon energy, delivering integrated solutions that combine technical innovation, long-term asset performance, and environmental stewardship. We offer an extensive array of energy-related services, systems, and solutions; as both an Asset Owner and Operator ourselves and on behalf of others.

Our core services encompass the design, installation, and operation of low-carbon and renewable energy products and solutions, many of which are delivered under long-term energy performance contracts. This includes energy generation, heat recovery, and storage, employing an increasingly diverse range of technologies to meet our customers' needs while reducing environmental impact. We also specialise in energy distribution networks for heat and power, as well as the integration of new energy networks with the National Grid.

Our purpose is to **"protect our planet for future generations"** which continues to shape every aspect of our operations and is deeply embedded in our culture. From our grassroots Climate Education programme to the delivery of pioneering sustainable infrastructure across the UK, this purpose drives our people and our partnerships.

This purpose extends to our growing role in asset management, ensuring the efficient and sustainable operation of systems through a full suite of services.

In FY24/25, we expanded our operational footprint with the acquisition of Port Clarence EfW plant and continued to deliver major infrastructure projects such as the Lancaster University Net Zero Infrastructure Project, Leeds PIPES and the Gatwick Airport Sustainability Framework.

Our expertise in energy distribution networks continues to evolve, integrating new energy networks with the National Grid through advanced mechanical and electrical systems, building controls, and optimised smart energy solutions.

Our broad range of energy conservation measures, including building fabric improvements and energy efficiency solutions remain central to reducing energy consumption in buildings, both new and retrofit. Whether delivering

full or part funding for these solutions, our focus is on long-term sustainability, supported by guaranteed financial and carbon savings, as well as rigorous performance monitoring and reporting.

We operate across a diverse range of markets, including healthcare, education, industrial, commercial, transport, residential, waste-to-energy and local authority sectors, remaining at the forefront of innovation as we continue to expand and meet the demands of a changing world.



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



Offering the lowest possible carbon solution



Maximising energy bill savings



Ensuring energy security and reliability



Maximising community benefits



Creating jobs, training and local supply chain opportunities



# Fair review of the business

This year's financial results demonstrate both **strong top-line growth** and **effective strategic execution**. We successfully capitalised on the booming market for decarbonisation solutions, a trend driven by supportive government policies and significant client commitments to achieving net-zero targets. In response to these opportunities, we have strategically invested in our future: expanding our service offerings, strengthening key partnerships, and decisively reinforcing our commitment to innovation.

This foundational work includes active investment in R&D and vital collaborations with leading institutions, positioning us to develop the cutting-edge technologies and solutions required to sustain long-term growth and value creation.

The financial performance highlights our ability to translate strategic vision into tangible growth. Our group turnover reached £274.6m, a substantial increase of 10.6% on the FY24 figure of £248.3m. This revenue growth was delivered while maintaining our strong gross profit percentage at 15.5%, matching the previous year's figure. This stability was achieved notwithstanding structural pressures driven by two key factors: lower-margin legacy projects and our evolving business model. As we prioritise long-term asset ownership, we strategically accept a lower upfront margin on these contracts in exchange for sustained, predictable revenue from the ongoing management of these valuable assets.

A substantial portion of our increased overheads was also due to depreciation from a key strategic asset, with the remainder driven by necessary investments in our team to support future growth. Headcount increased to 764 employees in total compared with 690 employees in FY24. Employee costs subsequently increased from £48.7m (FY24) to £55.9m (FY25). These factors are a result of our managed transition, positioning us for continued margin improvement and profit growth.

We delivered a strong year-on-year improvement in profitability. Pre-

exceptional and Share-based Payment EBITDA rose to £17.7m, an increase of £1.9m compared to the £15.8m recorded in the prior year. This represents a significant 12.1% increase in underlying operating performance, achieved despite the introduction of £0.7m in operating costs associated with the Port Clarence acquisition and re-engineering project. Furthermore, EBITDA as a percentage of turnover showed a marginal improvement, increasing to 6.4% from 6.3% in the previous year, demonstrating strong control over operating margins while driving sustainable growth across the business.

The year also saw significant investment in our asset base. Our net assets grew substantially to £65.0m, marking a 36.6% increase from £47.5m in FY24. We ended the year in a position of exceptional liquidity, with cash balances of £70.6m, an increase of 14.2% from £61.8m in FY24. This robust cash position, combined with our strong capital base, provides a solid foundation for our future growth plans.

During the year, we made further investments, as well as providing financing to allow further development of business opportunities in view of its strategic move into investing in Chiltern Group Companies.

With a strong sales pipeline and a secured order book that includes opportunities as a contractor as well opportunities for developing our own assets, we are confident in our ability to maintain this positive momentum and continue delivering strong financial and operational performance in the year ahead.



## KEY FACTS

# 10.6%

INCREASE IN TURNOVER

# 12.1%

INCREASE IN EBITDA

# 14.2%

INCREASE IN CASH

# 36.6%

INCREASE IN NET ASSETS







# Environmental

**Rebaselining our Greenhouse Gas Emissions:** In FY24/25, we undertook a comprehensive rebaselining of our greenhouse gas (GHG) emissions in collaboration with Greenly, aligning with the latest GHG Protocol methodologies.

This reassessment ensures consistency, transparency, and comparability across reporting years strengthening the integrity and reliability of the overall evaluation process.

Total emissions for the year reached 465,757 tCO<sub>2</sub>e, with Scope 3 emissions accounting for 64% of the total footprint. This significant increase on our FY23/24 footprint is attributable to two key factors. Firstly, the transition of the Drakelow Energy-from-Waste facility to full operational status in early 2025 significantly expanded our carbon footprint. As the site commenced energy production, Scope 1 and 2 emissions rose in line with increased fuel throughput and energy generation activities. Importantly, the facility plays a vital role in diverting waste from landfill, supporting our broader sustainability goals by converting residual waste into low-carbon energy. Secondly, changes in the carbon accounting methodology applied to purchased goods and services contributed to higher Scope

3 emissions. In FY24/25, updated emission factors, reflecting improved data granularity and revised lifecycle assumptions, were applied by Greenly, a specialist carbon management platform that uses the greenhouse gas protocol that is industry standard for carbon reporting, to expense-based calculations. This methodological refinement ensures greater accuracy but also results in higher reported emissions compared to previous years. Excluding the emissions attributable to Drakelow and the recalibration of Scope 3 factors, our core business operations continue to reduce in carbon intensity. This reflects our ongoing efforts to improve energy efficiency, engage suppliers on climate maturity, and implement low-carbon procurement policies.

Together, these developments mark a shift toward more comprehensive and transparent carbon reporting, aligned with international standards and our commitment to improvement.

## Total Emissions:



465,757 tCO<sub>2</sub>e



## Advancing Site Setup Standards to Drive Carbon

In early 2025, we launched a cross-functional initiative to define and implement minimum standards for site setup, aimed at improving operational consistency while significantly reducing our environmental impact. The project introduced a banded approach to site setup requirements based on project value, duration, and personnel count. This framework ensures that each site is equipped appropriately, balancing functionality with sustainability.

Key innovations include:

- Optimised cabin configurations to reduce energy consumption
- Standardised lighting and fencing solutions that minimise material waste
- Engagement with key suppliers to secure access to low-carbon cabins



The initiative included a workshop attended by members of our Projects, Commercial, Estimating and Work-Winning teams, to refine the standards and address practical considerations like fire ratings, cost codes, and supplier logistics.

By embedding sustainability into the early stages of project planning, this effort exemplifies our commitment to carbon-conscious construction practices and collaboration.



### Heat Pump Ready Programme: Innovation at Century House

In FY24/25, we progressed our commitment to low-carbon innovation by developing and installing a prototype energy centre at Century House, our headquarters. This initiative is part of the UK Government's Heat Pump Ready Programme, partly funded by the Department for Energy Security and Net Zero (DESNZ).

The compact unit incorporates advanced technologies including a thermal store using a special material developed with the University of Birmingham, based on over 10 years of research. The solution is aimed at improving energy efficiency and accelerating the deployment of heat pump systems. It is expected to help reduce our reliance on fossil fuels and contribute to lowering Scope 1 emissions at the site.



## ACTIONS FOR FY25/26

- **Circular Resource Use, Waste Management and Whole Life Carbon:** We are committed to advancing a circular economy across our operations, recognising that the energy transition relies on responsible resource use and resilient supply chains. To reduce dependence on virgin materials and minimise environmental impact, we embed circularity principles throughout our project lifecycle, from design and procurement to operations and end-of-life recovery. Our approach includes modular system design to enable reuse, collaboration with suppliers to promote recycled content, and robust maintenance strategies to extend product lifespans. At project close, we prioritise reuse and recycling, supported by partnerships with waste specialists like Go Green and Beyondly. In FY24/25, we updated our site waste management procedures, leading to improved waste tracking, reduced landfill disposal, and enhanced compliance with packaging and electronic waste regulations. **Looking ahead to FY25/26,** we will focus on training and awareness, and work closely with our supply chain to target key areas such as spoil movement and damaged solar panels. We also significantly strengthened our approach to carbon accountability in FY24/25 through the application of Whole Life Carbon Assessment (WLCA). This methodology allows us to quantify the full carbon impact of our infrastructure, from material sourcing to end-of-life. Our work on the Lancaster University Net Zero Infrastructure Project (LUNZIP) has positioned us as a sector leader in applying WLCA to live energy infrastructure projects. Using One Click LCA, we've embedded carbon tracking into project governance, trained internal carbon champions, and collected real-time site data to improve accuracy. By integrating WLCA with circular design and procurement practices, we are building a more transparent and resilient supply chain while supporting our clients' decarbonisation goals. **Looking ahead to FY25/26,** we will be undertaking a targeted investigation into construction-phase fuel and energy use, an area widely recognised as a significant gap in current carbon footprinting methodologies. This initiative will leverage live data from our infrastructure projects to better understand the embodied emissions associated with temporary energy systems, plant operations, and site logistics. The findings will inform enhancements to our WLCA modelling and support the development of more comprehensive carbon accounting practices across the built environment sector.
- **Creating a Net-Positive Biodiversity Impact:** We recognise that protecting biodiversity is essential to both environmental and economic sustainability, with nearly half of global GDP at risk from ecosystem loss. We have committed to developing a Biodiversity Policy that ensures our renewable energy projects contribute positively to nature. This includes setting science-based decarbonisation targets, applying the mitigation hierarchy to avoid and reduce harm, and integrating biodiversity restoration into all project phases. Our goal is to achieve net-positive biodiversity impact for all projects commissioned from 2030 onwards. To support this, we are adopting emerging frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) to ensure our targets are measurable, credible and aligned with global best practice.





## Social

We are evolving our delivery model to focus on long-term, high-impact projects that generate meaningful social value across the UK. To ensure consistency and scalability, we have implemented a Strategic Social Value and Stakeholder Engagement Framework. This formal structure enables multi-year budgeting, project-level planning, centralised tracking, and clear governance, laying the foundation for sustainable, measurable outcomes. Our strategy is anchored

in six key areas: scaling up social value; tailoring community and sector strategies; embedding equity, diversity, and inclusion; lifelong education engagement; employee empowerment; and centralised data management to ensure transparency and continuous improvement. In FY24/25, several regional initiatives exemplified our commitment to embedding social value at scale. In London, as Gatwick Airport's Sustainability Delivery Partner for its Second Decade of Change, our plans will drive employment and skills

development through placements, apprenticeships, qualifications, and STEM education events. In Scotland, our partnership with Powering Futures is bridging the gap between education and employment, offering young people pathways into the careers of the future. In Blackburn & Darwen, we continue our support as a Gold Patron of Blackburn Youth Zone, helping to raise aspirations and transform lives locally. In the Midlands, our investment in Solihull is delivering £3.1m in local spend, 180 apprentice weeks,

### WE DELIVER VALUE

Our strategy is anchored in six key areas:



**Scaling up social value**



**Lifelong education engagement**



**Tailoring community and sector strategies**



**Employee empowerment**



**Centralised data management**



**Embedding equity, diversity, & inclusion**

over 60 hours of environmental volunteering, and targeted economic and EDI engagement. And across Wales, we scaled up our social and economic contributions through projects like Coed Ely Solar Farm, where we generated over £600,000 in local spend, and Duffryn Heat Network, where we created a Nurture Farm at Tredegar Primary School, an outdoor learning space focusing on horticulture, animal care and food education.

Our experience of delivering social value over many years - through projects like Leeds PIPES, positions Vital Energi to ensure that heat network zoning delivers genuine community benefits. Unlike other forms of renewable energy generation, heat networks are inherently for the communities where they are located. They must support the growth and wellbeing of those communities. The success of zoning areas will

be determined not only on carbon performance, but also on their ability to tackle fuel poverty, create local jobs and apprenticeships, improve the local environment, and build long-term trust. Our proven record of embedding social value into complex, multi-year projects demonstrates that we can deliver these wider benefits in practice, not just in principle, making us a partner of choice for local authorities, investors, and communities.



## BUILDING THE WORKFORCE OF TOMORROW

In a sector undergoing rapid transformation, **investing in people is central** to Vital Energi's long-term success. We are committed to building a future-ready workforce with the technical excellence, adaptability and purpose-driven mindset needed to deliver the UK's clean energy transition.

Recognising that the skills required for complex low-carbon infrastructure were not readily available from the existing pipeline of school and college leavers, we launched our own apprenticeship programme in 2020. The scheme has grown year-on-year and continues to evolve to meet industry needs. In FY24/25, our traditional Craft apprenticeship evolved into a new Low Carbon Apprenticeship, delivered in partnership with Bolton College, equipping apprentices with skills in areas such as low-carbon plumbing and energy systems. In total, 30 new apprentices joined our schemes this year.

Our first formal Graduate Scheme was launched in May 2025, attracting over 1,500 applicants and leading to offers for 31 graduates, the largest graduate intake in our history. As a result, apprentices and graduates now make up 15% of our total workforce, a figure we are particularly proud of given that across the construction industry achieving 5% of the workforce in "earn and learn" positions (e.g. apprentices, sponsored students and graduates on formalised training schemes) is considered aspirational.

Our early careers programmes are structured to provide breadth, depth, and connection. Apprentices rotate across departments on a 3-month

rotation, while graduates undertake structured short-term placements aligned with their discipline to better understand the business and build internal networks. Designed by our Future Leaders Board, the programme will expand in the coming year to include formal mentoring, study and chartered support, alumni networking, and clear post-programme career pathways to strengthen retention and leadership readiness. Alongside developing new talent pipelines, we are also reskilling and upskilling our own workforce and the wider industry. District heating pipework requires specialist welding techniques that differ from those commonly used in gas and water networks. To preserve and transfer this expertise, we have developed a bespoke welding procedure delivered at our Blackburn training academy by experienced district heating welders, who pass on their expertise to colleagues with welding experience in other utilities. Training takes 3-6 months, with five welders accredited since July 2024 and now deployed across UK projects.

We are also contributing to industry-wide knowledge development. During FY24/25, our HIU Manager created and delivered a CIBSE-approved CPD module on heat interface units (HIUs) and heat networks, offered both internally and to external partners. This reflects our commitment not only to developing our own people but also to raising skills standards across the wider sector.





## Creating an Inclusive and Supportive Workplace

As we grow and evolve, Vital Energi remains committed to creating a workplace where every individual feels valued, supported, and empowered to thrive. Our people strategy is rooted in inclusion, wellbeing, and continuous improvement, ensuring our workforce is not only future-ready but also resilient, engaged and reflective of the communities we serve.

In FY24/25, we deepened our commitment to diversity and representation by celebrating key awareness events including Pride Month, International Women's Day and International Men's Day. These moments were supported by internal campaigns, training modules, and open forums that encouraged dialogue on topics such as gender identity, mental health and psychological safety. Our Women in Energi event brought together 90 employees for a full day of wellbeing and personal development, with feedback describing it as "motivating, inspiring, and relaxed".

We also expanded our support for employee wellbeing. Mental health services are now embedded across the organisation, with trained Mental Health First Aiders, regular wellbeing check-ins, and access to confidential support via our Employee Assistance Programme and healthcare schemes. Absence rates remained below national averages, with cancer-related illness and surgical recovery identified as the top long-term causes of absence.

In response, we introduced proactive measures such as phased return-to-work plans, health screening awareness, and flexible working arrangements to support recovery and resilience.

Our benefits offering was enhanced through the rollout of a new healthcare scheme and payrolling of benefits in kind. We also implemented Real Living Wage increases and launched a flexible working policy, with further exploration into reduced contracted hours for specific roles. These changes reflect our ongoing efforts to align employee experience with evolving expectations around work-life balance and wellbeing. Training and development remain central to our people strategy. In addition to our early careers programmes, **we invested over £180,000 in workforce development, including CPD-accredited modules, NVQ qualifications, and leadership training.** Our digital learning platform has streamlined access to mandatory training and performance reviews, with further enhancements planned to improve completion rates and user experience.

By fostering a culture of trust, empathy, and continuous learning, we are building not just a better workplace, but a stronger, more sustainable business.

---

## Supporting Local Causes

Across our operations, we hosted 59 educational exhibitions and climate education events, reaching over 10,000 students and dedicating 455 staff hours. These initiatives raise awareness of green technologies and career pathways, bridging the gap between education and industry. Our delivery teams provide hands-on insights into sustainable practices, helping build a skilled, inclusive workforce.

We are committed to supporting causes that matter to our people and the communities we serve. Through charitable partnerships, donations, sponsorships and fundraising, we contributed over £163,000 across the UK last year, £102,114 from corporate initiatives, with additional support through project-based activity. These funds supported a wide range of charities and community organisations, including The Christie, Macmillan Cancer Support and Refuge. We also took part in events such as the Bolton 10k and Cash for Kids, helping raise awareness and funds for vital local causes.

Internships and work experience placements are another key pillar of our strategy. We actively encourage local residents and students to gain practical experience on our projects. One recent intern shared this about their experience:

*"Their guidance and willingness to share knowledge created a great learning environment. Thanks to their mentorship, I developed my technical understanding as well as important workplace skills like effective communication, accuracy and project coordination."*

Through these efforts, we are not only delivering infrastructure but also empowering communities with the knowledge, skills and confidence to shape a sustainable future, reflecting our belief that corporate responsibility goes beyond infrastructure and involves being an active, compassionate partner in the communities where we operate.





# Governance

Our Board of Directors continues to provide strategic oversight and leadership, ensuring Vital Energi remains resilient, innovative, and aligned with our long-term sustainability and growth ambitions. In FY24/25, governance activity focused on deepening ESG integration, strengthening regulatory compliance, and enhancing our ability to respond to a rapidly evolving policy and risk landscape.

## Ethical Conduct and Accountability

We remain fully committed to ethical business conduct, underpinned by our policies on anti-bribery and corruption, whistleblowing, and modern slavery. In FY24/25, we continued to enhance our procurement due diligence processes and risk-based screening, supporting greater transparency and accountability across our supply chain. This included appointing a dedicated Supply Chain Manager in February 2025. Our alignment with frameworks such as the UN Global Compact, alongside our adherence to the Modern Slavery Act, continues to drive meaningful improvements in how we manage ESG risks and uphold ethical standards throughout our operations.

## Industry Participation and Standards

We recognise the importance of working collaboratively across the energy and environmental sectors to drive systemic change. In FY24/25, we strengthened our external engagement and advocacy by joining both Energy UK, the UK's leading trade association for the energy industry, giving us a stronger voice in shaping the future of clean, flexible energy systems; and the Environmental Services Association (ESA), aligning ourselves with leading organisations committed to delivering a more circular economy and advancing environmental innovation. These memberships reinforce our commitment to high standards of governance, sustainability, and regulatory compliance and provide a platform for contributing to the development of policies and standards that impact the sectors we operate in.

## Monitoring Impact and Managing Risk

We continue to evolve our measurement and reporting frameworks to reflect the increasing complexity of our growing operations.

### In FY24/25, this included:

- Continued investment in digital transformation under Project Enterprise, including ERP renewal, asset and workforce planning enhancements and process automation, to strengthen operational resilience and ensure timely,



Key achievements during the year include:

- **Maintaining our EcoVadis Silver rating**, with an improved score of 72 (up from 69), reflecting progress in sustainability, business ethics, and responsible supply chain management.
- **Becoming a formal signatory to the UN Global Compact**, reinforcing our commitment to internationally recognised principles on human rights, labour, the environment, and anti-corruption.
- **Enhancing governance and compliance systems**, including rigorous reviews of ESG and operational risk registers, improved documentation control, and strengthened oversight of Principal Designer responsibilities under CDM and the Building Safety Act.
- **Investing in leadership development**, including our Future Leaders Board, continued delivery of our Emerging Leaders programme, and the launch of our formal Graduate Scheme.

- compliance and performance data for agile decision-making
- Completion of a comprehensive assessment of all business activities against the full suite of UN SDG targets, identifying both positive contributions and areas of potential adverse impact to inform future ESG strategy and stakeholder engagement.
- A shift to group-level SECR reporting, improving the accuracy and completeness of our energy and carbon disclosures.
- Expansion of our GHG inventory boundaries across O&M, ESCo, and generation activities to reflect the full scope of our value chain impacts.
- Establishment of cross-functional ESG working groups to improve data quality, lifecycle risk management, and audit readiness.

These efforts support a more robust, evidence-based approach to ESG performance and regulatory alignment.



## Key risks and uncertainties

The external environment in which we operate remains dynamic, shaped by shifting policy signals, macroeconomic conditions and evolving market standards. Our response continues to focus on disciplined execution, prudent financial management and active engagement with stakeholders, so that we remain resilient while supporting customers through the energy transition.

Government policy plays a pivotal role in building stakeholder and investor confidence as well as supporting the growth of schemes to help communities decarbonise. We welcome the direction set out in the Warm Homes Plan and remain committed to working constructively with DESNZ and other stakeholders. Although some schemes may be subject to change or delay, the renewal of the Green Heat Network Fund and the extension of the Scottish Heat Network Fund to 2030 provide a positive signal. Our approach prioritises collaboration with central government, devolved governments and local authorities to ensure our propositions align with regional priorities and funding opportunities.

We also recognise that market quality plays a crucial role in shaping investor confidence and the pace of sector-wide delivery. In some areas of our industry, challenges around techno-economic modelling and assumptions have impacted outcomes. We aim to contribute positively by maintaining rigorous due diligence, validating inputs independently, and maintaining full transparency for customers and funders. Through our work on industry standards, we support collective efforts to strengthen project appraisal and delivery across the sector.

Attracting and retaining the right skills remains central to performance and safe delivery, particularly in disciplines such as electrical engineering and construction where the labour market is tight. We are investing in capability through leadership programmes, a structured Graduate Scheme and apprenticeships, partnerships

with educational organisations and initiatives to widen the talent pool. We are also trialling flexible working where it can support retention and productivity, while strengthening succession planning and knowledge transfer. Macroeconomic and supply dynamics continue to affect affordability and programme scheduling. Movements in inflation (including wage inflation), commodity prices (notably steel, copper and aluminium), interest rates and foreign exchange rates influence project economics and customer decision-making. In parallel, the green transition increases reliance on critical minerals, where global competition, processing constraints and trade frictions can elevate input costs and extend manufacturing and logistics lead-in times for technologies including solar panels, heat pumps, batteries and power electronics.

and recycling/secondary-sourcing initiatives, alongside disciplined pricing and indexation where contract structures allow. Our due diligence processes, supplier screening and alignment with frameworks such as the UN Global Compact and the Modern Slavery Act remain central to managing these human rights risks. Operational, cybersecurity, financial and reputational risks are managed through our established frameworks and alignment with recognised standards, including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 27001 (Information Security Management System) and ISO 45001 (Occupational Health & Safety). This includes robust project controls and HSE systems, supply chain qualification and oversight, layered cybersecurity and audit, conservative leverage and liquidity management,

"Our balanced portfolio, disciplined governance and continued investment in people and partnerships position us to navigate uncertainty."

Many of these raw materials are sourced from regions with a heightened risk of forced labour and modern slavery, creating additional ethical and compliance challenges for our supply chain. We are mitigating these pressures through value engineering and material substitution where appropriate, early procurement of long-lead items, long-term arrangements with original equipment manufacturers (OEMs), supplier and geographic diversification, targeted buffer stocks

and clear ethical standards for partners and suppliers. The Board oversees principal risks within defined appetites, supported by regular reviews of the Group risk register, scenario and sensitivity analysis, and ongoing assurance over mitigations. Overall, while policy signals and market conditions remain fluid, our balanced portfolio, disciplined governance and continued investment in people and partnerships position the Group to navigate uncertainty and support long-term value creation.





## Future developments and innovations

We are building a future-ready business through strategic investment in innovation, asset ownership, and organisational transformation. We are embedding new systems, tools, and ways of working that strengthen delivery capability and unlock long-term value.

**A**t the heart of this is our integrated Energy and Asset Management (EAM) approach, combining digital platforms, AI-enabled maintenance, and real-time analytics to optimise performance, reduce lifecycle costs, and enhance system resilience.

Through our Project Enterprise programme, we are implementing a new ERP platform and coordinated digital systems for workforce planning and asset management, improving data flow, streamlining operations, and enabling agile decision-making across the business. This transformation is grounded in cross-functional collaboration, with programme structures that integrate design, delivery, EAM, and digital teams. It also includes the adoption of a construction-grade digital solution that digitises health and safety workflows, improves workforce coordination, and enhances on-site compliance and visibility across project delivery.

Our market pipeline stands at approximately £2.5 billion, with strong visibility over medium-term growth. We are progressing large, multi-stakeholder programmes across priority sectors such as transport, healthcare, education, and industry, as well as city-scale and regional heat networks. Flagship schemes at Gatwick Airport, Liverpool City Region, and the expanding Leeds PIPES network demonstrate our capability to deliver complex, integrated

infrastructure at scale. We continue to play a leading role in shaping UK clean heat policy through active engagement with DESNZ, HeatNIC, Scottish Renewables, and others. In FY24/25, we made significant contributions to the development of heat network zoning policy in England and Wales and are sharing practical delivery insights to inform Scotland's regulatory approach. With our partners, we are supporting innovations that reduce capital and operating costs, improve affordability, strengthen supply chains, and accelerate the transition to low-carbon heat.

Our development-led portfolio continues to expand, including the transformation of the former Berkeley nuclear laboratories in Gloucestershire. A planning application has been submitted to double the facility's footprint to 600,000 sq ft and widen its capability while we concurrently develop its long-term energy strategy, including potential integration with the nearby Oldbury site owned by Great British Nuclear. Yorkshire Energy Park, another key investment, benefits from Freeport support and is attracting R&D and data centre occupiers aligned with the UK's industrial growth policies.

We are leading the delivery of resilient, low-carbon energy infrastructure to serve these energy-intensive occupiers.

We are also expanding our presence in the Energy-from-Waste (EfW) sector, which supports circular economy goals, reduces landfill emissions, and provides secure, local, low-carbon energy. Following the successful takeover of our Drakelow EfW plant, we are optimising operations to enhance productivity and returns. Shortly after year-end, we successfully concluded a £175m bond issuance to support our re-engineering and full acquisition of the Port Clarence EfW facility, converting it from mothballed biomass use to a viable RDF operation, delivering high-quality, long-term revenue and asset value. EfW assets also support strategic integration



### KEY STATS

# £2.5bn+

FUTURE PIPELINE



with heat networks, as evidenced through Leeds PIPES, the Torry Heat Network in Aberdeen, and Newhurst in Leicestershire.

Our robust ESG framework plays an increasingly important role in securing investment for client schemes and supporting our own growth as an asset owner. We don't just talk about sustainability, we demonstrate it through credible, data-led action. With a Greenly Silver rating for carbon reporting, an EcoVadis Silver rating placing us in the top 15% of companies assessed globally, and a strategy aligned with the UN Global Compact, we've built an approach that meets investor expectations on transparency, risk, and credible transition planning. This has enabled strong relationships with investors and positions ESG as a key value driver for our future.

Innovation remains central to our strategy. Our heat pump R&D and collaboration with the University of Birmingham combines technical efficiency with a cost-competitive commercial model and has the potential to deliver low-cost electrified heat to end-users at or near parity with gas systems.

Across our portfolio, we continue to invest in systems, partnerships, and innovations that will accelerate the transition to net zero and create long-term value for our clients, communities, and investors.



## KEY PARTNERSHIPS



UNIVERSITY OF  
BIRMINGHAM



Department for  
Energy Security  
& Net Zero



scottish  
renewables

Heat Networks  
Industry Council



## Section 172(1) statement

**"Protecting our planet for future generations"** is at the core of our business strategy and governance. Our board is committed to making decisions that advance the long-term success of the company for the benefit of our stakeholders, always with our core purpose in mind. This statement outlines how the board considers the factors in Section 172 of the Companies Act 2006.

### STAKEHOLDER CONSIDERATIONS

We believe that building strong relationships with our key stakeholders is fundamental to our long-term value creation.

#### EMPLOYEES:

Our people are the driving force behind our success. We are dedicated to fostering a culture of empowerment, diversity, and professional growth, ensuring our employees feel valued and supported. By actively seeking their input and providing comprehensive training, we equip our team with the skills necessary to innovate and thrive within the dynamic sustainable energy sector.

#### CUSTOMERS:

We view our customers as partners in the transition to a sustainable future. We are committed to delivering exceptional service and innovative solutions that not only meet their evolving energy needs but also support their own sustainability objectives. Our goal is to be their trusted provider for holistic energy solutions, from initial generation to final consumption.

#### SUPPLIERS:

We recognise that a responsible supply chain is essential to our environmental and ethical commitments. We actively collaborate with partners who share our values on sustainability and ethical

sourcing. Our prompt and fair payment practices, detailed in our Payment Practice Report, underscore our commitment to building strong, reliable relationships.

#### COMMUNITY:

Our engagement with local and wider communities is a fundamental part of our social purpose. Through our impactful Climate Education programme, we inspire the next generation by providing valuable insights into climate change and sustainable energy careers. We also empower our employees through volunteering days and other community investments, ensuring we deliver meaningful social value wherever we operate.

#### INVESTORS:

We are dedicated to maintaining transparent and consistent communication with our investors, providing them with timely information on our performance and strategic direction. Our commitment to strengthening the company's financial foundation was highlighted shortly after the year-end through the successful raising of a £175m bond in the Nordic bond market in August 2025. This significant transaction provides substantial long-term liquidity and reinforces investor confidence in our vision and long-term growth strategy.



### LONG-TERM CONSEQUENCES

As a developer and asset owner in the renewable energy sector, our decisions are guided by a strategic imperative to build a resilient and sustainable business. We assess the long-term consequences of every action, considering:

#### SUSTAINABILITY:

Our investments and operations are inherently focused on promoting energy efficiency, developing renewable energy sources, and minimising our carbon footprint to advance the UK's Net Zero Pathway.

#### FINANCIAL STABILITY:

We actively manage and mitigate against risks to ensure robust financial health and liquidity, enabling us to continue investing in pioneering sustainability initiatives.

#### INNOVATION:

We are committed to continuous investment in technology and intellectual property, ensuring we remain at the forefront of the industry and offer market-leading solutions.

#### MARKET TRENDS:

We proactively anticipate and adapt to changing market dynamics, positioning the company to capitalise on emerging opportunities in the energy transition.





## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our commitment to Corporate Social Responsibility is integrated into our operations and reflects our dedication to a wider social purpose.

### EDUCATION AND SKILLS DEVELOPMENT:

Our educational engagement has reached over 10,000 students this year, while our apprenticeship and training schemes ensure we attract and nurture future talent for the industry.

### COMMUNITY INVESTMENT:

We provide ongoing support to our local communities through sponsorships and impactful projects, such as Manchester South Foodbank, Leeds and Salford NHS Children's Hospital, Ronald McDonald House Charity and Lancaster West

Neighbourhood Residents Team.

### EMPLOYEE ENGAGEMENT:

We encourage employee-led charitable efforts, which have raised over £163,000 for various causes, and support a culture of giving by offering two dedicated volunteering days per year.

### SUSTAINABLE PRACTICES:

We actively prioritise working with local suppliers and investing in renewable energy solutions to reduce our environmental footprint across all our activities.

## CONCLUSION

By aligning our core business activities with a **responsible and purpose-driven approach**, we are well-positioned to drive long-term value for our stakeholders. This approach is central to our strategy and ensures we are contributing to a more sustainable and equitable future.



# Streamlined Energy Carbon Report (SECR)

## 1. Purpose and Basis of Preparation

This disclosure has been prepared 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 streamlined energy and carbon reporting (SECR) guidance (March 2019). It is presented for inclusion in the Strategic Report of Vital Holdings Limited (the "Group") for the financial year 1 July 2024 – 30 June 2025.

data on electricity, gas, fleet vehicles, and construction site fuel consumption. Emissions are calculated according to the Greenhouse Gas Protocol and 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.

## 2. Company Information

We operate at the forefront of the UK's transition to low-carbon energy, delivering integrated solutions that combine technological innovation, long-term asset performance, and environmental stewardship. We offer an extensive array of energy-related services, systems, and solutions; as both an Asset Owner and Operator and on behalf of others.

Our core services encompass the design, installation, and operation of low-carbon and renewable energy products and solutions, many of which are delivered under long-term energy performance contracts. This includes energy generation, heat recovery, and storage, employing an increasingly diverse range of technologies to meet our customers' needs while reducing environmental impact. We also specialise in energy distribution networks for heat and power, as well as the integration of new energy networks with the national energy grid.

The company is headquartered in Blackburn, with regional offices located in London, Glasgow, Newcastle, Swansea and Hereford. Our first Energy-from-Waste (EfW) plant Drakelow, near Burton-upon-Trent, transitioned to full operational status on 1st January 2025. A second EfW, Port Clarence near Middlesbrough, is currently under construction. As of 30th June 2025, the combined headcount for these entities stood at 774 employees. Staff members are based across office locations and project sites, where they work on various energy projects, including district heating networks, energy centre installations, and system upgrades. The geographical spread allows us to deliver projects efficiently across the UK.

## 3. Methodology for Reporting

This report covers the financial year from 1 July 2024 to 30 June 2025, using

Emissions are presented using an intensity ratio of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per employee, with conversion factors sourced from the UK government's 2025 DEFRA guidelines.

## 4. Reporting Boundary, Changes and Impact

### 4.1 REPORTING ENTITY AND BOUNDARY (GROUP)

This SECR disclosure covers Vital Holdings Ltd and all UK subsidiaries. Disclosures are presented on a UK-only





basis as required for large unquoted companies. Any entities or sources excluded are due to immateriality or data unavailability where not practical to obtain; such exclusions do not materially affect the totals. Where estimates were required, we applied methods consistent with the SECR guidance and the UK Government (DEFRA/BEIS) 2025 conversion factors.

#### 4.2 CHANGES FROM PREVIOUS SECR DISCLOSURES

The following significant changes since our FY23-24 disclosure should be noted:

- **Inclusion of Drakelow EfW:** For the first time, consumption from the Drakelow EfW are included due to the site becoming fully operational in early 2025.
- **Inclusion of EScO Gas and Electricity consumption:** From FY24/25, EScO operations have been included within the SECR boundary, reflecting increased materiality and operational control.
- **Headcount Increase:** The reporting year-end headcount increased from 741 to 774.
- **Removal of business travel from Total Energy Use:** Scope 3 emissions will continue to be disclosed for transparency purposes but only Scope 1 and 2 emissions will be included in the mandatory disclosure figure, as required by SECR.

Due to these changes, year-on-year comparisons are not like-for-like. The inclusion of Drakelow and EScOs has resulted in substantial increases in reported energy use and emissions. Where possible, segregated data and explanatory notes are provided to aid interpretation; however the previous year's figures have not been restated. A full energy breakdown and analysis is provided in Appendix 1.



### 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	<ul style="list-style-type: none"><li>➤ Gas consumption in buildings and Energy Services Companies (ESCos)</li><li>➤ Energy generation at the Drakelow EfW facility</li><li>➤ Fuel used on project sites to run generators when mains electricity is unavailable</li></ul>
1.2 (Partial) Transportation of employees	Fuel used in company vehicles to transport employees for business purposes.
2.1 Electricity-related Indirect Emissions	Electricity consumption in the head office facility, Century House, Blackburn, and in the regional offices located in London, Glasgow, Newcastle, Swansea and Hereford, as well as the office accommodation at Drakelow.
3.6 Business Travel	Consumption incurred by grey fleet vehicles, train and plane travel

## 5. Analysis of Findings

During FY24/25, Vital Holdings experienced significant increase in total energy consumption and carbon emissions, primarily due to the operational start of the Drakelow EfW.

### 5.1 GENERATION OF ELECTRICITY, HEAT AND STEAM (SCOPE 1.1)

The transition of the Drakelow EfW to full operational status in early 2025 significantly expanded our carbon footprint. As the site commenced energy production, Scope 1 and 2 emissions rose in line with increased fuel throughput and energy generation activities. Generation of electricity, heat and steam in this period significantly increased overall energy consumption and intensity. However, there have been some consumption and emission reductions made over the financial year, which are described in the following sections.

#### Gas Consumption in Buildings

During the period, we experienced a reduction in gas consumption in our offices of -6.5%. Whilst this can partially be explained by the relatively

is also attributable to the building upgrades made to Vital Energi's head office, Century House, Blackburn. This decline is also against a backdrop of an increase in headcount, leading to a 10% decrease in the intensity ratio.

#### Gas Consumption in EScOs

This report is the first time that EScO gas consumption has been included. Consumption records of the previous reporting years is available, which means that comparison can be made. When comparing FY24/25 consumption to the previous reporting period, there was a decrease of -4.5% for both consumption and emissions with a corresponding -9% decrease in the intensity ratio associated with EScO consumption.

#### Drakelow EfW Generation

This is the first report in which energy consumption related to the generation of electricity at Drakelow has been included in the report. The commissioning and transition to operational control of Drakelow all occurred in FY24/25; therefore there is no previous data available for comparison.



comparison.

In line with DEFRA's Environmental Reporting Guidelines and current industry practice, emissions from EfW facilities are typically split between fossil and biogenic (renewable) sources, reflecting the mixed composition of municipal solid waste. The precise fossil/biogenic ratio depends on the waste stream, which can vary by region and over time. In the absence of plant-specific sampling data for Drakelow in its first few months of operation, we have adopted a conservative interim assumption that the fuel mix is 50% fossil and 50% biogenic by carbon content. This is consistent with BEIS guidance and is supported by published estimates for UK EfW plants, which generally indicate that approximately half the carbon in residual waste is derived from fossil sources (such as plastics), with the remainder from biogenic sources (e.g. food waste, paper and wood).

The actual fossil/biogenic split for Drakelow will be updated in future reports once carbon-14 analysis is available.

#### Site Fuel Use

Our project sites use diesel to power on site generators. The FY24/25 consumption of diesel on project sites has decreased significantly compared to the FY23/24 figures, falling by -25% in terms of consumption, which is equivalent to a decrease of 62.37 tCO<sub>2</sub>e in carbon emissions. This is primarily due to efforts made to standardise the site set-up requirements, where alternative solutions such as hybrid generators (including battery storage and solar) and mains electricity connections are preferred to diesel generators.

#### 5.2 TRANSPORTATION OF EMPLOYEES (SCOPE 1.2)

During FY24/25, the size of our fleet increased by 9.7% from FY23/24. The

vehicle fleet includes both company cars and vans. Fleet emissions increased by 8% or 52.85 tCO<sub>2</sub>e. When considering the increase in headcount and the increase in the number of vehicles added to the fleet, the overall intensity ratio for the fleet increased by 3%. A total of 68% of the fleet is electric, which is a 1.4% decrease based on FY23/24 figures. Fleet emissions will be prioritised as an area for further investigation in FY25/26.

#### 5.3 ELECTRICITY CONSUMPTION (SCOPE 2.1)

##### Electricity Consumption in Buildings

During this period, electricity consumption decreased by 4%, despite the additional office spaces we opened. The decrease can be attributed to the building upgrades made to Vital Energi's head office. This, paired with the increase in headcount, has led to a 50% decrease in the intensity ratio associated with electricity consumption in buildings.

Electricity supplies to our head office, London and Glasgow offices are still on 100% renewable tariffs.

##### Electricity Consumption in ESCos

This report is the first time that ESCos electricity consumption has been included. Consumption records of the previous reporting years are available at Vital Energi, which means that comparisons can be made. When comparing FY24/25 consumption to the previous reporting period, there was an increase of 9% for both consumption and emissions. This translates to a 4% increase in the intensity ratio associated with ESCo consumption.

#### 5.4 BUSINESS TRAVEL (SCOPE 3.6)

During the FY24/25 reporting period, the intensity ratio associated with business travel rose by 16% compared to FY23/24. The increase can be attributed mainly to grey fleet travel, where personal vehicles are used

for business purposes. Grey fleet consumption increased by 37.5%, whereas train and plane travel emissions saw a decrease of 41%.

## 6. Energy Efficiency Actions

We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. Vital Energi has committed to Net Zero by 2035 and we publish an annual Carbon Reduction Plan on our website. In addition to our long-term net zero target, Vital Energi has also committed to reducing its Scope 1 & 2 emissions by 50% from 2020 levels by 2030 without using offsets.

#### 6.1 ENERGY EFFICIENCY MEASURES TAKEN IN FY24/25

Throughout FY24/25, Vital Energi implemented the following initiatives to enhance energy efficiency and reduce carbon emissions:

- **ESG Framework and KPIs:** We developed a comprehensive ESG Framework aligned with GRI Standards, incorporating Environmental and Energy KPIs that directly supported our SECR and Carbon Reduction Plan (CRP) objectives.
- **Site Set-up Standards:** We prepared a business case to explore the use of cleaner fuels on site—such as biofuels and renewable energy sources (e.g. solar-powered generators and hybrid generators with battery storage)—and have gone to suppliers to provide prices and solutions.
- **Employee Engagement and Awareness:** We increased our focus on Environmental and Energy



## VITAL HOLDINGS LIMITED

campaigns, including our annual Get Green Week, engaging employees in reducing their environmental impact. We also enhanced supplier engagement on carbon reduction.

- **Heat Pump Installation:** We installed a heat pump solution at our headquarters, eliminating our reliance on fossil fuels and significantly reducing Scope 1 emissions.
- **Whole-Life Carbon Assessments:** We utilised OneClickLCA to conduct whole-life carbon assessments on projects, helping to quantify and reduce the total carbon impact—including embodied carbon—of our infrastructure.
- **ESOS Phase 3 Action Plan:** Based on the Phase 3 assessment, we created and began implementing an action plan to deliver the recommended energy efficiency improvements.

### 6.2 PROPOSED ACTIONS FOR FY25/26

We plan to prioritise the following measures to enhance sustainability and reduce carbon emissions in this financial year:

- **ESOS and ISO50001 Compliance:** We will continue to maintain compliance with ESOS and ISO50001 standards, ensuring that energy audits and management systems remain robust and aligned with regulatory expectations.
- **Energy Team:** The Energy Team will focus on identifying and implementing operational energy efficiency improvements, with a particular emphasis on performance monitoring and optimisation.
- **Heat Pump Commissioning and Operation:** We will complete commissioning and fully operate the heat pump system to accelerate decarbonisation at Vital Ergi's Head Office.
- **Internal Supply Chain Management Platform:** We will further develop our internal supply chain

management platform to improve transparency, traceability, and sustainability in procurement processes.

- **Environmental and Energy Awareness Programme:** We will continue to deliver our environmental and energy awareness programme, refreshing content and engagement strategies to drive behavioural change across the organisation.
- **Fleet Strategy Review:** We will undertake a comprehensive review of our fleet strategy to assess recent trends and barriers to electrification, and to define clear next steps for accelerating the transition to low- and zero-emission vehicles.



## Breakdown of Vital Holdings Energy Use

Summary of Total Energy Consumption for Financial Year 2024/2025

July 2024 - June 2025			
Scope	Energy	kWh	tCO <sub>2</sub> e
1.1	Gas in Building	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	729,804.31	186.60
1.2	Vehicles (Car and Vans)	2,673,366.33	713.68
2.1	Electricity in Buildings	759,556.67	40.51
2.1	Electricity in ESCos	171,506.00	35.51
3.6	Trains and Planes	317,989.96	35.99
3.6	Grey Fleet	1,246,978.10	311.01

### Year-on-Year Comparison Data

Scope	Energy	Comparison reporting period July 23-June 24 (Financial year-end employee headcount = 741)			Current reporting period July 24-June 25 (Financial year-end employee headcount = 774)			IR Change (%)
		kWh	tCO <sub>2</sub> e	tCO <sub>2</sub> e/employee	kWh	tCO <sub>2</sub> e	tCO <sub>2</sub> e/employee	
1.1	Generation of electricity, heat or steam	8,112,471.27	1,554.85	2.098	22,963,371.00	27,813.26	35.9	1,613%*
1.2	Transportation of Employees	2,606,445.56	660.82	0.892	2,673,366.33	713.68	0.9	3.4%
2.1	Electricity Consumption	948,433.11	110.02	0.148	931,062.67	76.03	0.1	-33.8%
3.6	Business Travel	1,051,891.04	287.20	0.388	1,564,968.07	347.00	0.45	16%
TOTAL ENERGY USE		12,719,240.98	2,612.89	3.526	26,567,800**	28,602.97	36.9	948%*

\* Figures for FY23/24 and FY24/25 are not directly comparable

\*\* The reporting of business travel emissions under Scope 3.6 is a voluntary disclosure under SECR. As such, the overall total energy consumption or total GHG emissions reported for SECR compliance do not include these figures. This approach aligns with the SECR guidance, which requires Scope 1 and Scope 2 disclosures, while Scope 3 reporting remains optional.

### ON BEHALF OF THE BOARD

Mr G J Fielding, Chairman  
17th December 2025

---

## VITAL HOLDINGS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025

---

The directors present their audited report and the financial statements for the year ended 30 June 2025.

#### 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 £7,223k (2024: £6,016k).

No ordinary dividends were paid (2024: £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 N Gosling (resigned 13 January 2025)

Mr M I Cooke and Mr A P Malin were appointed as directors after the year ended on 1 July 2025.

#### Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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'). 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 and profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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.

---

## VITAL HOLDINGS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2025

---

#### Directors' Responsibilities Statement (continued)

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

#### 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.

#### Research and development activities

The Group and Company are a leading innovator in efficient energy provision and a catalyst for the development of new and sustainable ways of supplying the heat and power the UK needs while at the same time contributing towards the government's published emission reduction targets and net zero strategy. The Group incurred research and development expenditure of £393,000 (2024: £837,000).

As such the Group and Company are engaged in continuous research and development activities across numerous projects including the design and development of a technologically advanced energy from waste power plant.

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The Group and Company's policy is to consult and discuss with employees at meetings matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

#### 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 S172 statement, carbon reporting and future developments.



---

## VITAL HOLDINGS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2025

---

#### Financial risk management objective and policies

The Group and Company finance operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings or leasing arrangements.

The management objectives are to:

- Retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the Group's and the Company's exposure to fluctuating interest rates when seeking borrowing; and
- Match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the Group and Company's trading activities.

Where appropriate, funds are invested in sterling bank deposit accounts and borrowings are all obtained from standard bank loan accounts. As such, there is little price risk exposure.

Where appropriate, funds are held primarily in short-term variable rate deposit accounts. The directors believe that this gives them flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

#### Subsequent events

Following the balance sheet date, the Group successfully executed a major financing and acquisition strategy to support its expansion in asset ownership and low-carbon energy solutions.

In August 2025, the Group completed the establishment of a senior secured £175m Nordic bond facility. An initial amount of £150m was raised under this facility.

The proceeds from this bond issuance were primarily used to finance the following activities:

- Drakelow Energy from Waste (EfW) Facility and Aviva Debt Buy-out: The bond proceeds facilitated the acquisition of the Drakelow EfW facility from Aviva, which included the early extinguishment of the existing debenture debt (as disclosed in Note 22) secured over the asset.
- Port Clarence EfW Plant: Utilising additional proceeds for the acquisition and subsequent re-engineering of the Port Clarence EfW plant located in Middlesbrough.

This strategic expansion is designed to materially enhance the Group's long-term financial resilience and secure high-quality, sustainable revenue streams, aligning with the Group's objective of growth in asset ownership.

The directors have concluded that these transactions are non-adjusting events that provide an indication of conditions that arose after the balance sheet date. No other material adjusting or non-adjusting events have occurred between the balance sheet date and the date of approval of these financial statements.

#### 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.

---

**VITAL HOLDINGS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**Auditor**

Under section 487(2) of the Companies Act 2006, RSM UK Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



**Mr G J Fielding**  
Director

Date: 17/12/2025

---

---

## 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 2025, 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 2025 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.

---

---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL HOLDINGS LIMITED (CONTINUED)**

---

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

### **Matters on which we are required to report by exception**

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

---

---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL HOLDINGS LIMITED (CONTINUED)**

---

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 23 and 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;
- 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.



---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL HOLDINGS LIMITED (CONTINUED)

---

### **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 charges with governance whether the company is in compliance with these laws and regulations and performed procedures including a review of board minutes and performance a search for notices publishes 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 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](http://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  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE  
Date: 18/12/25

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025

		Continuing operations 2025 £000	Discontin'd operations 2025 £000	Total 2025 £000	Continuing operations 2024 £000	Discontin'd operations 2024 £000	Total 2024 £000
	Note						
Turnover	4	274,603	-	274,603	248,261	-	248,261
Cost of sales		(232,170)	-	(232,170)	(209,794)	-	(209,794)
<b>Gross profit</b>		<b>42,433</b>	<b>-</b>	<b>42,433</b>	<b>38,467</b>	<b>-</b>	<b>38,467</b>
Administrative expenses		(30,258)	-	(30,258)	(25,146)	(2)	(25,148)
Exceptional administrative expenses	7	(1,037)	-	(1,037)	(460)	-	(460)
Other operating income	5	759	-	759	665	-	665
<b>Operating profit</b>	6	<b>11,897</b>	<b>-</b>	<b>11,897</b>	<b>13,526</b>	<b>(2)</b>	<b>13,524</b>
Interest receivable and similar income	11	3,151	-	3,151	2,481	-	2,481
Interest payable and similar expenses	12	(7,463)	-	(7,463)	(7,775)	-	(7,775)
Profit on disposal of investments	32	-	3	3	-	-	-
<b>Profit before taxation</b>		<b>7,585</b>	<b>3</b>	<b>7,588</b>	<b>8,232</b>	<b>(2)</b>	<b>8,230</b>
Tax on profit	13	(365)	-	(365)	(2,215)	1	(2,214)
<b>Profit for the financial year</b>		<b>7,220</b>	<b>3</b>	<b>7,223</b>	<b>6,017</b>	<b>(1)</b>	<b>6,016</b>

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2025

		Continuing operations 2025 £000	Discontin'd operations 2025 £000	Total 2025 £000	Continuing operations 2024 £000	Discontin'd operations 2024 £000	Total 2024 £000
	Note						
<b>Profit for the year attributable to:</b>							
Owners of the parent Company		8,718	3	8,721	7,785	(1)	7,784
Non-controlling interests		(1,498)	-	(1,498)	(1,768)	-	(1,768)
		<u>7,220</u>	<u>3</u>	<u>7,223</u>	<u>6,017</u>	<u>(1)</u>	<u>6,016</u>
<b>Total comprehensive income for the year attributable to:</b>							
Owners of the parent Company				8,721			7,784
Non-controlling interest				(1,498)			(1,768)
				<u>7,223</u>			<u>6,016</u>

The notes on pages 41 to 81 form part of these financial statements.

**VITAL HOLDINGS LIMITED**  
**REGISTERED NUMBER:06395526**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2025**

	<b>Note</b>	<b>2025 £000</b>	<b>2024 £000</b>
<b>Fixed assets</b>			
Goodwill	14	<b>19,382</b>	255
Other intangible assets	14	<b>7,740</b>	5,992
Total intangible assets	14	<b>27,122</b>	6,247
Tangible assets	15	<b>130,306</b>	110,654
Investments	16	<b>9,291</b>	5,445
		<b>166,719</b>	122,346
<b>Current assets</b>			
Stocks	17	<b>11,523</b>	10,882
Debtors: amounts falling due after more than one year	18	<b>18,100</b>	4,945
Debtors: amounts falling due within one year	18	<b>100,080</b>	78,270
Cash at bank and in hand	19	<b>70,629</b>	61,841
		<b>200,332</b>	155,938
Creditors: amounts falling due within one year	20	<b>(193,594)</b>	(148,019)
<b>Net current assets</b>		<b>6,738</b>	7,919
<b>Total assets less current liabilities</b>		<b>173,457</b>	130,265
Creditors: amounts falling due after more than one year	21	<b>(86,128)</b>	(81,791)
<b>Provisions for liabilities</b>			
Deferred taxation	24	<b>(3,333)</b>	(890)
Other provisions	25	<b>(19,000)</b>	-
<b>Net assets</b>		<b>64,996</b>	47,584



**VITAL HOLDINGS LIMITED**  
**REGISTERED NUMBER:06395526**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2025**

	Note	2025 £000	2024 £000
<b>Capital and reserves</b>			
Called up share capital	26	10,240	233
Share premium account	28	29	-
Own shares	28	(2,664)	(2,664)
Share-based payment reserve	28	2,374	1,621
Merger reserve	28	(233)	(233)
Profit and loss account	28	63,388	54,432
<b>Equity attributable to owners of the parent Company</b>		73,134	53,389
Non-controlling interests		(8,138)	(5,805)
		64,996	47,584

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



**Mr G J Fielding**  
Director

Date: 17/12/2025

The notes on pages 41 to 81 form part of these financial statements.

**VITAL HOLDINGS LIMITED**  
**REGISTERED NUMBER:06395526**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2025**

	Note	2025 £000	2024 £000
<b>Fixed assets</b>			
Intangible assets	14	20	20
Investments	16	32,559	12,101
		<u>32,579</u>	<u>12,121</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	18	48,040	42,819
Debtors: amounts falling due within one year	18	1,527	63
Cash at bank and in hand	19	282	176
		<u>49,849</u>	<u>43,058</u>
Creditors: amounts falling due within one year	20	(160)	(57)
<b>Net current assets</b>		<u>49,689</u>	<u>43,001</u>
<b>Total assets less current liabilities</b>		<u>82,268</u>	<u>55,122</u>
Creditors: amounts falling due after more than one year	21	(43,589)	(46,027)
<b>Provisions for liabilities</b>			
Other provisions	25	(19,000)	-
<b>Net assets</b>		<u><u>19,679</u></u>	<u><u>9,095</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	10,240	233
Share premium account	28	29	-
Own shares	28	(2,664)	(2,664)
Share-based payment reserve	28	2,374	1,621
Merger reserve	28	10,247	10,247
Profit and loss account	28	(547)	(342)
		<u><u>19,679</u></u>	<u><u>9,095</u></u>

---

**VITAL HOLDINGS LIMITED**  
**REGISTERED NUMBER:06395526**

---

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2025**

---

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 £205k (2024: £164k).

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

**Mr G J Fielding**  
Director



Date: 17/12/2025

The notes on pages 41 to 81 form part of these financial statements.

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025

	Called up share capital £000	Share premium account £000	Own shares £000	Share-based payment reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
<b>At 1 July 2023</b>	233	-	(2,664)	979	(233)	46,648	44,963	(4,037)	40,926
Profit for the year	-	-	-	-	-	7,784	7,784	(1,768)	6,016
Share-based payment reserve	-	-	-	642	-	-	642	-	642
<b>At 1 July 2024</b>	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 reserve	-	-	-	753	-	-	753	-	753
Shares issued during the year	10,007	29	-	-	-	-	10,036	-	10,036
Non-controlling interest movement	-	-	-	-	-	235	235	(835)	(600)
<b>At 30 June 2025</b>	10,240	29	(2,664)	2,374	(233)	63,388	73,134	(8,138)	64,996

The notes on pages 41 to 81 form part of these financial statements.



VITAL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025

	Called up share capital £000	Share premium account £000	Own shares £000	Share-based payment reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 July 2023</b>	233	-	(2,660)	979	10,247	(182)	8,617
Loss for the year	-	-	-	-	-	(164)	(164)
Share-based payment reserve	-	-	-	642	-	-	642
Purchase of own shares	-	-	(4)	-	-	4	-
<b>At 1 July 2024</b>	233	-	(2,664)	1,621	10,247	(342)	9,095
Loss for the year	-	-	-	-	-	(205)	(205)
Share-based payment reserve	-	-	-	753	-	-	753
Shares issued during the year	10,007	29	-	-	-	-	10,036
<b>At 30 June 2025</b>	10,240	29	(2,664)	2,374	10,247	(547)	19,679

The notes on pages 41 to 81 form part of these financial statements.

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2025

	2025 £000	2024 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	7,223	6,016
<b>Adjustments for:</b>		
Amortisation of intangible assets	411	270
Depreciation of tangible assets	3,561	862
Taxation charge	365	2,214
(Increase) in stocks	(641)	(1,921)
(Increase)/decrease in debtors	(17,045)	1,956
Increase in creditors	34,770	7,910
Increase in provisions	19,000	-
Corporation tax received/(paid)	1,146	(2,941)
Interest paid	7,283	7,474
Share based payment	753	642
Cost of intangible asset developed	(1,498)	(593)
Interest received	(3,151)	(2,481)
Profit on divestment	(3)	-
<b>Net cash generated from operating activities</b>	<b>52,174</b>	<b>19,408</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(639)	(293)
Purchase of tangible fixed assets	(23,213)	(12,297)
Purchase of unlisted investments	(3,846)	(500)
Purchase of subsidiary	(19,151)	-
Issue of loans	(17,298)	(3,545)
Repayment of loans	2,000	40
Interest received	1,461	2,122
<b>Net cash from investing activities</b>	<b>(60,686)</b>	<b>(14,473)</b>

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2025

	2025 £000	2024 £000
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	10,007	-
Share premium	29	-
Movement on debenture loans	634	-
Repayment of debenture loans	(3,009)	(6,128)
Repayment of finance leases	(374)	(352)
Movement on non-controlling interest	(600)	-
Interest paid	(102)	-
Proceeds from government grants	10,715	-
<b>Net cash used in financing activities</b>	<b>17,300</b>	<b>(6,480)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,788</b>	<b>(1,545)</b>
Cash and cash equivalents at beginning of year	61,841	63,386
<b>Cash and cash equivalents at the end of year</b>	<b>70,629</b>	<b>61,841</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	70,629	61,841

The notes on pages 41 to 81 form part of these financial statements.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 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.

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; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

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:



---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.2 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 2025. 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.

### 2.3 Going concern

The directors have assessed the Group's and Company's ability to continue as a going concern, taking into account the financial forecasts for the foreseeable future, which extend to June 2027. These projections point to 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 £205k, this is offset by the ongoing financial support provided by Vital Energi Utilities Limited, as evidenced by a letter of support.

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

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.4 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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.5 Foreign currency translation

#### Functional and presentation currency

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

#### 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'.

### 2.6 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.

### 2.7 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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 2. Accounting policies (continued)

##### 2.8 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.

##### 2.9 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 as deferred income.

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. The grant specified performance conditions and was recognised in income when the performance conditions were met, which is the month in which the employees were paid or in respect of HNIP, the grant income was recognised in the income statement as costs were incurred.

##### 2.10 Interest income

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

##### 2.11 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.

##### 2.12 Borrowing costs

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

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.13 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.

### 2.14 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 countries 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.

### 2.15 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.



---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.16 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).

### 2.17 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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 2. Accounting policies (continued)

### 2.17 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
Computer equipment	- 25% - 33% straight line
Energy generating plant	- see below

Asset under the course of construction are depreciated when 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.

### 2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

### 2.19 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 2. Accounting policies (continued)

##### 2.20 Stocks

Work in progress and finished goods and goods for resale are stated at the lower of cost and realisable value less costs to complete. 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 its 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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

## 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.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

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 with 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. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

#### 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

**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.



---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 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.

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. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based 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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 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.

#### **Judgements**

##### **Share options**

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. Details of the share options are given in note 30.

##### **Investments and other debtors**

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 FRS102. Based on this assessment, they have determined that an impairment test is not necessary as at 30 June 2025. 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 believe that the investments and loans do not require any impairment provisions at this time.

##### **Other borrowings**

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**

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.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 3. Judgements in applying accounting policies (continued)

##### Estimates

##### Construction contracts

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.

##### Revenue recognition

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).

##### Fixed asset impairment

In producing the financial statements the directors have estimated the recoverable amount of a material item of plant and machinery and have satisfied themselves that no impairment of the asset exists.

##### Fair value of unlisted investments

The directors believe that the fair value of unlisted investments cannot be measured reliably. All unlisted investments are therefore measured at cost less impairment.

#### 4. Turnover

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

	2025 £000	2024 £000
Energy generation and distribution schemes	274,603	248,261

Analysis of turnover by country of destination:

	2025 £000	2024 £000
United Kingdom	274,603	248,261

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**5. Other operating income**

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
Government grants receivable	<b>183</b>	<i>169</i>
Research and Development Expenditure Credit	<b>576</b>	<i>496</i>
	<b>759</b>	<i>665</i>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
Research and development costs	<b>393</b>	<i>837</i>
Exchange differences	<b>2</b>	<i>(103)</i>
Operating lease charges	<b>3,843</b>	<i>3,288</i>
Depreciation of owned tangible fixed assets	<b>3,416</b>	<i>711</i>
Depreciation of tangible fixed assets held under finance lease	<b>145</b>	<i>151</i>
Amortisation of intangible assets	<b>411</b>	<i>270</i>
Research and Development Expenditure Credit	<b>(576)</b>	<i>(496)</i>
Government grants	<b>(183)</b>	<i>(169)</i>

**7. Exceptional items**

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
Exceptional items	<b>1,037</b>	<i>460</i>

Included within exceptional costs in the year is £759,000 (*2024: £322,000*) in respect of redundancy costs for staff and £Nil (*2024: £112,000*) in respect of certain senior individuals who ceased employment and £51,000 (*2024: £5,000*) in respect of Company Share Option Plans (CSOP) accounting costs, and £Nil (*2024: £21,000*) in respect of legal costs for an employee dispute and £3,000 (*2024: £Nil*) in fees in respect of taking action against an IP infringement and £224,000 (*2024: £Nil*) in group reorganisation costs. The directors consider these costs to be non-recurring due to the fact that they are one off in nature. As such, the costs of the overlap period have been classified as exceptional.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**8. Auditor's remuneration**

During the year, the Group obtained the following services from the Company's auditor and its associates:

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
Fees payable to the Company's auditor and its associates		
Audit of the financial statements of the Group and Company	<b>32</b>	<i>25</i>
Audit of the financial statements of the Company's subsidiaries	<b>88</b>	<i>74</i>
Taxation compliance services	<b>48</b>	<i>28</i>
All other non-audit services	<b>181</b>	<i>42</i>
	<b>=====</b>	<i>=====</i>

**9. Employees**

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2025</b>	<i>2024</i>	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>47,871</b>	<i>41,387</i>	<b>36</b>	<i>36</i>
Social security costs	<b>5,657</b>	<i>4,677</i>	<b>4</b>	<i>4</i>
Pension costs	<b>2,290</b>	<i>2,007</i>	<b>-</b>	<i>-</i>
Equity settled share based payments	<b>752</b>	<i>642</i>	<b>-</b>	<i>-</i>
	<b>=====</b>	<i>=====</i>	<b>=====</b>	<i>=====</i>
	<b>56,570</b>	<i>48,713</i>	<b>40</b>	<i>40</i>

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2025</b>	<i>2024</i>	<b>2025</b>	<i>2024</i>
	<b>No.</b>	<i>No.</i>	<b>No.</b>	<i>No.</i>
Direct staff	<b>530</b>	<i>481</i>	<b>-</b>	<i>-</i>
Indirect staff	<b>234</b>	<i>209</i>	<b>1</b>	<i>1</i>
	<b>=====</b>	<i>=====</i>	<b>=====</b>	<i>=====</i>
	<b>764</b>	<i>690</i>	<b>1</b>	<i>1</i>

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**10. Directors' remuneration**

	<b>2025 £000</b>	<i>2024 £000</i>
Remuneration for qualifying services	<b>1,138</b>	<i>1,157</i>
Company pension contributions to defined contribution schemes	<b>70</b>	<i>75</i>
	<b><u>1,208</u></b>	<i><u>1,232</u></i>

During the year retirement benefits were accruing to 3 directors (2024: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £322,000 (2024: £318,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25,000 (2024: £24,000).

**11. Interest receivable**

	<b>2025 £000</b>	<i>2024 £000</i>
Other interest income	<b>1,718</b>	<i>360</i>
Interest on bank deposits	<b>1,433</b>	<i>2,121</i>
	<b><u>3,151</u></b>	<i><u>2,481</u></i>

**12. Interest payable and similar expenses**

	<b>2025 £000</b>	<i>2024 £000</i>
Interest on bank loans	<b>183</b>	<i>169</i>
Finance leases and hire purchase contracts	<b>102</b>	<i>123</i>
Other interest	<b>7,178</b>	<i>7,483</i>
	<b><u>7,463</u></b>	<i><u>7,775</u></i>

Included within other interest is interest of £7,178,000 (2024: £6,856,000) charged in respect of a debenture, the terms of which are disclosed in note 22.

Included in other interest expense is £Nil (2024: £627,000) is the write off of forfeited interest to mitigate the financial risk of the termination of a project. See note 18 for further details.



---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**13. Taxation**

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
<b>Corporation tax</b>		
Current tax on profits for the year	-	2,034
Adjustments in respect of previous periods	<b>(2,078)</b>	(333)
<b>Total current tax</b>	<b>(2,078)</b>	1,701
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>2,980</b>	70
Adjustments in respect of previous periods	<b>(537)</b>	443
<b>Total deferred tax</b>	<b>2,443</b>	513
	<b>365</b>	2,214

**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower than (*2024: higher than*) the standard rate of corporation tax in the UK of 25% (*2024: 25%*). The differences are explained below:

	<b>2025</b>	<i>2024</i>
	<b>£000</b>	<i>£000</i>
Profit on ordinary activities before tax	<b>7,588</b>	8,230
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% ( <i>2024: 25%</i> )	<b>1,897</b>	2,058
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>77</b>	167
Adjustment in respect of prior years	<b>(2,078)</b>	(333)
Research and development tax credit	<b>(144)</b>	(124)
Other permanent differences	<b>7</b>	4
Deferred tax adjustments in respect of prior years	<b>(537)</b>	442
Fixed asset timing differences	<b>1,143</b>	-
<b>Total tax (credit)/charge for the year</b>	<b>365</b>	2,214

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**14. Intangible assets**

**Group**

	<b>Business set up costs £000</b>	<b>Development costs £000</b>	<b>Other intangibles £000</b>	<b>Software £000</b>	<b>Goodwill £000</b>	<b>Lease premium £000</b>	<b>Total £000</b>
<b>Cost</b>							
At 1 July 2024	-	1,691	1,357	191	528	3,728	7,495
Additions	342	1,498	297	-	19,151	-	21,288
Disposals	-	-	-	-	(3)	-	(3)
At 30 June 2025	<u>342</u>	<u>3,189</u>	<u>1,654</u>	<u>191</u>	<u>19,676</u>	<u>3,728</u>	<u>28,780</u>
<b>Amortisation</b>							
At 1 July 2024	-	554	354	67	273	-	1,248
Charge for the year	-	362	27	-	22	-	411
On disposals	-	-	-	-	(1)	-	(1)
At 30 June 2025	<u>-</u>	<u>916</u>	<u>381</u>	<u>67</u>	<u>294</u>	<u>-</u>	<u>1,658</u>
<b>Net book value</b>							
At 30 June 2025	<u>342</u>	<u>2,273</u>	<u>1,273</u>	<u>124</u>	<u>19,382</u>	<u>3,728</u>	<u>27,122</u>
At 30 June 2024	<u>-</u>	<u>1,137</u>	<u>1,003</u>	<u>124</u>	<u>255</u>	<u>3,728</u>	<u>6,247</u>

The amortisation charge is recognised in administrative expenses.

On 28 January 2025, the parent Company, Vital Holdings Limited, acquired certain trade and business assets of CEP Teesside Biomass Limited for a consideration of £19,000,001. More details of this acquisition are included in note 31.

---

VITAL HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

14. Intangible assets (continued)

Company

	Software £000
<b>Cost</b>	
At 1 July 2024	30
At 30 June 2025	<u>30</u>
<b>Amortisation</b>	
At 1 July 2024	10
At 30 June 2025	<u>10</u>
<b>Net book value</b>	
At 30 June 2025	<u><u>20</u></u>
At 30 June 2024	<u><u>20</u></u>

VITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

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
<b>Cost</b>							
At 1 July 2024	129	-	6,052	3,790	1	106,008	115,980
Additions	776	-	953	1,353	-	20,131	23,213
Disposals	-	-	(33)	(1,055)	-	-	(1,088)
Transfers between classes	-	121,680	-	-	-	(121,680)	-
At 30 June 2025	905	121,680	6,972	4,088	1	4,459	138,105
<b>Depreciation</b>							
At 1 July 2024	-	-	2,492	2,834	-	-	5,326
Charge for the year	-	2,542	474	545	-	-	3,561
Disposals	-	-	(33)	(1,055)	-	-	(1,088)
At 30 June 2025	-	2,542	2,933	2,324	-	-	7,799
<b>Net book value</b>							
At 30 June 2025	905	119,138	4,039	1,764	1	4,459	130,306
At 30 June 2024	129	-	3,560	956	1	106,008	110,654

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

	2025 £000	2024 £000
Plant and machinery	2,204	2,349

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**16. Fixed asset investments**

**Group**

	<b>Unlisted investments £000</b>
<b>Cost or valuation</b>	
At 1 July 2024	5,445
Additions	3,846
At 30 June 2025	<u>9,291</u>

**Company**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 July 2024	12,101
Additions	20,458
At 30 June 2025	<u>32,559</u>

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Vital Energi Generation Limited	Note 1	Ordinary	76%
Vital Energi Solutions Limited	Note 1	Ordinary	100%
Vital Energi Trustee Limited	Note 1	Ordinary	100%
Vital Energi Utilities Limited	Note 1	Ordinary	100%
Vital Community Energi Limited	Note 1	Ordinary	100%
Vital Holdings Investments Limited	Note 1	Ordinary	100%
Vital Energi Power Networks Limited	Note 1	Ordinary	100%
Vital Low Carbon Solutions Limited	Note 1	Ordinary	100%
CEP Teesside Biomass Limited	Note 1	Ordinary	100%
Vital Energi Midco Limited	Note 1	Ordinary	100%

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 16. Fixed asset investments (continued)

##### Indirect subsidiary undertakings

The following were 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 (5)	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%

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

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.

Vital Community Energi Limited, Hepworth Place ESCo Limited, Vital SGN Investments Limited, Vital Chiltern Investments Limited, H2010 ESCo Limited, The Movement ESCo Limited, The Paintworks ESCo Limited, Seaham Garden Village ESCo Limited, Vital Energi (Bilsthorpe) Limited, Plumstead West Thamesmead ESCo Limited, Lewisham ESCo Limited, Vital Low Carbon Solutions Limited, Vital Thermotech Limited, Vital Future Software Limited, Vital Energi (Port Clarence) Limited and CEP Teesside Biomass Limited, subsidiary undertakings, have applied the exemption from audit under section 479A of the Companies Act 2006. Further details in relation to this can be found in note 33.



---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**16. Fixed asset investments (continued)**

**Associate**

The following was an associate of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
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.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**17. Stocks**

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
Work in progress	<b>7,953</b>	10,682	-	-
Finished goods and goods for resale	<b>3,570</b>	200	-	-
	<b>11,523</b>	10,882	-	-

During the year, an impairment loss was recognised in a Group Company in respect of the write off of stock of £Nil (2024: £280,000) within cost of sales. No earlier stock write downs have been reversed during the current, or preceding year.

**18. Debtors**

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>48,040</b>	42,819
Other debtors	<b>18,100</b>	4,945	-	-
	<b>18,100</b>	4,945	<b>48,040</b>	42,819
<b>Due within one year</b>				
Trade debtors	<b>38,081</b>	22,573	-	1
Amounts owed by group undertakings	-	-	<b>1,437</b>	58
Other debtors	<b>12,739</b>	9,319	<b>60</b>	4
Prepayments and accrued income	<b>6,068</b>	10,247	-	-
Gross amounts owed by contract customers	<b>40,395</b>	34,266	-	-
Corporation tax recoverable	<b>2,797</b>	1,865	-	-
Deferred taxation	-	-	<b>30</b>	-
	<b>118,180</b>	83,215	<b>49,567</b>	42,882

---

VITAL HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

18. Debtors (continued)

Group

Included in gross amounts owed by contract customers are retentions of £13,091,000 (2024: £13,300,000) which are due from customers over a period of 1 to 4 years. The amounts falling due in more than 1 year are £3,960,000 (2024: £3,100,000).

Included within other debtors due in less than one year is an amount of £672,000 (2024: £672,000) and after more than one year is an amount of £336,000 (2024: £336,000) in relation to a payment on contract.

Included within other debtors are the following loans falling due within one year:

Amount outstanding 2025	Amount outstanding 2024	Interest terms	Repayments dates	Terms and conditions
£Nil	£1,000,000	12% per annum	31 May 2025	During the prior year, the principal amount of the loan remained outstanding at 30 June 2023 and was repaid on 18 November 2024.
				During the current year, the recipient of the loan entered into a Group voluntary arrangement, as such the Group wrote off forfeited interest of £438,000 to mitigate the financial risk of the termination of the project.
£1,816,168	£1,278,000	8% per annum	29 May 2024	No further terms.
£Nil	£1,474,000	20% per annum	31 August 2024	No further terms.
£91,449	£Nil	0%	On demand	No further terms.
£282,083	£Nil	10%	On demand	No further terms.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**18. Debtors (continued)**

Amount outstanding 2025	Amount outstanding 2024	Interest terms	Repayments dates	Terms and conditions
£505,412	£430,000	10% per annum from the first anniversary of the agreement, being 30 September 2022	31 March 2026	On 30 June 2023 the original loan agreement was amended to extend the repayment date and the interest rate applied and as such the interest is now charged is 10% per annum.  The loan is due for repayment by 31 March 2026. See note 38 for further detail.
£Nil	£1,000,000	12% per annum, charged monthly	15 September 2025	During the current year, the recipient of the loan entered into a company voluntary arrangement, as such the Group wrote off forfeited interest of £180,000 to mitigate the financial risk of the termination of the project.  The principal amount of the loan remained outstanding at 30 June 2023 and was repaid on 18 November 2024.
£2,651,979	£2,450,000	10% per annum, charged quarterly	The loan is due for repayment no less than 1 month after which the repayment notice is given	The directors do not intend to issue a repayment notice within the next 12 months, therefore the amount has been classified as due more than one year. See note 38 for further detail.
£177,710	£172,000	10% per annum, charged monthly	31 March 2026	On 30 June 2023 the original loan agreement was amended to extend the repayment date and the interest rate applied and as such the interest was charged is 10% per annum. The loan is due for repayment by 31 March 2026.  Management determined the changes to the terms were not substantial and this was treated as a modification to the original loan in the prior year.
£187,496	£140,000	10% per annum	1 April 2026	See note 38 for further details.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**18. Debtors (continued)**

Amount outstanding 2025	Amount outstanding 2024	Interest terms	Repayment dates	Terms and conditions
£781,870	£417,000	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 by 10 September 2029.	See note 38 for further details.

**Company**

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

Amount outstanding 2025	Amount outstanding 2024	Interest terms	Repayment dates	Terms and conditions
£46,635,000	£41,455,000	12% per annum, charged monthly	27 January 2053 or any other date agreed between by both parties.	No further terms.
£1,405,000	£1,364,000	3.25% per annum	31 December 2026 or such date as may be determined by a resolution of the directors.	No further terms.

## VITAL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

#### 19. Cash and cash equivalents

	<b>Group</b> <b>2025</b> <b>£000</b>	<i>Group</i> <i>2024</i> <i>£000</i>	<b>Company</b> <b>2025</b> <b>£000</b>	<i>Company</i> <i>2024</i> <i>£000</i>
Cash at bank and in hand	70,629	61,841	282	176
	<u>70,629</u>	<u>61,841</u>	<u>282</u>	<u>176</u>

Cash at bank and in hand includes an amount of £372,000 (2024: £416,000) in relation to the Group's captive insurance scheme.

At 30 June 2025, £495,000 (2024: £434,000) 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

	<b>Group</b> <b>2025</b> <b>£000</b>	<i>Group</i> <i>2024</i> <i>£000</i>	<b>Company</b> <b>2025</b> <b>£000</b>	<i>Company</i> <i>2024</i> <i>£000</i>
Debenture loans	3,061	2,999	-	-
Trade creditors	30,995	27,709	104	-
Gross amounts owed to contract customers	4,344	6,319	-	-
Amounts owed to group undertakings	-	-	-	8
Other taxation and social security	7,518	3,498	-	-
Obligations under finance lease and hire purchase contracts	396	374	-	-
Other creditors	5,746	1,869	-	-
Accruals and deferred income	141,534	105,251	56	49
	<u>193,594</u>	<u>148,019</u>	<u>160</u>	<u>57</u>

#### Group

Included in other creditors is an amount of £187,000 (2024: £179,000) in respect of a loan below market rate of interest (see note 22). The 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 £19,555,000 (2024: £8,840,000) in respect of government grant income for the government's Heat Networks Investment Project. Grant income of £183,000 (2024: £169,000) was recognised in the year in respect of this project.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
Debentures loans	<b>77,981</b>	<i>73,240</i>	-	-
Other borrowings	<b>3,756</b>	<i>3,576</i>	-	-
Net obligations under finance leases and hire purchase contracts	<b>1,179</b>	<i>1,575</i>	-	-
Amounts owed to group undertakings	-	-	<b>43,589</b>	<i>46,027</i>
Other creditors	<b>3,212</b>	<i>3,400</i>	-	-
	<b>86,128</b>	<i>81,791</i>	<b>43,589</b>	<i>46,027</i>

**Group**

Included in other borrowings is an amount of £3,756,000 (2024: £3,576,000) in respect of a loan below market rate of interest (see note 22). The loan is being amortised over 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.

**Company**

Amounts owed to group undertakings includes £Nil (2024: £4,572,000) with interest charged at 3.25% per annum, charged monthly. The loan is repayable on 31 December 2026 or such date as may be determined by a resolution of the directors.

Amounts owed to group undertakings falling due after more than one year includes £43,589,000 (2024: £41,455,000) 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.

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

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
Repayable by instalments	<b>62,284</b>	<i>64,049</i>	-	-
Repayable other than by instalments	-	-	<b>43,589</b>	<i>41,456</i>
	<b>62,284</b>	<i>64,049</i>	<b>43,589</b>	<i>41,456</i>



---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**22. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
<b>Amounts falling due within one year</b>				
Debenture loans	<b>3,061</b>	2,999	-	-
	<b>3,061</b>	2,999	-	-
<b>Amounts falling due 1-2 years</b>				
Other loans	<b>3,756</b>	3,576	-	-
Debenture loans	<b>77,981</b>	73,240	-	-
	<b>81,737</b>	76,816	-	-
	<b>84,798</b>	79,815	-	-

Included in other loans is a balance of £3,756,000 (2024: £3,576,000) 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 2025, the gross liability at 30 June 2025 has been discounted to £3,399,000 (2024: £3,490,000). The final repayment will be made in June 2052. No security is held in respect of this loan.

The bank overdrafts are secured by a third party on the assets of the Group by means of fixed and floating charges including negative pledges.

The debenture of £81,000,000 (2024: £76,200,000) has a total term of 33 years, of which 30 years are remaining. Interest is charged at an effective rate of 9.18% per annum. The debenture is secured by fixed and floating charges over all property and undertakings of Vital Energi Drakelow Limited, a subsidiary undertaking, including a negative pledge.

---

VITAL HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>
Within one year	<b>396</b>	<i>374</i>
Between one and five years	<b>1,179</b>	<i>1,575</i>
	<b>1,575</b>	<i>1,949</i>

Finance lease 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 finance leases. The charge contains a fixed charge over the leased assets of Vital Energy Utilities Limited, a subsidiary undertaking, including a negative pledge.

There are no amounts due under hire purchase and finance lease in the Company as at 30 June 2025 (2024: £Nil).

**24. Deferred taxation**

**Group**

	<b>2025 £000</b>
At beginning of year	<b>(890)</b>
Charged to profit or loss	<b>(2,443)</b>
<b>At end of year</b>	<b>(3,333)</b>

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**24. Deferred taxation (continued)**

**Company**

**2025  
£000**

Credited to profit or loss **30**

**At end of year** **30**

---



---

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>	<b>Company 2025 £000</b>	<i>Company 2024 £000</i>
Losses and other deductions	<b>10,236</b>	(4)	<b>30</b>	-
Short term timing differences	<b>342</b>	49	-	-
Fixed asset timing differences	<b>(13,911)</b>	(935)	-	-
	<hr/> <b>(3,333)</b> <hr/>	<hr/> (890) <hr/>	<hr/> <b>30</b> <hr/>	<hr/> - <hr/>

**25. Provisions**

**Group and Company**

**Provision  
£000**

Arising on business combinations **19,000**

**At 30 June 2025** **19,000**

---



---

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 26. Share capital

	2025 £000	2024 £000
<b>Allotted, called up and fully paid</b>		
100,000,000 (2024: 100,000,000) Ordinary shares 1 of 0.00099p each	99	99
83,002,000 (2024: 83,002,000) Ordinary shares 2 of 0.001p each	83	83
45,750,000 (2024: 45,750,000) Ordinary shares 3 of 0.00109p each	50	50
707,928 (2024: Nil) B Ordinary shares of £0.009880 each	7	-
100,000 (2024: 100,000) Preferred shares of 1p each	1	1
10,000,000 (2024: Nil) Preference A shares of £1 each	10,000	-
	<hr/>	<hr/>
	<b>10,240</b>	233
	<hr/>	<hr/>

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.

During the year, there was the following share issues:

707,928 B Ordinary shares of £0.009880 each, for a total consideration of £36,166, which includes £29,166 of share premium

10,000,000 Preference A shares of £1 each, for a total consideration of £10,000,000.

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 (2024: £23,000) has been incorporated into the Company and Group Balance Sheet.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 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 (2024: 8,692,520) Ordinary shares of £0.001 (2024: £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 2024 £000	Cash flows £000	Other non- cash changes £000	At 30 June 2025 £000
Cash at bank and in hand	61,841	8,788	-	70,629
Borrowings excluding overdrafts	(79,994)	3,009	(8,000)	(84,985)
Debt due within 1 year	-	-	-	-
Finance leases	(1,949)	476	(102)	(1,575)
	<u>(20,102)</u>	<u>12,273</u>	<u>(8,102)</u>	<u>(15,931)</u>

Included within cash at bank and in hand is £372,000 (2024: £416,000) in relation to Group's captive insurance scheme.

At 30 June 2025 £499,000 (2024: £434,000) of the Group's cash balances are not available for use by the Group due to restrictions on their use as sinking fund accounts.

---

**VITAL HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

---

**30. Share-based payments**

**Group**

	<b>Weighted average exercise price (pence) 2025</b>	<b>Number 2025</b>	<i>Weighted average exercise price (pence) 2024</i>	<i>Number 2024</i>
Outstanding at the beginning of the year	0.07	8,842	0.07	8,842
Granted during the year	0.05	12,039,597	-	-
Lapsed during the year	0.07	(150)	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>12,048,289</b>	<b>-</b>	<b>8,842</b>

**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 the prior 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:**

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 2025 had an exercise price of £0.07 (2024: £0.07), and a remaining contractual life of 2 years (2024: 3 years).

The options outstanding for the Joint Share Option Plan (JSOP) at 30 June 2025 had an exercise price of £0.07 (2024: £0.07), and a remaining contractual life of 4 years (2024: 5 years).

A Growth Shares CSOP was implemented during the year. The options outstanding for this new plan at 30 June 2025 had an exercise price of £0.05, and a remaining contractual life of 3 years. There were no options outstanding for this plan in the prior year (2024: nil).

The weighted average fair value of options granted in the 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").

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.

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.

---

VITAL HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

**31. Business combinations**

On 28 January 2025, the parent Company, Vital Holdings Limited, acquired certain trade and business assets of CEP Teesside Biomass Limited for a consideration of £19,000,001.

**Acquisition of CEP Teesside Biomass Limited**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £000	Fair value adjustments £000	Fair value £000
<b>Creditors</b>			
Due within one year	(45)	-	(45)
<b>Total Identifiable net liabilities</b>	<u>(45)</u>	<u>-</u>	<u>(45)</u>
Goodwill			19,150
<b>Total purchase consideration</b>			<u>19,105</u>
<b>Consideration</b>			
			£000
Cash			19,000
Directly attributable costs			105
<b>Total purchase consideration</b>			<u>19,105</u>

---

VITAL HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025

---

**32. Discontinued operations**

On 23 October 2024, the Company sold its entire ordinary share capital of Biomass Power Kochi Limited.

		£000
Cash proceeds		-
		<hr/>
		-
<b>Net assets disposed of:</b>		
Intangible fixed assets	2	
Debtors	1	
Creditors	(6)	
	<hr/>	
		3
		<hr/>
<b>Profit on disposal before tax</b>		<b>3</b>
		<hr/> <hr/>

The net inflow of cash in respect of the sale of Biomass Power Kochi Limited is as follows:

	£000
Cash consideration	-
	<hr/> <hr/>



---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 33. Financial commitments, guarantees and contingent liabilities

A Group undertaking has numerous charges in favour of Aviva Investors Energy Centres No. 1 Limited Partnership. The charges contain fixed charges, floating charges and negative pledges over the property or undertaking of the Company.

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. 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.

Vital Holdings Limited, a group undertaking has a charge dated 28 January 2025 in favour of Glennmont Clean Energy Fund Europe II Cooperatief U.A. The charges contain fixed charges, floating charges and negative pledges over the property or undertaking of the Company. The charges were satisfied on 3 October 2025.

Vital Community Energi Limited, Hepworth Place ESCo Limited, Vital SGN Investments Limited, Vital Chiltern Investments Limited, H2010 ESCo Limited, The Movement ESCo Limited, The Paintworks ESCo Limited, Seaham Garden Village ESCo Limited, Vital Energi (Bilsthorpe) Limited, Plumstead West Thamesmead ESCo Limited, Lewisham ESCo Limited, Vital Low Carbon Solutions Limited, Vital Thermotech Limited, Vital Future Software Limited, Vital Energi (Port Clarence) Limited and CEP Teesside Biomass Limited, subsidiary undertakings, have applied the exemption from audit under section 479A of the Companies Act 2006. As such Vital Holdings Limited, the parent undertaking, guarantees all outstanding liabilities to which the Companies are subject at the end of the financial year, until they are satisfied in full, and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary Companies are liable in respect of those liabilities.

#### 34. Capital commitments

At the reporting date the Group had capital commitments as follows:

	<b>Group 2025 £000</b>	<i>Group 2024 £000</i>
Acquisition of tangible fixed assets	<b>-</b>	<i>17,159</i>

The Company had no capital commitments at the reporting date.

#### 35. 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 £2,290,000 (2024: £2,007,000). Contributions totalling £320,000 (2024: £291,000) were payable to the fund at the balance sheet date and are included in creditors.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 36. 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:

	<b>Group</b> <b>2025</b> <b>£000</b>	<i>Group</i> <i>2024</i> <i>£000</i>	<b>Company</b> <b>2025</b> <b>£000</b>	<i>Company</i> <i>2024</i> <i>£000</i>
Not later than 1 year	3,037	3,189	-	-
Later than 1 year and not later than 5 years	5,820	4,613	-	-
Later than 5 years	1,377	2,012	-	-
	<u>10,234</u>	<u>9,814</u>	<u>-</u>	<u>-</u>

#### 37. Related party transactions

##### Remuneration of key management personnel

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

	<b>2025</b> <b>£000</b>	<i>2024</i> <i>£000</i>
Aggregate compensation	<u>5,806</u>	<u>5,149</u>

Key management personnel includes £406,000 (2024: £366,000) relating to equity-settled shared-based payments.

##### Other information

Included within trade debtors falling due within one year, the Group is owed £5,000 (2024: £Nil) from Companies with common directors, shareholders and close family members. During the year the Group made sales of £639,000 (2024: £430,000) to these Companies and made purchases of £1,069,000 (2024: £960,000) 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 £764,000 (2024: £12,000 included in other creditors falling due within one year). An amount of £7,802,000 (2024: £5,618,000) was repaid and an amount of £7,050,000 (2024: £1,994,000) was advanced during the year. The maximum overdrawn amount during the year was £3,053,000 (2024: £Nil).

Included within other debtors due after one year is an amount of £2,652,000 (2024: £2,450,000) 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 after one year is an amount of £505,000 (2024: £430,000) due from a Company in which Vital Chiltern Investments Limited, a fellow Group undertaking, has a participating interest. Interest is charged at 10% (2024: 10%) from the first anniversary of the agreement, being 30 September 2022. The loan is due for repayment by 31 March 2026.

---

## VITAL HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

---

#### 37. Related party transactions (continued)

Included within other debtors due after one year is an amount of £187,000 (2024: £140,000) 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 due for repayment by 1 April 2026. Included within other debtors due after one year is an amount of £782,000 (2024: £417,000) 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 by 10 September 2029.

Including within other debtors due after more than one year is an amount of £7,282k with interest being charged at 10% per annum. The loan is due for repayment on 29th September 2029.

Included within other debtors due after more than one year is an amount of £4,588k with interest being charged at 7.95% per annum, charged monthly. The loan is due for repayment on 30th April 2028.

Included within other debtors due after more than one year is an amount of £5,895k with interest being charged at 7.50% per annum, charged monthly. The loan is due for repayment on 30th April 2025.

#### 38. Subsequent events

Following the balance sheet date, the Group successfully executed a major financing and acquisition strategy to support its expansion in asset ownership and low-carbon energy solutions.

In August 2025, the Group completed the establishment of a senior secured £175m Nordic bond facility. An initial amount of £150m was raised under this facility.

The proceeds from this bond issuance were primarily used to finance the following activities:

- Drakelow Energy from Waste (EfW) Facility and Aviva Debt Buy-out: The bond proceeds facilitated the acquisition of the Drakelow EfW facility from Aviva, which included the early extinguishment of the existing debenture debt (as disclosed in Note 22) secured over the asset.
- Port Clarence EfW Plant: Utilising additional proceeds for the acquisition and subsequent re-engineering of the Port Clarence EfW plant located in Middlesbrough.

This strategic expansion is designed to materially enhance the Group's long-term financial resilience and secure high-quality, sustainable revenue streams, aligning with the Group's objective of growth in asset ownership.

The directors have concluded that these transactions are non-adjusting events that provide an indication of conditions that arose after the balance sheet date. No other material adjusting or non-adjusting events have occurred between the balance sheet date and the date of approval of these financial statements.

#### 39. Controlling party

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