



Van Elle is the UK's largest independent geotechnical engineering contractor

We provide the widest range of geotechnical engineering solutions to the UK housebuilding, infrastructure, commercial and industrial sectors. Our headquarters are in Nottinghamshire and we employ over 550 staff across the country.



Highlights

Strategic and operational highlights

- Successful IPO on 26 October 2016
- Delivered record turnover and underlying operating profit
- Increased rig fleet from 98 to 111
- Expanded service offering in Scotland, establishing a stand-alone operating unit
- Delivered Van Elle's largest ever single contract at £5.4m
- Smartfoot® modular beam house foundation system sales up 57%
- In-house precast concrete production more than doubled to £5.0m

Financial highlights

Revenue (£m)

£94.1m

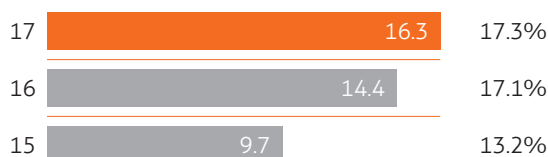
+11.8%



Underlying EBITDA* (£m)

£16.3m

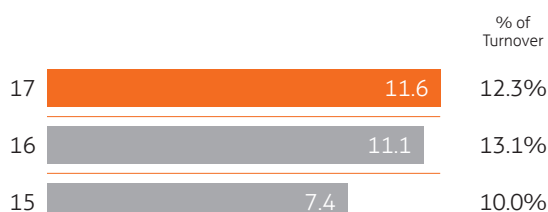
+12.9%



Underlying operating profit* (£m)

£11.6m

+4.6%



* Underlying measures exclude exceptional costs (note 7) and share-based payments.

In this report

STRATEGIC REPORT	01–33
Highlights	01
Van Elle at a glance	02
Chairman's statement	04
Chief Executive's review	06
Market overview	08
Business model	10
Strategic overview	12
Key performance indicators	14
Risk management and principal risks	16
Corporate social responsibility	18
Operational review	22
General Piling	22
Specialist Piling	24
Ground Engineering Services	26
Ground Engineering Products	28
Financial review	30

CORPORATE GOVERNANCE	34–53
Board of Directors	34
Executive committee	35
Corporate governance statement	36
Audit Committee report	38
Nomination Committee report	41
Remuneration Committee report	42
Directors' remuneration policy	44
Annual report on remuneration	48
Directors' report	50
Statement of Directors' responsibilities	52
Independent auditor's report	53

FINANCIAL STATEMENTS	54–84
Consolidated statement of comprehensive income	54
Consolidated statement of financial position	55
Consolidated statement of cash flows	56
Consolidated statement of changes in equity	57
Notes to the consolidated financial statements	58
Parent company statement of financial position	80
Parent company statement of changes in equity	81
Notes to the parent company financial statements	82

Shareholder information	85
Corporate information	85



Stay up to date by visiting our website:

www.van-elle.co.uk

Van Elle at a glance

A reputation built on strong foundations

Over 33 years, we have built a strong reputation in core ground engineering markets, built on service, quality, technical expertise, innovation, safety and the successful delivery of value-engineered solutions to our customers.

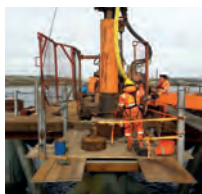
We have many long-standing relationships with major contractors, housebuilders and property developers, enabling us to capitalise on a range of growth opportunities nationwide.

Our service offering...



Piling

Large diameter piling using state-of-the-art Continuous Flight Auger ("CFA"), rotary and driven rigs.



Restricted access and specialist piling

Bespoke rigs and innovative techniques to deliver solutions to specialist sectors and environments.



Site investigation, testing and monitoring

Testing of piles, soil nails and ground anchors, as well as site investigation and reporting.



Drilling and grouting

Consolidation of abandoned mine workings, shafts, sewers and solution features.



Earth support

Design and install soil nails, ground anchors and rock bolts and netting.



Precast concrete products

Production of standard and bespoke foundation solutions including Smartfoot®.

Delivered through our operating divisions...



General Piling

Offering a variety of ground engineering and foundation solutions on open sites.



Revenue share
45.6% (-4.4%)



Specialist Piling

Providing a range of piling and geotechnical solutions in operationally constrained environments.



Revenue share
32.0% (+1.3%)



Ground Engineering Services

Offering a range of ground stabilisation, earth support and geotechnical services.



Revenue share
11.3% (-0.8%)



Ground Engineering Products

Designing, producing and installing modular foundation systems and bespoke precast concrete products.



Revenue share
11.1% (+3.9%)

Across end markets...



New housing



Revenue share
45.2% (+4.6%)



Infrastructure



Revenue share
30.7% (+1.4%)



Commercial and industrial



Revenue share
20.0% (-6.9%)



Public sector



Revenue share
3.4% (+0.5%)



Agriculture/other



Revenue share
0.7% (+0.4%)

33

years'
experience

529
average
headcount

7

locations



Chairman's statement

Excellent progress in maiden year following successful IPO



Highlights

- Successful IPO in October 2016
- Delivered record turnover and underlying operating profit in maiden year as a listed company
- Continued expansion of service offering and geographical footprint
- Progressive dividend policy recommending final dividend of 1.75p

Dear Shareholder,

I am delighted to announce, on behalf of the Board of Van Elle Holdings plc, a positive set of results for the year ended 30 April 2017. This is the first full year statement following the successful Initial Public Offering ("IPO") on the Alternative Investment Market ("AIM") of the London Stock Exchange in October 2016.

Van Elle's equity story, which centred around the Company's leading position in the UK, its differentiated offering and attractive end markets, supported by a strong financial profile, a well invested platform and a strategy for growth, was well received by investors.

Although we have only been a quoted company for a short time, I believe that we have made much progress across the business and confidence is high. It is thanks to the hard work put in by our talented management team, as well as those working across and with the business, that we could make this progress and create the foundation from which to continue to grow our operation.

Highlights

I am pleased that in our maiden results as a quoted company Van Elle has reported an 11.8% increase in revenue to £94.1m (2016: £84.2m) and an underlying operating profit of £11.6m (2016: £11.1m), representing a record year and continuing our impressive year-on-year profitable growth.

These results reflect our continuing strategic drive to focus on growth markets, enabled by targeted investment in specialist rigs, expansion of our precast concrete manufacturing capabilities and further expansion of our geographical footprint in Scotland, serviced by a dedicated facility at Blantyre, Glasgow.

The IPO in October 2016, together with the funds raised, strengthens our balance sheet and gives us the flexibility to invest in new equipment and consider acquisitions that complement our strategy for growth.

As a company, we have worked hard to bring together a team that has the right combination of sector knowledge and corporate experience to enable us to deliver on our vision and strategy.

Dividend

As a quoted company, one of our key ongoing objectives is to create shareholder value. The Board has adopted a progressive dividend policy and, having paid an interim dividend of 0.85p, is recommending a final dividend of 1.75p, making a total of 2.6p for the financial year.

Board and governance

On behalf of the Board, I would like to express our thanks to Michael Ellis, who retired from the Board in December 2016. Michael, along with his wife, Joan, founded the business some 33 years ago and their contribution during that time has been invaluable. Michael and Joan created the high-quality company that Van Elle now is and I would like to wish them a happy retirement.

I am delighted to follow Michael Ellis as Chairman of Van Elle Holdings plc and I am joined by Robin Williams as Senior Independent Director. Robin chairs the Audit Committee and sits on the Remuneration and Nomination Committees, both of which I chair. We are joined on the Board by the two Executive Directors: Jon Fenton as Chief Executive Officer and Paul Pearson as Chief Financial Officer. The Board intends to recruit a further Non-Executive Director to broaden the experience and support offered to the Company during the new financial year.

I would also like to thank Thomas Lindup, who left the Board as Executive Director in March 2017. Thomas joined the Company in 2015 and helped steer the Group through its successful IPO in October 2016.

As a board, we are committed to promoting the highest standards of corporate governance and ensuring effective communication with shareholders. We intend to apply the UK Corporate Governance Code as far as it is appropriate for a company of its size and our corporate governance statement is included on pages 36 and 37.

People

Van Elle has an outstanding group of employees and we continue to place great importance on their engagement. Our objective is to provide opportunities for development, personal growth and successful careers with the Company.

All our staff have gone through a year of significant change. They have coped admirably and delivered an excellent result. On your behalf and on behalf of the Board, I wish to formally record our thanks.

Outlook

The fundamental market drivers for our business look positive in the short and medium terms. The order book remains in line with our expectations and we are well placed in each of our markets.

This is an exciting time to be part of Van Elle as we seek to build on the performance outlined in these accounts. As a profitable and fast-growing geotechnical engineering company, I am confident that the Company has an exciting year ahead. The Board looks forward to meeting shareholders at the Annual General Meeting ("AGM") on 12 September 2017.

Adrian Barden

Non-Executive Chairman

25 July 2017



This is an exciting time to be part of Van Elle as we seek to build on the momentum from the current year."

Chief Executive's review

A transformational year in the development of Van Elle



Highlights

- Turnover growth of 11.8%
- Expanded service offering in Scotland
- Increased rig fleet from 98 to 111
- In-house precast concrete production doubled to £5.0m
- Smartfoot® sales up 57%



The admission to AIM has given Van Elle an elevated platform from which to drive the business forward.”

Dear Shareholder,

This year will stand out as being transformational in the development of Van Elle. We successfully joined AIM, the junior market of the London Stock Exchange, on 26 October 2016 after extensive preparations. This step is important for the Group as not only does it give us access to equity capital markets as we seek to grow the business, but it has also resulted in enhanced governance and improved discipline, which we implemented in preparation for our IPO.

You have already heard from our Chairman on the appointments to the Board and the corporate governance report details many of the changes and improvements that have already been made. I would also like to echo the words of our Chairman and take this opportunity to thank our founders, Michael and Joan, for their vision and hard work over the last 33 years and to reassure them that the business is in safe hands as they enjoy their well earned retirement.

Delivering the strategy

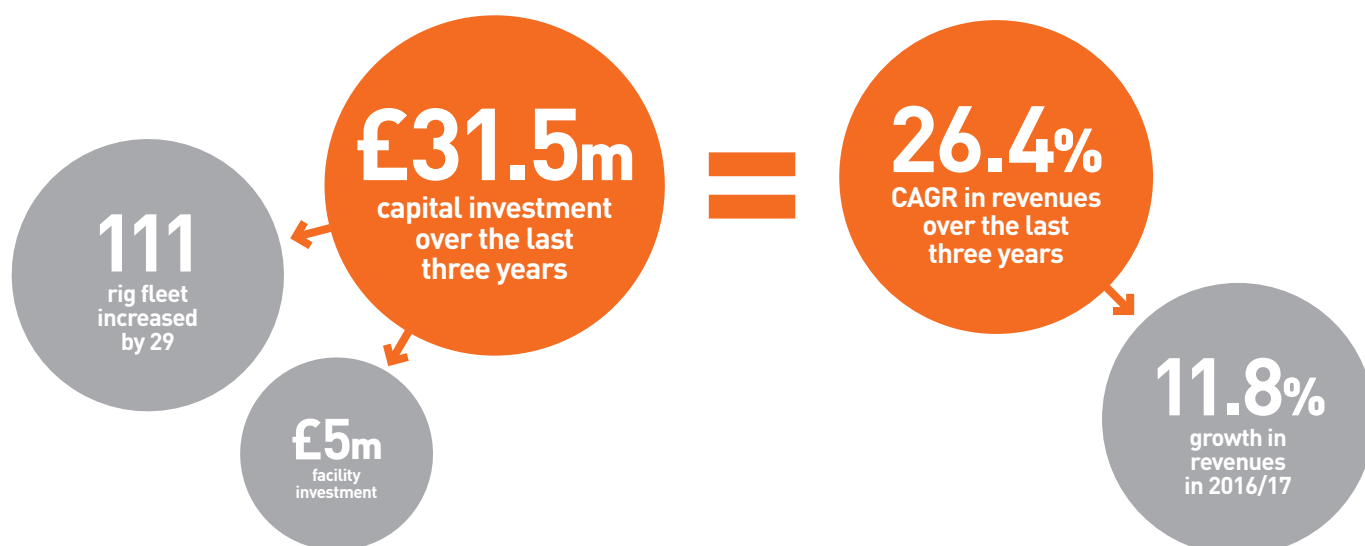
Van Elle's strategy can be framed, quite simply, as “Driving Profitable Growth”. We aim to grow the business by broadening our range of products and services and extending our geographical footprint into high-growth markets. This will be achieved both organically and selectively through acquisitions.

Capital investment has been a key driver of our growth with a further £11.8m spent in the current year bringing the total to £31.5m over the last three years. Our rig fleet now stands at 111 rigs (2016: 98 rigs) and we believe that Van Elle has the broadest and most modern range of specialist piling rigs in the market. Some of our recent additions and innovations are detailed within the strategic overview on page 13.

Following our successful move into rail infrastructure and after swiftly becoming one of the sectors leading on-track ground engineering specialists, we have recently completed works on our new test track located at our Kirkby-in-Ashfield site. As one of the largest privately owned specialist facilities in the country, it is designed to enable us to test equipment, develop new techniques and practice for complex projects. There is no other UK specialist putting such time and resource into developing innovative solutions for the UK's rail network.

As part of our continued development, the Group is launching its own training academy to deliver an unequalled standard of training to all industry professionals and companies. Our brand new state-of-the-art, purpose-built training facility is due for completion late summer 2017.

To extend our geographical footprint, we have recently invested in a new factory, offices and a maintenance depot in Blantyre near Glasgow. We often work on large schemes in Scotland and



manufacturing our Smartfoot® precast ground beams locally will ensure that mobilisation costs are minimised whilst also delivering environmental benefits, which is key for our housebuilding partners. We are always looking for ways in which we can improve and we see this commitment to Scotland as the next step in delivering a truly comprehensive service for years to come.

We continue to pursue acquisition opportunities and discussions are ongoing with several interested parties. We have discounted certain targets due to unrealistic price expectations and lack of fit; however, there remains a positive pipeline of good opportunities.

Trading performance

I am pleased that we successfully grew revenues by 11.8% in the year to £94.1m (2016: £84.2m), our fourth successive year of double-digit revenue growth. UK construction output grew by 2.2% for the same period, reflecting our view that we continue to grow our market share. We also maintained our record of profitable growth since 2010. We report in detail on the financial performance of Van Elle during the year on pages 30 to 33.

In terms of our performance in the end markets, sales to the housebuilding sector were up 24.4% to £42.5m (2016: £34.2m) and infrastructure sector were up 17.3% to £28.9m (2016: £24.6m). Sales to the commercial and industrial sector reduced by 17.0% to £18.8m (2016: £22.7m) which was, in part a reflection of some short-term market uncertainty and the deferral or cancellation of several projects but also reflects the completion of several large education and retail projects by the Company in the previous year. The ability to redirect resources to reflect short-term trends in our markets is a key strength of the business, mitigating the impact of a slowdown in any one sector.

As we reported in March 2017, the Group experienced a challenging period in its rail business during the fourth quarter with the start dates for several contracts delayed and expected call-off and work distribution schedules revised. Whilst we have seen some encouraging signs of stabilisation in the market, and remain confident in the long-term structural growth opportunity in rail, we are remaining cautious as to the near-term outlook for the sector.

Operating performance

Sales have grown in each of our operating segments, with a particularly strong performance in Ground Engineering Products, up 71.2% to £10.4m (2016: £6.1m). This has been driven by a significant increase

in demand for Smartfoot® as well as additional precast concrete products and our additional investment in manufacturing capacity has enabled this demand to be met.

Sales growth was also strong in Specialist Piling, up 16.6% to £30.1m (2016: £25.8m), enabled by our investment in several specialist rigs and equipment during the year. The restricted access business performed strongly, including securing its largest ever contract at Eden Brows. The division's profit result though was adversely impacted by the weaker-than-expected performance in the higher margin rail business during the fourth quarter.

General Piling has seen sales growth in the year, up 1.9% to £42.9m (2016: £42.1m), a result of the healthy housebuilding sector offset by reduced demand for industrial and commercial work. Divisional gross margin remained strong at 32% (2016: 31%), reflecting the Group's ability to deliver a large number of contracts across a broad range of end markets, achieving good returns through its long-standing and effective operational model.

Ground Engineering Services has increased its sales by 4.6% to £10.6m (2016: £10.2m), boosted by the establishment of a stand-alone operation in Scotland during January 2017.

Further details of the operational performance of each division are included in the operating review on pages 22 to 29 and in note 5 of the consolidated financial statements.

Outlook

Trading in the new financial year has started well and is in line with our expectations. We are seeing opportunities with each of our markets as we continue our strategy of broadening our range of products and services. We continue to actively monitor conditions in our core markets and, whilst mindful of the risks posed by any sustained period of political or economic uncertainty, we are cautiously optimistic for further progress in the year ahead.

I continue to believe that, with our growth strategy described above, Van Elle is well positioned to deliver further value to shareholders in the year ahead.

Jon Fenton

Chief Executive Officer

25 July 2017

Market overview

Diverse and adaptable end-market profile

UK construction market overview

The key underlying construction markets for the Group are the housebuilding, infrastructure, commercial and industrial sectors.

These markets, except for the industrial sector, have either been stable or growing steadily since the financial crisis. Total construction output has grown at a compound rate of 2.7% p.a. since 2009 but registered a more modest growth rate of 2.2% in the year ended 30 April 2017.

We attribute this steady growth to three factors:

- an acute shortage of housing and rising house prices helping to stimulate development;
- the establishment of the National Infrastructure Commission to advise the Government on major long-term infrastructure challenges; and
- interest rates at record low levels, good availability of credit and a generally supportive economic backdrop.

Van Elle revenue growth of 11.8% in the current year versus an underlying market growth of only 2.2% is an exceptional performance and reinforces the growth strategy being pursued by the Directors as they seek to increase market share.

As new housing and infrastructure continue to generate strong revenues, our strategy is to direct our resources and investment into these sectors.

The reduction in the commercial and industrial sector reflects the completion of several large contracts in the year ended 30 April 2016 and some short-term uncertainty in the wake of the EU referendum.

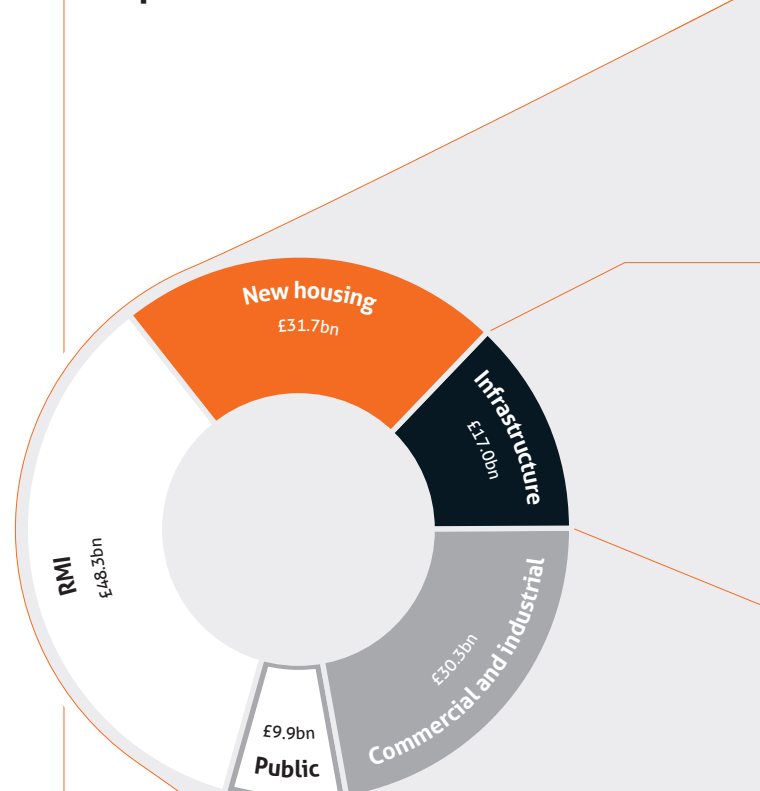
This strategy highlights the Group's ability to adapt to changing conditions and align resources with markets with a higher growth potential.

Outlook

In April 2017, the Construction Products Association ("CPA") published its forecast of UK construction output, which is shown opposite. It expects that uncertainty created by the referendum result has potentially caused some projects in certain sectors to be put on hold.

In our view, given the ongoing chronic shortage of housing and the economic multiplier effect of well targeted infrastructure investment, we believe it is logical that these two sectors should receive considerable further support from the Government.

UK construction output 2016/17 (£bn)



The demand for geotechnical engineering services in the UK is driven primarily by the level of construction activity across a broad range of end markets, both in the public and private sector."

UK market
2016/17*

Van Elle
2016/17

UK market growth forecasts**

2018

2019



New housing

↗ 8.4%

↗ 24.4%

↗ 1.5%

↗ 2.3%

↗ 2.4%



Infrastructure

↘ 6.3%

↗ 17.3%

↗ 7.3%

↗ 11.1%

↗ 12.8%



Commercial
and industrial

↗ 4.7%

↘ 17.0%

↘ 0.8%

↘ 3.3%

↘ 0.2%



Public

↗ 2.2%

↗ 30.8%

↘ 0.2%

↗ 0.4%

↗ 2.3%

* Source: Office for National Statistics – Output in the Construction Industry, April 2017.

** Source: Construction Products Association – Construction Industry Forecasts 2017–2019, spring 2017/18 edition.

Business model

A structured but simple approach to drive growth and profitability

In providing geotechnical solutions, Van Elle typically operates in the early stages of a construction project. We are often the first contractor on and off site, consequently working efficiently to minimise costs and save time is critical for our customer. Whilst the contractor relationships and construction processes vary significantly from project to project, ensuring work is completed efficiently is critical for our customers in saving them money and providing a sound platform for the remaining work on a project in terms of cost saving and programme.

Working across the construction spectrum, the majority of our projects are of short duration with an average value of less than £100,000.

Early engagement of Van Elle usually guarantees efficiencies and savings are realised at the beginning of a project. Particularly so with the complex projects in which we are regularly asked to participate in.

Depending on the nature of a project, Van Elle may provide insights into design and other phases of the construction process, but value is created and captured principally from our groundwork activities. Our products and services are not just about foundations for construction, but are most commonly geotechnical solutions to complex construction, projects.

Our resources

Our people:

- leadership in health and safety with compliance, training and safety culture at the heart of everything we do;
- high-quality project managers, engineers and operators capable of delivering innovatively engineered solutions;
- strong local relationships with customers providing an insight into market developments allowing us to drive for high-value solutions;
- specialists able to approach the most complex problems and ensure the customer achieves the optimum outcome; and
- technical specialists in a wide variety of geotechnical solutions.

Our technology:

- state-of-the-art equipment to enable us to undertake the widest range of jobs in the shortest time;
- broad coverage for all geotechnical solutions, providing resilience to market changes and supporting us to lead on innovation;
- Van Elle provides unique solutions giving improved customer results and Van Elle profitability;
- vertically integrated model ensures supply chain best practice; and
- in-house transport fleet enables us to respond to customer requirements promptly and enables high rig utilisation levels.

Our market focus:

- targeting markets that value geotechnical solutions; and
- focusing investment and directing our resources into growth markets.

Our financial strength:

- strong balance sheet with low level of gearing and excellent cash conversion.

What makes us different

A leading UK player:

- 33-year track record;
- strong management team and operating model; and
- self-funded growth across the Group.

Differentiated offering:

- broad array of complex techniques and operating environments;
- value-engineered solutions and products; and
- diverse customer base with high levels of repeat business.

Attractive markets:

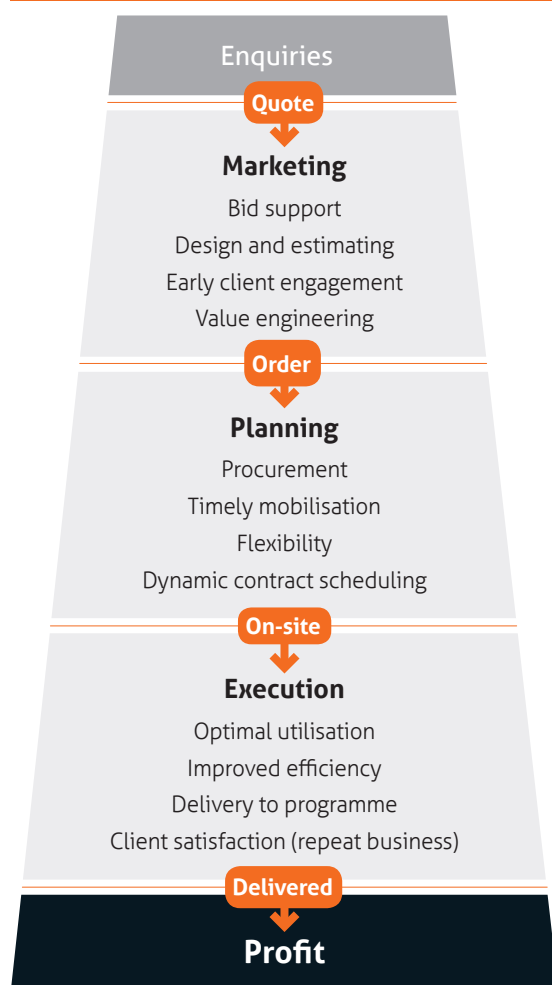
- able to operate in a diverse range of UK-focused markets;
- housebuilding, road and rail infrastructure; and
- proprietary manufactured precast foundation products.

c.1000
jobs delivered
in the year

3
weeks
average contract
length

£97k
average
contract value

What we do



Creating value for...

People:

- attracting and developing excellent people to create a vibrant, diverse and flexible workforce; and
- interesting and challenging careers in a growth business that provides the opportunity to develop and reach their potential.

Customers:

- provision of innovative, cost-effective geotechnical solutions to complex problems on time and within budget;
- quality products and exceptional service; and
- enhanced credentials as a recognised leader in health and safety, which is a priority for us and our customers.

Shareholders:

- delivering profitable growth with good cash conversion;
- progressive dividend policy;
- strong balance sheet with reinvestment in the business to support our strategy for growth; and
- operational flexibility leading to high asset utilisation and return on capital employed.

Strong financial profile:

- underlying profit before tax has grown from 6.1% to 11.8% in the last three years;
- profitability across a range of contract sizes; and
- track record of converting profit into cash.

Well invested platform:

- c.£31m invested in facilities, rigs and specialist equipment in the last three years;
- in-house support functions; and
- highly skilled, incentivised workforce.

Clear strategy for growth:

- target market share gains;
- new products, services and geographic locations; and
- accelerate growth with targeted bolt-on acquisitions.

Strategic overview

Growing and developing a sustainable business

The Group's corporate objective is to grow and develop a sustainable business for the benefit of all stakeholders. As part of this strategy it intends, specifically, to focus on increasing its market share, expanding its service and product offering and making complementary acquisitions.

**Market share gains**

- Leverage market position across all four divisions
- Increase existing fleet, focusing on specialist rigs and high-growth markets
- Increase manufacturing capability to drive internal growth and Smartfoot® sales

**Expand service and product offering**

- Broaden ground engineering range to include new techniques and services
- Increase presence in under-represented markets
- Continue to develop precast concrete product range into new markets

**Complementary acquisitions**

- Bolt-on opportunities that can access new services and products
- Businesses that can benefit from being part of Van Elle
- Accelerate overall growth strategy



Our strategy in action

Larger and deeper CFA piling

Van Elle's Llamada P160TT delivers a CFA capability unequalled by any other company operating in the UK, enabling us to install large diameter CFA piles to a greater depth and also delivering increased production and reliability.



Van Elle invests in new rail test track

As part of our commitment to geotechnical innovation and the development of specialist rail equipment in house, combined with striving to maintain our position as the number one ground engineering contractor both on and off the rail track, we have constructed the largest rail test track facility in the UK. This allows us to carry out practical on-track rail training to personnel and also testing of rail equipment. The facility will also soon be open for third party hire.

Van Elle further expands its product portfolio

An increase in large civil engineering projects, retaining wall solutions and basements and a requirement for more accuracy have resulted in innovative solutions being considered for rotary bored piles. To tackle this Van Elle has acquired a Soiltec SR-95: this large, powerful and adaptable rig allows us to install cased CFA piling to satisfy the above mentioned chief requirements but with increased productivity compared to traditional methods.



Van Elle Rail invests in follow-on civil engineering capabilities

Further to investment in the world's first two Colmar T12000FS RRVs earlier this year, Van Elle Rail has recently taken delivery of two state-of-the-art Colmar T10000FSCG road rail cranes. The first of their class worldwide, they expand our track capability allowing us to do continuous lifting works after our piling such as masts, signals and also specialist lifts such as footbridges.

See more examples of our strategy in action and stay up to date on our website:

www.van-elle.co.uk



Key performance indicators

Driving growth and delivering returns

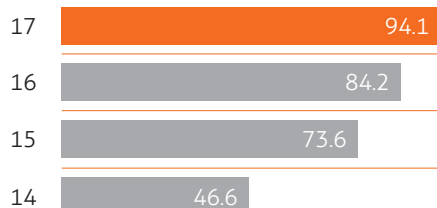
The Key Performance Indicators ("KPIs") we utilise are a fundamental instrument in measuring and ensuring performance financially. These are cascaded and measured monthly from an operational level and are reviewed annually against our strategic outlook.

Financial KPIs

Revenue (£m)

£94.1m

+11.8%



Description

Revenue and revenue growth track our performance against our strategic aim to grow the business.

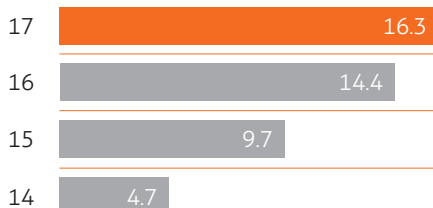
Performance

Strong revenue growth of 11.8% in the year delivered the highest turnover ever for the Group. The Compound Annual Growth Rate ("CAGR") over the last three years is 26.4% p.a., which reflects our investment in both our facilities and specialist equipment and techniques for delivering targeted growth in end markets.

Underlying EBITDA (£m)

£16.3m

+12.9%



Description

EBITDA is earnings before interest, tax, depreciation and amortisation charges and is a measure of operational performance. Underlying EBITDA is stated before exceptional items and share-based payment charges. This measure tracks our underlying performance and demonstrates our ability to grow profitably and to expand our margins.

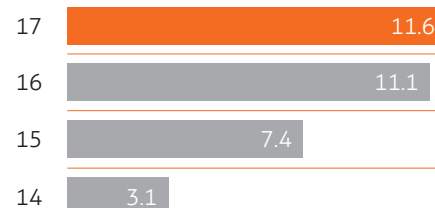
Performance

Strong underlying EBITDA growth of 12.9% in the year and a CAGR of 51.6% p.a. over the last three years. This measure shows that the growth in revenue has been achieved, but not at the expense of profitability. EBITDA in the current year of 17.3% is the highest level achieved by the Company and reflects the investment incurred to continue our drive towards higher margin specialist activities, focused into growth end markets.

Underlying operating profit (£m)

£11.6m

+4.6%



Description

Tracking our underlying profitability ensures that the focus remains on delivering profitable outcomes on our contracts. It is a measure of pure operating performance including depreciation and amortisation charges but excluding financing and tax.

Performance

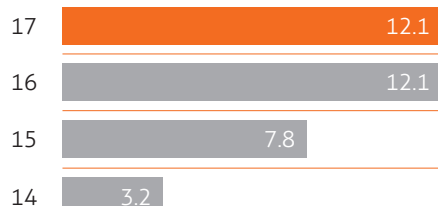
Underlying operating profit is up 4.6% in the year; however, the underlying operating margin of 12.3% is down slightly on last year's 13.1%. This was the result of a slow first quarter and the challenging fourth quarter experienced in rail, which did not leverage our rig utilisation and overhead due to revised work scheduling and project deferrals by clients.



Key Performance Indicators are the backbone of our business, ensuring we remain on track for success, and identify which areas need attention.”

Underlying Earnings Per Share (“EPS”) (p)

12.1p



Description

This KPI measures our after-tax earnings relative to the weighted average number of shares in issue and provides a monitor on how we are increasing shareholder value. Underlying EPS is stated before exceptional items and share-based payment charges.

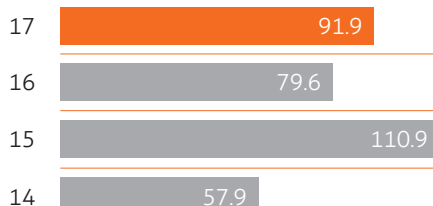
Performance

The underlying EPS of 12.1p is consistent with the prior year and reflects the additional shares issued on the IPO of the business in October 2016 in anticipation of funding future acquisitions.

Operating cash conversion (%)

91.9%

+12.3%



Description

By looking at cash generation at the operational level the quality of our profits can be tracked. This measure takes cash generated from operations as a percentage of EBITDA.

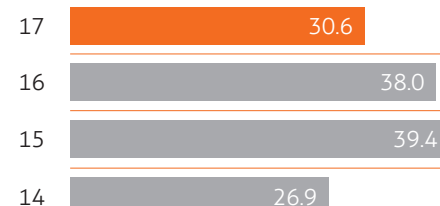
Performance

High operating cash conversion of 91.9% in the year gives comfort that working capital is well managed and that operating profits convert into cash either for reinvestment in the business or distribution to shareholders.

Return On Capital Employed (“ROCE”) (%)

30.6%

-7.4%



Description

This measure indicates the rate of return per pound invested in the operating assets of the business. Capital employed is taken to be net assets excluding net debt and earnings is taken as underlying operating profit.

Performance

The ROCE of 30.6% represents an excellent return on funds invested for the year. It is however, a reduction from earlier years, which reflects the significant investments incurred over the last three years. During this growth phase of significant capital investment, the ROCE can become diluted until assets are fully operational and contributing for the whole 12 month period.

Risk management and principal risks

Increasing shareholder value

Risk management framework

The Board is responsible for setting the Group's risk appetite and ensuring that appropriate risk management systems are in place. The Board reviews the Group's principal risks throughout the year as part of its normal agenda, adopting an integrated approach to risk management by regularly discussing our principal risks. In addition, once a year the Board formally assesses the Group's principal risks, taking the strength of the Group's control systems and its appetite for risk into account.

How we identify risk

Our risk management process has been built to identify, evaluate, analyse and mitigate significant risks to the achievement of our strategy. Our risk identification processes seek to identify risks from both a top-down strategic perspective and a bottom-up local operating company perspective.

The principal risks and uncertainties identified by management and how they are being managed are set out opposite. These risks are not intended to be an extensive analysis of all risks that may arise in the ordinary course of business or otherwise.

The principal financial risks are disclosed in note 21 to the financial statements on page 73.

Risk and description

Market risk

A rapid downturn in our markets

Inability to maintain a sustainable level of financial performance throughout the construction industry market cycle, which grows more than many other industries during periods of economic expansion and falls harder than many other industries when the economy contracts.

Strategic risks

Failure to procure new contracts

A failure to continue to win and retain contracts on satisfactory terms and conditions in our existing and new target markets if competition increases, customer requirements change or demand reduces due to general adverse economic conditions.

Losing our market share

Inability to achieve sustainable growth, whether through acquisition, new products, new geographies or industry-specific solutions.

Non-compliance with our Code of Business Conduct

Not maintaining high standards of ethics and compliance in conducting our business or failing to meet local or regulatory requirements.

Operational risks

Product and/or solution failure

Failure of our product and/or solution to achieve the required standard.

Ineffective management of our contracts

Failure to manage our contracts to ensure that they are delivered on time and to budget.

A failure to comply with health and safety and environmental legislation

Causing a fatality or serious injury to an employee or member of the public through a failure to maintain high standards of safety and quality.

Not having the right skills to deliver

Inability to attract and develop excellent people to create a high-quality, vibrant, diverse and flexible workforce.

Financial risk

Inability to finance our business

Losing access to the financing facilities necessary to fund the business.

Potential impact	Mitigation
Failure to continue in operation or to meet our liabilities.	Diversification of our markets, both in terms of geography and market segment. Having strong local businesses to address geographic markets and techniques.
Failure to achieve targets for revenue, profit and earnings.	Continually analysing our existing and target markets to ensure we understand the opportunities that they offer. Structured bid review process in operation throughout the Group with well defined selectivity criteria that are designed to ensure we take on contracts only where we understand and can manage the risks involved.
Failure to achieve targets for revenue, profits and earnings.	Continually seeking to differentiate our offering through service quality, value for money and innovation. A business development team focusing on our customers' requirements and understanding our competitors. Minimising the risk of acquisitions through due diligence and structured and carefully managed integration plans. Implementing annual efficiency and improvement programmes to help us remain competitive.
Losing the trust of our customers, suppliers and other stakeholders with consequent adverse effects on our ability to deliver against our strategy and business objectives. Substantial damage to our brand and/or large financial penalties.	Having clear policies and procedures in respect of ethics, integrity, regulatory requirements and contract management. Maintaining training programmes to ensure our people fully understand these policies and requirements. Operating and encouraging the use of a whistleblowing facility.
Financial loss and consequent damage to our brand reputation.	Continuing to enhance our technological and operational capabilities through investment in our product teams, project managers and engineering capabilities.
Failure to achieve the margins, profits and cash flows we expect from contracts.	Ensuring we understand all our risks through the bid appraisal process and applying rigorous policies and processes to manage and monitor contract performance. Ensuring we have high-quality people delivering projects.
Damage to employee morale leading to an increase in employee turnover rates, loss of customer, supplier and partner confidence and damage to our brand reputation in an area that we regard as a top priority.	A Board-led commitment to achieve zero accidents. Visible management commitment with safety tours, safety audits and safety action groups. Implementing management systems that conform to Occupational Health and Safety Assessment Systems (ISO 9001, ISO 14001 and OHSAS 18001). Extensive mandatory employee training programmes.
Failure to maintain satisfactory performance in respect of our current contracts and failure to deliver our strategy and business targets for growth.	Continuing to develop and implement leadership, personal development and employee engagement programmes that encourage and support all our people to achieve their full potential.
Breach of banking covenants or failure to continue in business or to meet our liabilities.	Procedure to monitor the effective management of cash and debt, including weekly cash reports and regular cash forecasting.

Corporate social responsibility

Conducting business with fairness, honesty and integrity

Corporate responsibility, awareness and mitigation of adverse impacts on the environment, and positive engagement with our employees and the local community have long been core values of Van Elle.

Approach

The Company is committed to conducting business with fairness, honesty and integrity. The Board recognises its responsibility for establishing high ethical standards of behaviour and corporate governance, and the Group has several established policies in place including, but not limited to: anti-bribery and corruption; health and safety; environmental protection; sustainable development; quality assurance; equal opportunities; equality and diversity; training and development; whistleblowing; and modern slavery, supporting our approach to conducting business in an open and transparent manner.

The Company expects its employees to conduct themselves in a manner which reflects the highest ethical standards, and comply with all applicable laws and regulations. Employees are judged not only on the results they achieve, but also on how they achieve them. Furthermore, the Company has a zero-tolerance policy towards any form of bribery or corruption and has training and an appropriate procedure in place whereby any concerns in relation to malpractice can be raised in an appropriate forum.

It is our policy to ensure that the highest possible standards are achieved and maintained throughout the Company and that we strive for continual improvement. We therefore operate an integrated business management system in accordance with the requirements of ISO 9001, ISO 14001 and OHSAS 18001.



It is our policy to ensure that the highest possible standards are achieved and maintained throughout the Company and that we strive for continual improvement.”

Safety

At Van Elle the health, safety and well being of its staff is paramount and every precaution is taken to protect them and fellow contractors on site. As the largest independent geotechnical engineering contractor in the UK, it is our duty and priority to ensure the safety of our employees whilst at work.

Our dedicated safety team undertakes regular internal audits of our procedures to ensure they are as comprehensive as possible, highlighting any areas for improvement. As members of all the industry's best known certification and qualification schemes, our systems are under constant review by external bodies promoting best practice. We are Network Rail Plant Operations Scheme ("POS") providers and are active members of the Federation of Piling Specialists ("FPS") and the British Drilling Association ("BDA").

During 2008, we implemented our safety campaign, "Think Safety, Act Safely". This has produced an increase in the reporting of hazards and near misses. This proactive approach has improved awareness and helped prevent accidents on our sites and in our yard and for other contractors working alongside us. This has contributed to an overall downward trend of reportable incidents in recent years.

This improving trend faltered in the current financial year where we suffered several lost time accidents over the second half of the year. This remains a prime focus of the business and we expect the incident rate to return to its recent levels well below the industry average.

All our engineers, managers and directors are tasked with carrying out monthly compliance and safety audits. The safety scores are linked to our site team's performance results.

Van Elle is an accredited CITB training provider, delivering the health and safety awareness, site supervisor safety training scheme and site management safety training scheme courses. We are also a CSCS platinum award holder with 96% of our staff holding the relevant card.

People

Investing in our workforce

At the heart of Van Elle lies the belief that our people are our greatest asset. We recognise that their behaviours and choices are crucial to performance. Fundamental to our approach is the knowledge, competence and skills of our workforce gained through awareness and structured training, and this is recognised externally where we hold Investors in People, silver accreditation.

We invest heavily in our workforce, dedicating time and resources so that they can develop career paths within the Company. In November 2016, we announced a £0.7m investment to develop a training academy for our staff. As we continue to grow significantly, it is important that we have the right facilities to equip our people with the skills to drive the Company and the industry forward.



At the heart of Van Elle lies our greatest asset – our people.”

Whilst facilitating our growth, the training academy will provide individuals with opportunities and skills to develop themselves and their careers. It will also ensure that we continue to maintain and control our high standard of training.

Due to open late summer 2017, it will provide improved welfare facilities for our employees, including a canteen and gym.

Communication

As our people are our most valuable asset, we appreciate the mutual benefits of keeping employees informed and take appropriate steps to ensure that they are kept aware of matters of concern and factors that affect the performance of the Company. We value the views of our employees and consult with them, or their representatives, when making decisions which affect their interests.

We maintain communication channels with our staff using a combination of face-to-face meetings, the intranet, the website, Works Committee and newsletters.



We value the views of our employees and consult with them, or their representatives, when making decisions which affect their interests.”

Recruitment and retention

An important part of our HR strategy is to attract talented individuals who can demonstrate and live by our values and behaviours whilst delivering business results. This has been achieved by continuously improving our recruitment process, including creating strong partnerships with our prime recruitment agencies. We have also put career structures in place and identified successors for key roles, so that people can see how they can develop within the Group.

In October 2016, due to the successful IPO, several long-serving employees and senior executives became eligible to qualify for share options. It is hoped that future awards will be made to retain and incentivise our staff and allow them to share within the success of the Company.

Diversity and equality

The Group maintains an equality and diversity policy, selecting and promoting employees based on their aptitudes and abilities. The Group is committed to providing equal opportunities to all current and future employees and values the difference that a diverse workforce can contribute to the organisation.

The Group recognises its obligations towards employment of disabled people and gives full and fair consideration to suitable applicants, having regard to individuals' aptitudes and abilities. The Company is committed to ensuring that everyone is treated equally regardless of disability or any other condition which cannot be shown to be relevant to their performance. The Company is committed to ensuring that any individual who becomes disabled during their employment remains in their own role where possible, or is employed in another suitable position. Training, career development and promotion of disabled employees will be, as far as possible, identical to that of other employees.

Corporate social responsibility continued

Environment and sustainability

In a sector where the use of steel and concrete is inevitable, Van Elle considers this subject very seriously and reviews waste reduction and the use of recycled products and alternative materials at every opportunity.

Our vision includes:

- the use of competitive local suppliers;
- working with our supply chain to propose the most environmentally friendly materials for each project;
- working with our suppliers to develop new, more sustainable materials with a higher recycled content, producing less waste product and requiring less water usage;
- reducing and avoiding the production of waste when on site; and
- producing engineered, bespoke solutions in house to address several industry requirements including sustainability.

We rarely subcontract and aim to use only fully employed labour, which enables us to use site teams who are local to each project, reducing distances travelled and in turn reducing CO2 emissions.

We always engage with the communities local to projects with which we are involved, welcoming feedback based on our interaction with the community, the impact of our services, our responsibility and actions taken.

“

We recognise the importance of engaging with local communities and are involved in a wide range of schemes.”

Some ways in which we minimise the impact of our services upon the environment include:

- the use of recycled steel tube, formerly used in the oil industry, to form steel piles;
- the use of biodegradable oils in our rigs;
- the use of Pulverised Fuel Ash (“PFA”), a waste product from coal-fired power stations, in our grout products to reduce non-sustainable product usage;
- recycling schemes within all offices and yards;
- in-house design team allowing us to optimise our solutions to minimise material content by reducing the number, depth and steel content of all products. We will often propose more sustainable, value engineered options as well as pricing the client’s required solutions; and
- dedicated in-house research and development of new products and techniques such as Smartfoot® precast modular foundations.

Supporting charities and local communities

We recognise the importance of engaging with local communities and are involved in a wide range of schemes. Local projects provide an opportunity to assist communities using our skills, time and financial support, helping to ensure our work leaves a lasting positive impact.

Each year we invite students from a local school to Van Elle for their work experience. They spend two weeks with us and have the chance to experience our different departments. It introduces them to working life and the many different roles available in the construction industry. Children from the same school recently attended a tour of our recently expanded production facilities at Kirkby-in-Ashfield.





We are involved in supporting several charities and some recent examples are shown below:

Mercury Motorsport

Van Elle is proud to support the Derby UTC Mercury Motorsport team. The Mercury Motorsport team is an ambitious group of six 14-15 year olds who have a keen interest in design, engineering, motorsport and competition.

2016 chosen charity - SMA

In 2016, Van Elle employees raised over £15,000 for Spinal Muscular Atrophy ("SMA"). In addition to fundraising for the SMA charities, we also surprised Sam and Alex (pictured above), both of whom live locally with the condition, with a once-in-a-lifetime trip to Disneyland in Florida.

Dragon boat racing – August 2016

Van Elle entered a team into the annual Dragon Boat Challenge at the Nottingham Riverside Festival. Van Elle's entry, "Fast as Elle", lived up to its name by putting in some pretty impressive times leading up to the semi-finals.

2017 chosen charity – NSPCC Childline

Our chosen charity for this year is NSPCC Childline and several fund raising activities are planned.

Operational review

General Piling

Division highlights

	2017	2016
Revenue	£42.9m	£42.1m
% of Group revenue	46%	50%
Gross margin	32%	31%
Operating profit	£4.7m	£4.7m
Rig increase	4	3

The General Piling division has the largest fleet within the Group and offers a variety of ground engineering solutions for open-site construction projects.

Revenue growth has been modest at 1.9% with strong housebuilding revenues being partially offset by reduced commercial and industrial activity.

Innovation continues to drive new opportunities with the division taking delivery of a Llamada P160TT, which is believed to be the UK's largest specialist CFA rig. The Directors expect this new rig will allow the Group to offer a more efficient alternative to bored piling, opening up new opportunities for Van Elle in additional segments of the market. By leveraging the division's strong market position, this additional capacity will enable Van Elle to grow its market share. In addition, the division has recently acquired two Soilmecc truck mounted rigs, enabling it to deliver mobile piling services on roads and motorways.

The division's focus on rig utilisation and operational execution of its contracts has resulted in an increase in gross margin to 32% (2016: 31%).

Management believes that there is an opportunity to broaden the range of techniques and services it can offer and has identified several services, including displacement piling and pulse piling, which are not currently provided by the Group. By offering these complementary services, the division will be able to bid on a wider range of contracts as well as capture additional revenue from larger and more complex construction projects.





Case study

Portland Green, Newcastle

Over the past few years, we have undertaken drilling, grouting and piling work for new student accommodation blocks at Portland Green in Newcastle.

The grouting work was carried out to stabilise old mine workings and consisted of 352 boreholes, over 750 tonnes of PFA and 62 tonnes of cement. Although the foundations for the first three buildings were constructed using traditional piling techniques, the most recent three structures required a rotary solution to advance beyond the coal seams.

The extremely powerful Llamada P160TT CFA rig enabled us to install deeper larger piles than would otherwise be possible. This new capability meant that we could redesign the piles to carry the required loads and install them using a CFA solution (712 piles ranging from 400 to 500mm diameter and from 13 to 34m in depth), significantly reducing both the programme duration and costs for our end client.



Operational review

Specialist Piling

Division highlights

	2017	2016
Revenue	£30.1m	£25.8m
% of Group revenue	32%	31%
Gross margin	42%	49%
Operating profit	£5.4m	£5.9m
Rig increase	6	9

The Specialist Piling division provides a range of piling and other geotechnical solutions in operationally constrained environments such as inside existing buildings, under bridges, in tunnels and basements as well as on-track rail environments.

Revenue growth of 16.6% was driven by strong performance in restricted access with Van Elle securing its largest ever contract at Eden Brows, which is detailed in the case study opposite.

The reduction in gross margin reflects the sales mix impact of deferred rail work.

The Directors believe that the Group's competitive position within the restricted access piling market is particularly strong due to the high technical barriers to entry.

The Directors believe that the rail sector presents a particularly significant growth opportunity for the Group over the medium term. Revenues from the division's on-track services have grown from zero in 2013 to nearly £12.0m in 2017 and notwithstanding some of the market issues in the fourth quarter, the Directors believe that the Group is well positioned to win additional work. The Company has constructed its own 100m-long test track to carry out obligatory rail track tests on its equipment, which is also being used as a training facility and will be offered externally to third parties.

In addition, the division has developed a large diameter rotary percussion drilling system which is the only such system at present available to Network Rail for specific use on the rail network.



Case study

Eden Brows

In the winter of 2015/16, torrential rains lead to a landslip and the closure of the Settle to Carlisle railway near Armathwaite.

Network Rail's principal contractor, Story Contracting, appointed Aecom to undertake the design work and Van Elle to install the 226 piles in two parallel contiguous rows. The "Up Line" piles were in compression and were installed to 20m depth whilst the "Down Line" piles were in tension and were installed to 18m depth with between 4m and 18m being within the bedrock. Van Elle was chosen due to our unique experience of installing the innovative Elemex air drilling technique.

In all, 4040m of piles were drilled and it was the first time that 660mm-diameter Elemex piles had been installed anywhere in the world. Working through the night with six piling teams using two rigs enabled the completed line to be opened on time and to budget.



Case study

Shadwell Basin slipway

As part of the Thames Tideway project, Volker Stevin, ABCO Marine and Van Elle were appointed to carry out the design and construction of the new slipway at the Shadwell Basin Outdoor Activity Centre across the river from Canary Wharf.

Van Elle was responsible for the installation of 22 piles stretching out into the Thames to support the new ramp. A bespoke Klemm 709 rig with a 14m mast was mounted upon a jack-up barge and drilled 323mm-diameter steel piles up to 13m into the river bed.

This was a complex project due to tidal and contamination factors when working over water. The pile casings were protected from the environment with a 3mm specialist coating.



Operational review

Ground Engineering Services

Division highlights

	2017	2016
Revenue	£10.6m	£10.2m
% of Group revenue	11%	12%
Gross margin	37%	30%
Operating profit	£0.8m	£0.5m
Rig increase	3	—

The Ground Engineering Services division offers a range of ground stabilisation and geotechnical services on construction projects across a broad range of end markets. Ground stabilisation services are frequently required for large civil engineering projects, such as motorway expansion and embankment cutting, as well as new-build residential schemes. The division's geotechnical services operating unit provides a range of technically complex, critical services including ground investigation, pile testing and geothermal boreholes.

Revenues have increased by 4.6% and gross margin has improved because of the sales mix, with higher value works delivered in ground stabilisation.

The division has invested to establish a new dedicated Scottish office and factory facility, which commenced operations in January 2017.

Given the large addressable market for geotechnical and ground stabilisation services, the Directors believe that there is scope to increase the division's market share by capitalising on the Group's established brand and reputation. To achieve this, the Group intends to acquire additional specialist geotechnical and ground stabilisation equipment to increase its capacity, with a focus on road and rail infrastructure. The Directors believe that the Group's strong relationships with customers in the infrastructure and civil engineering sectors position the division to bid for additional work on projects such as the SMART motorway initiative.

In addition, the division can leverage the Group's strong position in the rail market by providing its range of geotechnical services on-track. There is an opportunity to provide site investigation services to rail customers and the division has commissioned a bespoke Unimog mounted RRV rig capable of delivering this service.



Case study

Salt stockpiles, Cheshire

Van Elle was engaged by Compass Minerals to carry out dynamic sampling to gauge the competency and the stability of three stockpiles of salt in Cheshire, one of which was covered in plastic sheeting.

Van Elle drilled six vertical boreholes from the top of the mounds and two diagonally from the side using a Comacchio MC 602.



Case study

Solar panel mounts

As a large land owner, Unite Utilities has made great strides in recent years to maximise its income and make best use of its land stock whilst meeting all its sustainability goals. Part of this project is to build solar farms and we were employed to work alongside Forest Energy to carry out testing of the solar panel mounts and to undertake window sampling to prove the ground.

Van Elle was supplied with the mounting brackets and manufactured a bespoke attachment for the excavator to drive them between 1.5 and 2m into the ground. Van Elle was then able to carry out a lateral test to measure the displacement by jacking off the blade of the excavator and vertically off a test beam to measure the tension. The results were then measured against the failure criteria specified by the client.



Operational review

Ground Engineering Products

Division highlights

	2017	2016
Revenue	£10.4m	£6.1m
% of Group revenue	11%	7%
Gross margin	26%	27%
Operating profit	£0.8m	—
Installation gang increase	2	3

The Ground Engineering Products division designs, manufactures and installs modular foundation systems and other specialist precast concrete products. In addition, the division manufactures precast concrete piles for use by the General Piling division.

Revenues are up 71%, driven by strong demand for Smartfoot® products. The increased volumes have led to significant improvements in operating profit due to operational gearing.

The results include the contribution from an expansion of production facilities, including the new Glasgow site, which is now completed and fully operational. The division has also produced its first bespoke precast products for use by the Specialist Piling division on the rail infrastructure.

The Directors believe that long-term structural shortages in UK provides a clear opportunity to continue to grow Smartfoot® market share.





Case study

Production facilities

Over the past three years, Van Elle has invested over £2.7m in 16 acres of land at Kirkby-in-Ashfield, building a new office, workshops and a precast concrete batching facility. This investment was made to increase capacity to meet the growing demand in our end markets, particularly housebuilding.

Turnover for our Smartfoot® modular beam foundation system has more than doubled in the last two years because of this investment and we are now casting bespoke concrete foundation products and large diameter piles up to 13m in length.

We stock a variety of lengths to minimise waste on site. Quality is controlled by our experienced production team and, coupled with our knowledge of foundation design, we recently designed bespoke base configurations for Murphy Group on a 6 mile stretch of viaducts along the Gospel Oak to Barking rail project. We then manufactured these bases and installed 80 precast units required to support the OLE masts on the bridges.



Financial review

Delivering on our strategy



Highlights

- Strong revenue growth of 11.8% to £94.1m
- Underlying EBITDA growth of 12.9% to £16.3m
- Underlying operating profit growth of 4.6% to £11.6m
- Excellent operating cash conversion at 92%
- Strong balance sheet with low levels of net debt and gearing
- Year-end cash balance stands at £12.9m

Revenue

The Group continued its strong revenue growth during the year. Revenue for the year ended 30 April 2017 was £94.1m (2016: £84.2m), which represented an increase of 11.8%. Our business continues to be weighted towards the second half of the year as shown below:

	2017 £'000	2016 £'000	Change %	2017 %	2016 %
H1	43,126	40,063	7.6	45.8	47.6
H2	50,967	44,136	15.5	54.2	52.4
Revenue	94,093	84,199	11.8	100.0	100.0

Group results are seasonally weighted to H2 due to work patterns over the Christmas and Easter holiday periods, particularly in the infrastructure sector. Weighting is most pronounced in the highest margin Specialist Piling division which has an additional impact on the split of profit. This year saw the seasonal weighting further impacted by a lower level of rail infrastructure activity year on year in Q1 as well as a strong Q3 that saw delivery of the Eden Brows contract for £5.4m, alongside an active rail sector.

Our strategy is to direct our resources and investment into growth markets and by tracking enquiry levels by end market, this acts as a barometer for identifying trends and targeting our activities into the growth areas. The mix of revenue by end markets is shown below:

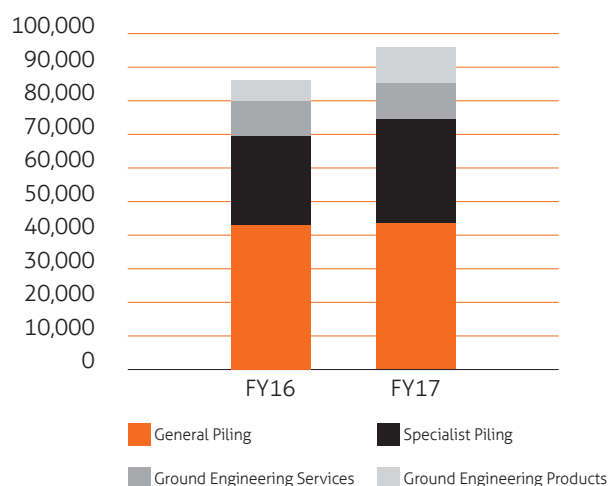
	2017 £'000	2016 £'000	Change %	2017 %	2016 %
Housebuilding	42,504	34,156	24.4	45.2	40.6
Infrastructure	28,906	24,637	17.3	30.7	29.3
Commercial and industrial	18,814	22,667	(17.0)	20.0	26.9
Public sector	3,171	2,425	30.8	3.4	2.9
Other	698	314	122.3	0.7	0.3
Revenue	94,093	84,199	11.8	100.0	100.0

New housing, infrastructure and public sector continued to generate growth with strong revenues in this year's sales mix buoyed by the healthy housing market and the Government's investment in the country's infrastructure networks. The commercial and industrial revenues fell year on year as 2016 benefited from several significant contracts for retail developments and student accommodation units in the education sector boosting performance.

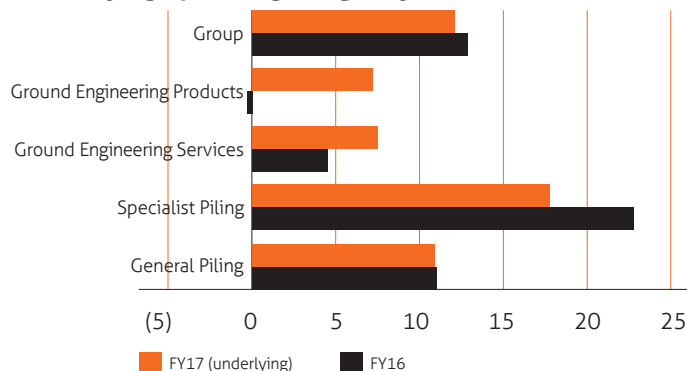


Our strategy is to invest and direct our resources into growth markets.”

Turnover by division (£'000)



Underlying operating margin by division (%)



The mix of revenue by our divisions is shown below:

	2017 £'000	2016 £'000	Change %	2017 %	2016 %
General Piling	42,905	42,111	1.9	45.6	50.0
Specialist Piling	30,126	25,840	16.6	32.0	30.7
Ground Eng'ing Services	10,621	10,151	4.6	11.3	12.1
Ground Eng'ing Products	10,441	6,097	71.2	11.1	7.2
Revenue	94,093	84,199	11.8	100.0	100.0

The changing mix reflects our focus on growth markets as well as our ability to focus resources where we feel the best opportunities lie. We have targeted investment into several specialist rigs and equipment during the year and this will be our continuing strategy in the medium term.

Our investment in our production capabilities has increased our capacity to meet demand from the housebuilders for Smartfoot® modular beams and internal demand for precast piles, the latter reducing our reliance on the supply chain. The returns can be seen in our growth in Ground Engineering Products revenues.

Gross profit

The gross margin of the Group has reduced slightly to 35.5% (2016: 36.1%), reflecting sales mix changes due to reduced rail activity in Q4. The delay and restructuring of several rail contracts prior to the year end adversely impacted utilisation of our RRV rigs which had a consequent impact on divisional overhead recovery. The variability of timing of contracts in the rail sector is unfortunately a feature of Government-backed infrastructure spend and one that we are mindful of and will continue to monitor closely going forward.

Operating profit

The strong revenue performance has translated into strong underlying EBITDA growth during the year. Our EBITDA, before exceptional IPO costs and share-based payment charges, for the year ended 30 April 2017 was £16.3m (2016: £14.4m), which represented an increase of 12.9%.

	2017 £'000	2016 £'000	Change %
Underlying EBITDA	16,250	14,388	12.9%
Share-based payments	(77)	—	—
Exceptional items	(1,781)	—	—
EBITDA	14,392	14,388	—
Depreciation/amortisation	(4,687)	(3,333)	—
Operating profit	9,705	11,055	(12.2%)
<i>Underlying EBITDA</i>	17.3%	17.1%	
<i>EBITDA</i>	15.3%	17.1%	
<i>Underlying operating margin</i>	12.3%	13.1%	
<i>Operating margin</i>	10.3%	13.1%	

Financial review continued

Operating profit continued

Our underlying EBITDA margin has improved marginally to 17.3% (2016: 17.1%) despite the sales mix impact of reduced rail activity and an investment in overheads to facilitate our year-on-year growth strategy. Consequently, our underlying operating margin has reduced slightly to 12.3% (2016: 13.1%).

Exceptional costs

Exceptional items, by their size, incidence or nature, are disclosed separately to allow a better understanding of the underlying performance of the Group. During the year, exceptional items of £1,781,000 were incurred in respect of the IPO of the Company on 26 October 2016 and legal costs associated with post-IPO claim and settlements (see note 7 to the consolidated financial statements).

The Board believes that the underlying performance measures for operating profit, EBITDA and EPS, stated before the deduction of exceptional items and share-based payment charges, give a clearer indication of the actual performance of the business.

Net finance costs

Net finance costs were £422,000 (2016: £333,000) and interest was covered 23.0 times (2016: 33.2 times). This increase reflects the targeted capital investment expenditure over the last couple of years funded by hire purchase lease contracts. The hire purchase contracts are at fixed rates of interest and normally for a five-year term.

Taxation

The effective tax rate for the year was 20.8% (2016: 21.2%). The decrease in effective tax rate from the previous year is principally due to the adjustment in respect of prior year charges mitigated by exceptional IPO costs of £1,348,000 being disallowed for tax purposes. The tax charge includes a deferred tax credit of £40,000 arising due to substantively enacted reductions in the rate of corporation tax to 17% by April 2020.

The Group paid £2,281,000 (2016: £1,748,000) of corporation tax during the year.

Contingent liability

Our interim announcement referenced a possible liability relating to material bonus payments allegedly due to a former employee pursuant to historic employment arrangements. Having robustly rejected that any such liability existed, the Board has now been informed by solicitors acting for the former employee that he no longer wishes to pursue the claim.

Dividends

The Board has adopted a progressive dividend policy. On 28 February 2017, the Company paid an interim dividend of 0.85p per share. The Board is now recommending a final dividend of 1.75p per share making a total dividend of 2.60p per share for the financial year.

Subject to approval at our Annual General Meeting of shareholders on 12 September 2017, the recommended final dividend will be paid on 29 September 2017 to shareholders who are on the register on 22 September 2017.

Earnings per share

The underlying basic earnings per share was 12.1p (2016: 12.1p), based on underlying earnings of £9,125,000 (2016: £8,445,000). Underlying earnings are stated after adding back £1,781,000 of exceptional IPO costs and £77,000 of share-based payment charges and deducting tax arising on exceptional charges of £86,000.

This flat performance in underlying earnings per share reflects the consequences of the additional funds raised on IPO to fund future acquisitions with no acquisitions having been completed in the period.

Capital structure and allocation

The Group's capital structure is kept under constant review, taking account of the need for, and the availability and cost of, various sources of finance.

The Group's objective is to deliver long-term value to its shareholders whilst maintaining a balance sheet structure that safeguards the Group's financial position through economic cycles. In this context, the Board has established clear priorities for the use of capital.

In order of priority these are:

- to fund profitable organic growth opportunities;
- to finance bolt-on acquisitions that meet the Group's investment criteria;
- to pay ordinary dividends at a level which allows dividend growth through the cycle; and
- where the balance sheet allows, to deploy funds for the benefit of shareholders in the most appropriate manner.

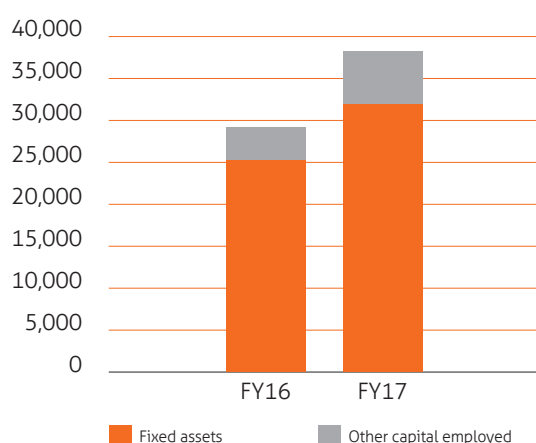
Balance sheet summary

	2017 £'000	2016 £'000
Fixed assets (including intangible assets)	34,440	27,411
Net working capital	5,337	3,993
Net debt	(1,458)	(8,341)
Taxation and provisions	(1,998)	(2,311)
Net assets	36,321	20,752

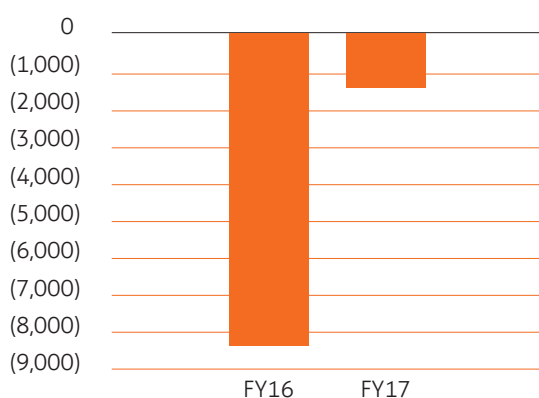
The Group has increased net assets by £15.6m to £36.3m (2016: £20.8m) during the year. This increase is partly due to the issue of shares on IPO, raising net funds of £8.8m to finance future acquisitions, and the balance is retained profit from robust underlying trading for the year.

Capital employed (£'000)

(net assets excluding net debt)



Group net debt (£'000)



Group free cash flow (£'000)



The Group continues to invest in specialist rigs to drive growth in our chosen markets, as well as continuing to invest in our facilities with capital expenditure of £11.8m in the year and a corresponding annual depreciation charge of £4.7m.

The ROCE has decreased in the period to 30.6% at 30 April 2017 (2016: 38.0%), reflecting the additional capital expenditure investment during the year.

Analysis of net debt

	2017 £'000	2016 £'000
Bank loans	(1,275)	(1,425)
Other loans	(205)	—
Finance leases	(12,836)	(10,517)
Total borrowings	(14,316)	(11,942)
Cash and cash equivalents	12,858	3,601
Net debt	(1,458)	(8,341)

Net debt has reduced by £6.9m to £1.5m at 30 April 2017, reflecting the net cash inflow from the additional shares issued as part of the IPO of £8.8m and the movement in hire purchase obligations.

Cash flow summary

	2017 £'000	2016 £'000
Operating cash flows before working capital	14,380	14,335
Working capital movements	(1,251)	(2,917)
Cash generated from operations	13,129	11,418
Net interest paid	(422)	(333)
Income tax paid	(2,281)	(1,748)
Net cash generated from operating activities	10,426	9,337
Capital expenditure	(5,495)	(6,177)
Financing activities	4,326	(1,903)
Net increase in cash and cash equivalents	9,257	1,257

The Group has always placed a high priority on cash generation and the active management of working capital. Cash generated from operations was £13.1m (2016: £11.4m), representing 92% of EBITDA (2016: 80%).

Paul Pearson

Chief Financial Officer

25 July 2017

Board of Directors



Adrian Barden
Non-Executive Chairman

Mr Barden has worked in the construction materials industry for over 40 years across Europe, and was previously chairman of the Construction Products Association and chief business development officer of Wolseley plc, as well as a board member of Sanitec Corporation Sweden. Mr Barden is currently a board member of Volution Group PLC and a non-executive director of Quinn Building Products Ltd. Mr Barden is Chair of the Nomination and Remuneration Committees and a member of the Audit Committee.



Jon Fenton
Chief Executive Officer

Mr Fenton is a qualified chartered civil engineer with extensive experience in ground engineering. Mr Fenton originally joined Van Elle in 1986 and was instrumental in helping develop the open-site piling offering of the Group before moving to the United States to broaden his ground engineering experience with Malcolm Drilling. Mr Fenton returned to Van Elle in 2010, assuming the role of Group Chief Executive Officer and taking over the full responsibility of running the Group's day-to-day operations.



Paul Pearson
Chief Financial Officer

Mr Pearson is an FCCA qualified accountant with over 30 years' experience within finance. Mr Pearson joined the Group in 2013, having previously held senior finance roles with Yorkshire Electricity Group plc and May Gurney Limited. Since 2013 Mr Pearson has overseen the financing of capital expenditure of £37m and the restructuring of banking facilities. He has also enhanced the budgeting and reporting processes and is ultimately responsible for leading the financial management of the Group's activities.



Robin Williams
Senior Independent Director

Mr Williams is an engineering graduate and qualified chartered accountant with over 30 years' experience in listed companies, initially as an adviser and then as a senior executive in two FTSE 250 companies, including Hepworth plc, the building materials business. Mr Williams is currently chairman of NHS Professionals Ltd and of Xaar plc. Mr Williams is Chair of the Audit Committee and a member of the Remuneration and Nomination Committees.

Executive committee



Michael Mason
Group director

Mr Mason joined the Company in 1995, starting as a grouting operative. He became the Group safety officer in 1997 and was promoted to Group director in charge of health and safety, personnel, quality and training in 2002. Mr Mason is a qualified chartered safety professional.



David Warner
Construction director

Mr Warner is a qualified chartered civil engineer with extensive experience gained in the construction sector. He joined the Company in 2001 as a contracts manager before becoming divisional director for the restricted access piling team. Mr Warner is now the Construction director with responsibility for the oversight of large projects and key customer and primary contractor relationships. Prior to joining Van Elle, he held various project engineering and management roles in the engineering sector worldwide.



Ian Jones
Operations director

Mr Jones joined the Company in 1987, starting as a piling operative. He has held several roles during his 30 years of service with the Company and is now Operations director with responsibility for ensuring the effective and efficient delivery of resources and compliance with internal standards and processes.



Mandy Gorse
Pre-construction director

Mrs Gorse is a civil engineering graduate with over 17 years' experience in the civil and ground engineering sectors. She recently joined the Company as Pre-construction director, where she is responsible for all pre-construction activity including business development, marketing and estimating. Prior to joining Van Elle, Mrs Gorse was a director with C A Blackwell (Contracts) Ltd.

Corporate governance statement



Paul Pearson
Acting Company Secretary

Introduction

As set out in the Admission document, the Board acknowledges the importance of the principles set out in the UK Corporate Governance Code and intends to apply them as far as it considers appropriate for a company of its size and nature.

Under the rules of AIM, the Group is not required to comply with the UK Corporate Governance Code 2016 (the "Code"). Nevertheless, the Board has taken steps to comply with those aspects of the Code that it considers appropriate, as described below.

Board composition and operation

The Board currently comprises two Executive and two Non-Executive Directors, of which one is Chairman. A search for a third Non-Executive Director is underway. The names of the Directors together with their roles and biographical details are set out on page 34. The roles of Chairman and Chief Executive are separated, clearly understood and have been agreed by the Board. The Chairman is responsible for the management of the Board and the Chief Executive is responsible for the operating performance of the Group.

A formal schedule of matters requiring Group Board approval is maintained and regularly reviewed, covering such areas as strategy, approval of budgets, financial results, Board appointments and dividend policy. The Board normally meets eight times a year and additional meetings are called when required. Comprehensive briefing papers are sent to all Directors prior to each scheduled Board meeting. Directors

are able, if necessary, to take independent professional advice in the furtherance of their duties at the Company's expense.

The Board intends to regularly conduct an appraisal of its own performance and that of each Director consisting of individual assessments using prescribed questionnaires to be completed by all Directors. The results will be reviewed, and individual feedback given, by an independent Non-Executive Director in respect of assessments of each of the other Directors and of the Board.

Audit Committee

The Audit Committee comprises both Non-Executive Directors and is chaired by Robin Williams. The Audit Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported and reviewing reports from the Group's auditor. The Audit Committee met on five occasions during the year with both members in attendance. The operations of the Audit Committee are set out in the separate Audit Committee report on pages 38 to 40.

Nomination Committee

The Nomination Committee comprises both Non-Executive Directors and is chaired by Adrian Barden. The purpose of the Committee is to establish a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee met on two occasions during the year and both members attended. The operations of the Nomination Committee are set out in the separate Nomination Committee report on page 41.

Remuneration Committee

The Remuneration Committee comprises both Non-Executive Directors and is chaired by Adrian Barden. The Remuneration Committee is responsible for reviewing the performance of Executive Directors and determining their terms and conditions of service, including their remuneration and the grant of options. The Remuneration Committee met on two occasions during the year with both members in attendance. The Remuneration Committee report is set out on pages 42 and 43.

Directors

Each of the Directors is subject to election by the shareholders at the first annual general meeting after their appointment. Thereafter, all Directors are subject to retirement by rotation in accordance with the Articles of Association. The service contracts of Executive Directors require six months' notice.

The Non-Executive Directors have received appointment letters setting out their terms of appointment. All Non-Executive Directors are appointed for an initial period of three years, continuing thereafter subject to not less than three months' notice.

The appointment of new Non-Executive Directors to the Board is considered by the whole Board.



The Board is committed to achieving high standards of corporate governance, integrity and business ethics for all of the activities of the Group.”

Internal controls

The Board has overall responsibility for ensuring that the Group maintains a system of internal control, to provide it with reasonable assurance regarding the reliability of financial information that is used within the business, and for external publication and the safeguarding of assets. There are inherent limitations in any system of internal control and accordingly even the most cost-effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group’s organisation structure has clear lines of responsibility with operational and financial responsibility for operating segments delegated to operational directors.

The Group’s risk management programme, which assesses key risks and the required internal controls that are delegated to Directors and managers within the Group, is reviewed regularly to ensure that it continues to meet the Board’s requirements.

Shareholder relationships

The Chairman and Non-Executive Directors will always make themselves available to meet with shareholders. Each AGM is an opportunity for this. Normal relationships with shareholders are maintained by the Executive Directors, who brief the Board on shareholder issues and who relate the views of the Group’s advisers to the Board. The Board believes that the disclosures set out on pages 4 to 33 of the annual report provide the information necessary for shareholders to assess the Company’s performance, business model and strategy.

Going concern basis

The Group’s business activities, together with the key factors likely to affect its future development, performance and position, are set out in the Group financial review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the Group financial review. In addition, note 21 of the consolidated financial statements includes the Group’s objectives, policies and processes for managing its capital, financial risk and management objectives. This also details financial instruments and exposure to price, interest rate, credit and liquidity risk. Accordingly, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future based on the following factors:

- the Group has prepared financial projections to 30 April 2021 which forecast positive earnings and cash generation;
- positive cash balance at 30 April 2017 and undrawn overdraft facilities of £3.0m;
- low levels of gearing and net debt (£1.5m at 30 April 2017); and

- high levels of interest cover (23 times at 30 April 2017).

Based on the above, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Forward-looking statements

The annual report and accounts includes certain statements that are forward-looking statements. These statements appear in several places throughout the strategic report and include statements regarding the Group’s intentions, beliefs or current expectations and those of its officers, Directors and employees concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated.

Approval

The Board approved the corporate governance report on 25 July 2017.

By order of the Board

Paul Pearson

Acting Company Secretary

25 July 2017

Audit Committee report



Robin Williams
Chairman of the Audit Committee

Dear Shareholder,

I am pleased to present the report on the activities of the Audit Committee for the year and to be able to confirm on behalf of the Board that the annual report and accounts taken as a whole is fair, balanced and understandable.

Roles and responsibilities

The primary function of the Committee is to assist the Board in fulfilling its responsibilities regarding the integrity of financial reporting, audit, risk management and internal controls. This comprises:

- monitoring and reviewing the Group's accounting policies, practices and significant accounting judgements; and
- reviewing the annual and interim financial statements and any public financial announcements and advising the Board on whether the annual report and accounts is fair, balanced and understandable.

In relation to the external audit:

- approving the appointment and recommending the reappointment of the external auditor and its terms of engagement and fees;
- considering the scope of work to be undertaken by the external auditor and reviewing the results of that work;
- reviewing and monitoring the independence of the external auditor and approving its provision of non-audit services;
- monitoring and reviewing the effectiveness of the external auditor;
- overseeing the Group's procedures for its employees to raise concerns through its whistleblowing policy;
- monitoring and reviewing the adequacy and effectiveness of the risk management systems and processes; and
- assessing and advising the Board on the internal financial, operational and compliance controls.

Membership and attendance

The Code recommends that all members of an audit committee be non-executive directors, independent in character and judgement and free from any relationship or circumstances which may, could or would be likely to, or appear to, affect their judgement and that one such member has recent and relevant financial experience.

Accordingly, the Committee comprises both Non-Executive Directors, with the Chairman having recent and relevant financial and accounting experience. Regular Audit Committee meetings are also normally attended by the Chief Executive Officer, the Chief Financial Officer, the external auditor and the Company Secretary, who acts as secretary to the Committee. Other members of management are invited to attend depending on the matters under discussion. The Committee meets regularly with the external auditor with no members of management present.

The Committee has met five times during the year with both Non-Executive members present.

Activities during the year

The following matters were considered at the Committee meetings held during the year:

Financial statements and reports:

- reviewed the preliminary results announcements, annual report and accounts, interim results announcement, trading update and received reports from the external auditor;
- reviewed the effectiveness of the Group's internal controls and disclosures made in the annual report and accounts;
- reviewed management representation letters, going concern reviews and significant areas of accounting estimates and judgements (including exceptional items, intangible assets and share-based payments); and
- reported to the Board on the appropriateness of accounting policies and practices.

Risk management:

- considered the Group risk register, which identified, evaluated and set out mitigation of risks, and reviewed the principal risks and uncertainties disclosed in the annual report and accounts.

External audit and non-audit work:

- reviewed the relationship with the external auditor including its independence, objectivity and effectiveness and, based on that review, recommended to the Board its reappointment at the forthcoming Annual General Meeting;
- reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor;
- agreed the terms of engagement and fees to be paid to the external auditor; and
- reviewed and approved the Group policy on non-audit services and reviewed any non-audit fees.

Compliance:

- met with the external auditor without executive management being present; and
- reviewed the Committee terms of reference and confirmed its intention to evaluate its performance.

External audit

The Audit Committee also approves the appointment and remuneration of the Group's external auditor and satisfies itself that it maintains its independence regardless of any non-audit work performed by it. The Group adopts the following policy governing the performance of non-audit work by the auditor. The auditor is permitted to provide non-audit services which are not, and are not

perceived to be, in conflict with auditor independence, providing it has the skill, competence and integrity to carry out the work and it is the most appropriate adviser to undertake such work in the best interests of the Group. All assignments are monitored by the Committee. Details of services provided by, and fees payable to, the auditor are shown in note 8 of the consolidated financial statements.

Whilst the Audit Committee has not adopted a formal policy in respect of rotation of the external auditor, one of its principal duties is to make recommendations to the Board in relation to the appointment of the external auditor. Various factors are considered by the Committee in this respect including the quality of the reports provided to the Committee, the level of service provided and the level of understanding of the Group's business.

BDO LLP has been the Company's external auditor for six years. The Audit Committee considers that the relationship with the auditor is working well and remains satisfied with its effectiveness and independence. Accordingly, it has not considered it necessary to date to require the firm to re-tender for the audit work. The auditor is required to rotate the audit partner responsible for the Group and subsidiary audits every five years. The current audit partner is in his first year of his term as audit partner.

Internal audit

The Group does not have a formal internal audit function but intends to perform targeted reviews and visits to operations by the head office team and occasionally professional advisers. The results of these reviews will be communicated back to the Audit Committee. This approach is considered appropriate and proportionate given the size of the business and the extensive work performed by the external auditor; however, the need to establish a separate independent internal audit function is kept under constant review.

Internal controls and risk management

The Board is responsible for the effectiveness of the Group's system of internal control, which has been designed and implemented to meet the requirements of the Group and the risks to which it is exposed.

The Group has a robust risk management process that follows a sequence of risk identification, assessment of probability and impact, and assigns an owner to manage mitigation activities. Throughout the year, the Group risk register and the methodology applied was the subject of review by senior management and updated to reflect new and developing areas which might impact business strategy. The Committee reviews the Group risk register each year to assess the actions being taken by senior management to monitor and mitigate the risks. The Group's principal risks and uncertainties are described on pages 16 and 17.

Audit Committee report continued

Internal controls and risk management continued

The following key elements comprise the internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility;
- an experienced and qualified finance function, which regularly assesses the risks facing the Group;
- a comprehensive annual strategic and business planning process;
- systems of control procedures and delegated authorities, which operate within defined guidelines, and approval limits for capital and operating expenditure and other key business transactions and decisions;
- a robust financial control, budgeting and rolling forecast system, which includes regular monitoring, variance analysis and key performance indicator reviews;
- procedures by which the consolidated financial statements are prepared, which are monitored and maintained using internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards; and
- established policies and procedures setting out expected standards of integrity and ethical standards which reinforce the need for all employees to adhere to all legal and regulatory requirements.

Going concern

Financial projections covering a period of not less than two years are prepared to support the review of going concern. Sensitivities are calculated to ensure that headroom exists in both financial resources and covenants, both of which are sufficient.

Significant accounting matters

The Audit Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The Committee reviews accounting papers prepared by management which provides details on the main financial reporting judgements. The Committee also reviews reports by the external auditor on the interim and full year results which highlight any issues arising from the work undertaken. The specific areas of audit and accounting risk reviewed by the Committee were:

- Revenue recognition – The revenue recognised in the accounts requires the use of estimates and judgements when assessing the percentage of work completed at the balance sheet date on contracts, the costs of the work required to complete the contract and the outcomes of claims and variations raised against the

group by customers or third parties. The Committee has reviewed the estimates and judgements applied by management and is satisfied with management's conclusions.

- The carrying value of trade receivables (including WIP) – The Group holds material trade receivable balances, and the calculations of provisions for impairment are estimates of future events and therefore uncertain. The Committee has reviewed the current year provisions against trade receivables, including an assessment of the adequacy of the prior year provisions, and is satisfied with management's conclusions that the provisioning levels are appropriate.
- The charge for share-based payment awards – The Group operates two equity-settled share-based payment awards. The Group is required to derive the fair value of the option at the date of grant using various models and assumptions which can have a material impact on the accounts. The Committee has reviewed the current year charges and is satisfied with the key assumptions applied.
- Exceptional items – The Committee has considered the presentation of the Group financial statements, and the presentation of exceptional items and the items included within such categories. The Committee has discussed these items with management and agreed that the presentation is consistent with the Group's accounting policy and provides more meaningful information to shareholders about the underlying performance of the Group.
- The carrying value of goodwill – Annual impairment reviews are performed which use key judgements including estimates of future business performance and cash generation, discount rates and long-term growth rates. The Committee is comfortable with the key assumptions applied and management's conclusion that no impairment has occurred.

I look forward to meeting with shareholders at the Annual General Meeting in September to answer any questions on the work of the Committee.

Robin Williams

Chairman of the Audit Committee

25 July 2017

Nomination Committee report



Adrian Barden
Chairman of the Nomination Committee

Dear Shareholder,

As Chairman of the Nomination Committee, I present our report detailing the role and responsibilities of the Committee and its activities during the year.

Roles and responsibilities

The key responsibilities of the Committee are:

- assessing whether the size, structure and composition of the Board (including its skills, knowledge, experience, independence and diversity, including gender diversity) continue to meet the Group's business and strategic needs;
- examining succession planning for Directors and other senior executives and for the key roles of Chairman of the Board and Chief Executive Officer; and
- identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise, together with leading the process for such appointments.

Membership and attendance

The Code recommends that the members of a nomination committee should be independent non-executive directors. As the Committee comprises Robin Williams and myself, the Company complies with this Code recommendation. By invitation, the meetings of the Committee may be attended by the Chief Executive Officer and the Chief Financial Officer. The Chairman of the Board normally chairs the Committee

except where it is dealing with his own reappointment or replacement. The Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the year.

Activities during the year

The following matters were considered at the Committee meetings held during the year:

- evaluated the balance of skills, experience, independence, diversity and knowledge on the Board;
- completed a process for the replacement of Michael Ellis as Chairman;
- reviewed succession planning for the Executive Directors and the senior management team;
- reviewed and approved the recommendations to be made to shareholders for the election of Directors at the Annual General Meeting; and
- reviewed the Committee's report in the annual report and accounts and recommended approval to the Board.

Election of Directors

On the recommendation of the Committee and in line with the Company's Articles of Association all four directors will stand for re-election at the Annual General Meeting. The biographical details of the Directors can be found on page 34. The Committee considers that the performance of each of the Directors standing for election at the Annual General Meeting continues to be effective and each demonstrates commitment to their role.

Board changes

On 31 December 2016, Michael Ellis, our non-independent Non-Executive Chairman, stepped down from the Board. Following a review the Committee appointed me as Chairman and Robin Williams became the Senior Independent Director. Both changes were confirmed by the Board on 1 June 2017. A search for an additional Non-Executive Director has commenced and the individual is expected to be in position later this year.

On 6 March 2017, Thomas Lindup, Managing Director and Company Secretary, left the Company. Since that date, Paul Pearson, the Chief Financial Officer, is also acting as interim Company Secretary. The Committee continues to review the balance of skills remaining within the business and a search for a replacement Company Secretary or legal counsel is underway.

I look forward to meeting with shareholders at the Annual General Meeting in September to answer any questions on the work of the Committee.

Adrian Barden

Chairman of the Nomination Committee

25 July 2017

Remuneration Committee report



Adrian Barden
Chairman of the Remuneration Committee

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the year ended 30 April 2017.

Roles and responsibilities

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Executive Directors and the senior management team to attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities, within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long-term success of the Company.

The Committee's main responsibilities are:

- establishing and maintaining formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, and monitoring and reporting on them;
- determining the remuneration, including pension arrangements, of the Executive Directors;
- monitoring and making recommendations in respect of remuneration for the tier of senior management one level below that of the Board;
- approving annual long-term incentive arrangements together with their targets and levels of awards;
- determining the level of fees for the Chairman of the Board; and
- selecting and appointing the external advisers to the Committee.

Membership and attendance

The Committee comprises the two independent Non-Executive Directors. By invitation, the meetings of the Committee may be attended by the Chief Executive Officer and the Chief Financial Officer. The Chairman of the Board normally chairs the Committee except where it is dealing with his own remuneration. The Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the year. The Committee plans to meet formally at least twice a year and at such other times as the Board or the Committee Chairman requires.

Activities during the year

Matters considered and decisions reached by the Committee during the year included:

- reviewed and approved the remuneration policy for 2016/17;
- reviewed and approved the parameters of the Annual Bonus Plan, including performance measures and targets for 2016/17 for the Executive Directors and senior management team;
- considered and approved the LTIP awards to the Executive Directors and senior management team following the admission to AIM;
- considered and approved the CSOP awards to long-serving staff following the admission to AIM;

- reviewed market trends and developments in executive remuneration in advance of considering Executive Director and senior management team proposals for 2017/18;
- reviewed and approved Executive Director and senior management team salaries for 2017/18;
- reviewed and approved the parameters of the Annual Bonus Plan, including performance measures for 2017/18 for the Executive Directors and senior management team; and
- reviewed the Committee's terms of reference.

Performance and outcomes 2016/17

This has been another year of solid results for Van Elle Holdings plc, despite challenges in some of the Group's operating markets. The business model proved robust with delayed contracts in the Specialist Piling division being offset by growth in General Piling, Ground Engineering Services and Ground Engineering Products.

For 2016/17, the performance achieved against financial and operational targets resulted in no annual bonus being paid to the Executive Directors.

As the earliest vesting date for awards made under the LTIP and the CSOP since their introduction is 26 October 2019, no LTIP or CSOP awards vested during the year.

Remuneration decisions for 2017/18

The Committee has recently undertaken a review of the remuneration arrangements for our Executive Directors. We believe that the framework remains broadly fit for purpose and so we are not proposing any significant changes.

As part of the review, we assessed the base salaries of the Chief Executive Officer and the Chief Financial Officer. To ensure base salaries remain competitive, the Committee awarded a salary increase of 2% to the Chief Executive Officer and 10% to the Chief Financial Officer with effect from 1 June 2017.

Following the review, it was determined that the annual bonus maximum levels and the performance measures continue to be appropriate. The Committee will continue its policy of setting stretching annual bonus targets which take into account several internal and external factors and disclose performance against targets and associated payouts unless the Committee considers them to be commercially sensitive.

Remuneration report

As an AIM-listed entity, the Company is not required to fully apply the Listing Rules of the Financial Conduct Authority or the BIS Directors' Remuneration Reporting Regulations and hence is not required to present a board report on remuneration in accordance with those rules. Nevertheless, the Board considers it appropriate for the Company to provide shareholders with information in respect of Executive remuneration that follows the "spirit" of the Regulations and will include some details of the Directors' remuneration policy and the annual report on remuneration, which together form the Directors' remuneration report.

I look forward to meeting with shareholders at the Annual General Meeting in September to answer any questions on the work of the Committee.

Adrian Barden

Chairman of the Remuneration Committee

25 July 2017

Directors' remuneration policy

Introduction

The policy described below is intended to apply for three years from the date of admission to AIM. The Committee will consider the remuneration policy annually to ensure that it remains aligned with the business needs and is appropriately positioned relative to the market. However, there is no intention to revise the policy more frequently than every three years. We use target performance to estimate the total potential reward and benchmark it against reward packages paid by Van Elle's competitors (to the extent that they can be identified).

Principles adopted

The principles adopted, taken from the Association of British Insurers ("ABI"), are as follows:

- remuneration structures should be appropriate to the specific business, efficient and cost effective in delivery;
- complexity is discouraged in favour of simple and understandable remuneration structures;
- remuneration structures should seek to align Executive and shareholder interests including through a meaningful level of personal shareholding;
- remuneration structures should promote long-term focus through features such as deferral and measuring performance over the long term;
- structures should include performance adjustments (malus) and/or clawback provisions;
- pay should be aligned to long-term sustainable success and the desired corporate culture throughout the organisation; and
- the Remuneration Committee ensures that rewards properly reflect business performance.

Balancing short and long-term remuneration

Based on our view of current market practice, and the principles of our remuneration policy, we have established the remuneration policy set out in this report. Fixed annual elements, including salary, pension and benefits, are to recognise the status of our Executives and to ensure current and future market competitiveness. The short and long-term incentives are to motivate and reward them for making Van Elle Holdings plc successful on a sustainable basis.

The shareholding linkage cements the relationship between the Executive Directors' personal returns and those of Company investors. Long-term incentives, in the form of conditional share awards, are granted annually and Executive Directors are expected to retain vested shares (after they have paid income tax and National Insurance contributions in respect of the awards) until they have met their shareholding requirement.

The Committee reserves discretion to flex the weighting of annual bonus KPIs from year to year to ensure that the Executive Directors are incentivised to drive performance through the Company's core strategic objectives.

Performance measures and targets

The Committee selected the performance conditions because these are central to the Company's overall strategy and are key metrics used by the Executive Directors to oversee the operation of the business. The performance targets are determined annually by the Committee following consultation with the Audit Committee and are typically set at a level that is above the level of the Company's forecasts.

The Committee believes the performance targets for the annual bonus are commercially sensitive in respect of the Company and that it would be detrimental to the interests of the Company to disclose them before the start of the financial year. The targets will be disclosed after the end of the relevant financial year in that year's remuneration report.

Differences in remuneration policy for all employees

All employees of the Company are entitled to base salary, benefits, a pension and an annual bonus. The maximum opportunity available is based on the seniority and responsibility of the role.

The Committee has regard to pay structures across the wider Group when setting the remuneration policy for Executive Directors. The Committee considers the general basic salary increase for the broader workforce when determining the annual salary review for the Executive Directors.

Overall, the remuneration policy for the Executive Directors is more heavily weighted towards performance-related pay than for other employees. The level of performance-related pay varies within the Group by grade of employee and is calculated by reference to the specific responsibilities of each role as appropriate.

Statement of consideration of employment conditions elsewhere in the Group

The Committee invites the Chief Executive Officer to present at its meeting in March on the proposals for salary increases for the employee population generally and on any other changes to remuneration policy within the Company. The Committee limits any salary increase for the Executive Directors to the inflationary increase available to employees unless there has been a change in role.

The Chief Executive consults with the Committee on the KPIs for Executive Directors' bonuses and the extent to which these should be cascaded to other employees. The Committee approves the overall annual bonus cost to the Company each year. The Committee has oversight over the grant of all LTIP and CSOP awards across the Company.

Future policy table

The individual elements of the future remuneration policy are summarised below:

How the element supports our strategic objectives	Operation of the element	Maximum potential value and payment at threshold	Performance metrics used, weighting and time period applicable
Base salary			
To recognise status and responsibility to deliver strategy	Base salary is paid in 12 equal monthly instalments during the year. Salaries are reviewed annually and any changes are effective from 1 June in the financial year.	Increases only for inflation and in line with other employees unless there is a change in role or responsibility or alignment required to market levels.	None.
Benefits			
To provide benefits consistent with the role	The Company pays the cost of providing the benefits monthly or as required for one-off events such as receiving financial advice.	Cost of independent financial advice, car allowance and medical insurance and other benefits from time to time.	None.
Annual bonus			
To ensure a market-competitive package and link total cash reward to achievement of Company business objectives	Annual bonuses are paid three months after the end of the financial year end to which they relate. A clawback facility will apply under which part or all of the cash and deferred bonus can be recovered if there is a restatement of the financial accounts or the individual is terminated for misconduct.	Maximum bonus potential: 80% of salary for the CEO and CFO 60% of salary for other Executive Directors There is no minimum payment at threshold performance.	Operating margin. EPS. Revenue growth. Performance is measured over the financial year. The Committee has discretion to vary the weighting of these metrics over the life of this remuneration policy.
Pension			
To provide funding for retirement	Defined contribution scheme. Monthly contributions.	5% of salary.	None.
Long Term Incentive Plan ("LTIP")			
To augment shareholder alignment by providing Executive Directors with longer-term interests in shares	Annual grants of conditional share awards based on the achievement of profit targets. A clawback facility is in operation under which parts or the whole of the LTIP award can be recovered if there is a restatement of the financial statements or the individual is dismissed for cause.	Maximum grant permitted is 100% of salary. Grant size is determined by reference to achievement of profit targets (50% based on TSR and 50% based on EPS). Vesting is dependent on service and performance conditions. 25% vests at threshold performance.	Service and performance conditions must be met over a three-year period. 25% vesting if TSR ranked at median within comparator group. 100% vesting if TSR ranked in upper quartile. 25% vesting if EPS exceeds RPI CAGR plus 8%. 100% vesting if EPS exceeds RPI CAGR plus 15%. The Committee has discretion to vary the weighting of performance metrics over the life of this remuneration policy.

Directors' remuneration policy continued

Approach to recruitment remuneration

The Committee will aim to set a new Executive Directors' remuneration package in line with the remuneration policy approved by shareholders.

Element of remuneration	Maximum % of salary
Salary	
Benefits	Dependent on circumstances
Annual bonus	60–80%*
Long-term incentives	100%*
Pension allowance	5%

* Higher percentage for CEO appointment.

In arriving at a total package and in considering value for each element of the package, the Committee will consider the skills and experience of a candidate, the market value for a candidate of that experience, as well as the importance of securing the preferred candidate.

Where it is necessary to "buy out" an individual's awards from a previous employer, the Committee will seek to match the expected value of the awards by granting awards that vest over a timeframe like those given up, with a commensurate reduction in quantum where the new awards will be subject to performance conditions that are not as stretching as those on the awards given up.

Policy on Directors leaving the Group

The Committee must satisfy any contractual obligations agreed with the Executive Director. This is dependent on the contractual obligations not being in contradiction with the remuneration policy set out in this report.

If an Executive Director's employment is terminated, in the absence of a breach of service agreement by the Director, the Company may, although it is not obliged to, terminate the Director's employment immediately by payment of an amount equal to base salary and the specified benefits (including pension scheme contributions) in lieu of the whole or the remaining part of the notice period. Payments in lieu of notice may be paid in monthly instalments over the length of the notice period. The Executive Directors are obliged to seek alternative income during the notice period and to notify the Company of any income so received. The Company would then reduce the monthly instalments to reflect such alternative income.

Discretionary bonus payments will not form part of any payments made in lieu of notice. An annual bonus may be payable, at the Committee's discretion, with respect to the period of the financial year served, although it would be paid in cash and normally pro-rated for time and paid at the normal payment date.

Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on relevant plan rules.

The default treatment under the LTIP is that any outstanding awards lapse when the individual leaves the Group. However, in certain prescribed circumstances, such as death, ill health, injury or disability, transfer of the employing entity outside of the Group or in other circumstances at the discretion of the Committee (except where the Director is summarily dismissed), "good leaver" status may be applied.

For good leavers, awards will normally vest to the extent that the Committee determines, taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, the period that has elapsed between the grant and the date of leaving. Awards will normally vest at the original vesting date, unless the Committee decides that awards should vest at the time of leaving.

Service agreements and letters of appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving not less than six months' prior written notice.

The Chairman and each of the Non-Executive Directors of the Company do not have service contracts. Each of these Directors has a letter of appointment which has an initial three year term which is renewable and is terminable by the Company or the individual on three months' written notice.

Non-Executive Directors are not eligible to participate in cash or share incentive arrangements and their service does not qualify them for a pension or other benefits. No element of their fee is performance related.

Director	Date of service contract/letter of appointment
Executive Directors	
Jon Fenton	21 September 2016
Paul Pearson	21 September 2016
Non-Executive Directors	
Adrian Barden	25 July 2016
Robin Williams	15 July 2016

Non-Executive Directors' fees policy

How the element supports our strategic objectives	Operation of the element	Maximum potential value and payment at threshold	Performance metrics used, weighting and time period applicable
To attract Non-Executive Directors who have a broad range of experience and skills to oversee the implementation of our strategy.	<p>Non-Executive Directors' fees are set by the Board. The Chairman's fees are set by the Committee.</p> <p>Annual fees are paid in 12 equal monthly instalments during the year.</p> <p>Fees are regularly reviewed against those for Non-Executive Directors in companies of similar scale and complexity.</p> <p>Non-Executive Directors are not eligible to receive benefits and do not participate in incentive or pension plans.</p>	Current fee levels are shown in the annual report.	Non-Executive Directors are not eligible to participate in any performance-related arrangements.

Consideration of shareholder views

We take an active interest in shareholder views on our executive remuneration policy. The Committee is also committed to maintaining an ongoing dialogue with major shareholders and shareholder representative bodies whenever material changes are under consideration.

Annual report on remuneration

Single total figure of remuneration (audited)

The audited table below sets out the total remuneration for the Directors in the year ended 30 April 2017. As the Company was only admitted to AIM on 26 October 2016, comparative figures for the year ended 30 April 2016 are not provided as they are not considered a meaningful comparison.

	Salary/fees £'000	Benefits £'000	Bonus £'000	LTIP £'000	Pension £'000	Total £'000
Executive Directors						
J Duffey	37	1	—	—	—	38
M Ellis	75	7	—	—	—	82
J Ellis	63	8	—	—	—	71
J Fenton	251	17	—	—	13	281
V Handley	45	5	—	—	—	50
S Lindup	16	—	—	—	—	16
T Lindup	105	8	—	—	1	114
P Pearson	78	9	—	—	4	91
Non-Executive Directors						
A Barden	43	—	—	—	—	43
M Ellis	12	—	—	—	—	12
R Williams	28	—	—	—	—	28
Aggregate emoluments	753	55	—	—	18	826

Benefits comprise the provision of independent financial advice, car allowance and private medical insurance, valued at the taxable value.

The LTIP relates to the value of long-term awards whose performance period ends in the year under review. The first long-term incentive awards granted post-listing have a performance period that ends on 26 October 2019. As a result, this column has a zero figure.

Annual Bonus Plan (audited)

Bonuses are earned by reference to the financial year and paid in June following the end of the financial year. There is no bonus accruing to the Executive Directors in respect of the year ended 30 April 2017.

Aggregate Directors' emoluments

	2017 £'000	2016 £'000
Salaries	753	649
Taxable benefits	55	57
Bonus	—	16
Pension allowances	18	—
Total	826	722

Payments for loss of office (audited)

Thomas Lindup ceased to be a Director on 6 March 2017. The Company continues to pay Mr Lindup's termination costs over a six month period in accordance with the terms of his service agreement.

Michael Ellis, the Non-Executive Chairman who departed during the year was paid fees up to the date of his cessation.

Payments to past Directors (audited)

There were no payments to past Directors in the year.

Share awards granted during the year (audited)

Conditional share awards were granted on 26 October 2016, the date that the Company was admitted to AIM, to all Executive Directors and other senior executives. In accordance with the scheme rules, the maximum award (calculated at the date of the grant) cannot exceed 100% of base salary at the date of grant of the proposed award.

The awards to Executive Directors are shown below:

Directors	Scheme	Basis of award	Face value £'000	% vesting at threshold	Number of shares	Vesting date
J Fenton	LTIP	100% of	260	25	260,000	26/10/19
P Pearson	LTIP	salary	125	25	125,000	26/10/19

The face value of the awards is calculated using the share price at the date of grant, 26 October 2016, which was £1.00 per share.

The performance conditions in respect of the awards granted in the year are shown below:

Performance measure	Weighting	Target 25% vesting	Maximum 100% vesting
Total shareholder return ranking*	50%	Median, ranked 8th or higher	Upper quartile, ranked 4th or higher
Compound annual growth in earnings per share	50%	8% over RPI	15% over RPI

* Measured against a comparator group of 14 companies (i.e. 15 including Van Elle Holdings plc).

Statement of Directors' shareholding and share interests (audited)

We believe that Executive Directors should have shareholdings in the Company to ensure that they are as closely aligned as possible with shareholder interests. Those Directors serving at the end of the year and their immediate families had interests in the share capital of the Company at 30 April 2017 as follows:

	Ordinary shares held at 30 April 2017 Number	Options held at 30 April 2017 Number
Executive Directors		
Jon Fenton	5,614,165	260,000
Paul Pearson	—	125,000
Non-Executive Directors		
Adrian Barden	107,920	—
Robin Williams	10,000	—

Statement of implementation of remuneration policy – year to 30 April 2018

The basic salaries of Jon Fenton and Paul Pearson have increased by 2% to £263,568 and by 10% to £137,500, respectively, with effect from 1 June 2017. The level of increase for Paul Pearson reflects his increased level of responsibility following his appointment as Acting Company Secretary. The increase for Jon Fenton is aligned to the average annual pay award across the Group excluding rises for promotions or other changes in responsibility.

The Annual Bonus Plan for the year ending 30 April 2018 has been agreed. The structure of the scheme is like the scheme for the previous year as set out above in all material respects (except for the targets). Executive Directors will therefore be entitled to receive a bonus of 80% of their basic salary if the Group achieves target operating profit.

It is expected that the next award under the LTIP scheme will be announced shortly after the publication of the Company's annual results. Awards are limited to 100% of basic salary.

The fees for the Non-Executive Directors, Adrian Barden and Robin Williams, have increased by 70% to £85,000 and by 11.1% to £50,000, respectively, with effect from 1 January 2017 and 1 June 2017, respectively. The level of increase for Adrian Barden reflects his increased level of responsibility following his appointment as Chairman and for Robin Williams his move to the role of Senior Independent Director.

Approval

The Directors' remuneration policy and the annual report on remuneration, together comprising the Directors' remuneration report, were approved by the Board of Directors on 25 July 2017 and signed on its behalf by the Remuneration Committee Chairman.

Adrian Barden

Chairman of the Remuneration Committee

25 July 2017

Directors' report

Introduction

The Directors present their annual report and the Group audited financial statements for the year ended 30 April 2017. The strategic report on pages 4 to 33, the corporate governance report on pages 36 to 49 and certain notes to the financial statements are also incorporated into this report by reference.

Business review and future developments

A review of the performance of the Group during the year, including principal risks and uncertainties, key performance indicators and comments on future developments, is given in the strategic report on pages 4 to 33.

Results and dividend

The Group's result for the year is shown in the statement of comprehensive income on page 54.

An interim dividend of 0.85p per share was paid to shareholders on 28 February 2017 and the Directors are recommending a final dividend in respect of the financial year ended 30 April 2017 of 1.75p per share. If approved, the final dividend will be paid on 29 September 2017 to shareholders on the register on 22 September 2017. The total dividend paid and proposed for the year amounts to 2.6p per share.

Financial risk management

Information relating to the principal risks and uncertainties of the Group has been included within the strategic report. Further information relating to the financial risks of the Group has been included within note 21 of the consolidated financial statements.

Directors

The Directors of the Company who held office during the year are:

A Barden	(appointed 14 September 2016)
J Duffey	(resigned 5 October 2016)
M Ellis	(resigned 31 December 2016)
J Ellis	(resigned 5 October 2016)
J Fenton	
V Handley	(resigned 5 October 2016)
S Lindup	(resigned 5 October 2016)
T Lindup	(appointed 14 September 2016, resigned 6 March 2017)
P Pearson	(appointed 14 September 2016)
R Williams	(appointed 14 September 2016)

The biographies of the Directors in office at the end of the year are detailed on page 34. Their interests in the ordinary shares of the Company are shown in the Directors' remuneration report on page 49. In addition to the interests in ordinary shares, the Group operates a performance share plan ("LTIP") for senior executives, under which certain Directors have been granted conditional share

awards. Details of the share options granted are detailed in the Directors' remuneration report on page 49.

Directors may be appointed by ordinary resolution of the Company or by the Board. In addition to any powers of removal conferred by the Companies Act 2006, the Company may by special resolution remove any Director before the expiration of their period of office.

Directors' indemnities

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from the execution of their duties or powers to the extent permitted by law.

The Company has directors' and officers' indemnity insurance in place in respect of each of the Directors. The Company has entered into a qualifying third party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Directors. Neither the indemnity nor insurance provide cover if a Director or officer is proved to have acted fraudulently.

Employees

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be considered when making decisions that are likely to affect their interest. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in its performance.

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Further details regarding employees are detailed in the corporate social responsibility statement on pages 18 and 19.

Share capital

The Company has only one class of equity share, namely 2p ordinary shares. The shares have equal voting rights and there are no special rights or restrictions attaching to any of them or their transfer to other persons.

As at 30 April 2017 the issued share capital of the Company was 80,000,000 ordinary shares of 2p each. Details of the share capital as at 30 April 2017 is shown in note 24 of the consolidated financial statements.

The market price of the Company's shares at the end of the financial year was £0.915 and the range of market prices during the year was between £0.82 and £1.385.

Substantial shareholdings

As at the date of this report, the Company had been notified of the following interests representing 3% or more of the voting rights in the issued share capital of the Company.

Name of holder	Total holding of shares	% of total voting rights
Mr Michael Ellis	7,498,527	9.37
Ruffer Sicav	6,200,000	7.75
Mr Jon Fenton	5,614,165	7.02
Close Asset Management	4,209,057	5.26
Mr Michael Mason	4,186,961	5.23
Mrs Joan Ellis	4,061,764	5.08
Mrs Suzanne Lindup	3,006,773	3.76
Miton Asset Management	2,547,728	3.18
Mr Colin Winkworth	2,470,701	3.09

Corporate governance

The Group's statement on corporate governance is incorporated by reference and forms part of this Directors' report.

Going concern

The statement regarding going concern forms part of the corporate governance report and is set out on page 37.

Annual General Meeting

The Annual General Meeting will be held at 10.00 a.m. on Tuesday 12 September 2017 at One Wood Street, London, EC2V 7WS. The notice of Annual General Meeting, with explanatory notes, accompanies these financial statements.

Disclosure of information to the auditor

Each Director confirms that, so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the Group's auditor is aware of that information.

Independent auditor

BDO LLP has expressed its willingness to continue in office and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

Paul Pearson

Acting Company Secretary

25 July 2017

Registered office: Kirkby Lane, Pinxton, Nottinghamshire, NG16 6JA.
Company number: 04720018

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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 Company 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 enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the annual report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board of Directors and signed on its behalf by:

Paul Pearson
Acting Company Secretary
25 July 2017

Independent auditor's report

To the members of Van Elle Holdings plc

We have audited the financial statements of Van Elle Holdings plc for the year ended 30 April 2017, which comprise the consolidated statement of comprehensive income, the consolidated and Company statements of financial position, the consolidated statement of cash flows, the consolidated and Company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

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.

Respective responsibilities of the Directors and the auditor

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's ("FRC's") Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 30 April 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We have nothing to report in respect of the following matters where 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.

Gareth Singleton

(Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Nottingham

25 July 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

For the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Revenue	5	94,093	84,199
Cost of sales		(60,712)	(53,796)
Gross profit		33,381	30,403
Administrative expenses		(22,018)	(19,348)
Other operating income	6	200	—
Operating profit before exceptional costs and share-based payment expense		11,563	11,055
Share-based payment expense	25	(77)	—
Exceptional costs	7	(1,781)	—
Operating profit	8	9,705	11,055
Finance expense	10	(436)	(344)
Finance income	10	14	11
Profit before tax		9,283	10,722
Income tax expense	11	(1,930)	(2,277)
Total comprehensive income for the year		7,353	8,445
Earnings per share (pence)			
Basic	13	9.8	12.1
Diluted	13	9.8	12.1
Underlying earnings per share (pence)			
Basic	13	12.1	12.1
Diluted	13	12.1	12.1

All amounts relate to continuing operations. There was no other comprehensive income in either the current or preceding year.

The notes on pages 58 to 79 form part of these financial statements.

Consolidated statement of financial position

As at 30 April 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Property, plant and equipment	14	32,110	25,120
Intangible assets	15	2,330	2,291
		34,440	27,411
Current assets			
Inventories	16	2,423	1,611
Trade and other receivables	17	18,796	16,696
Cash and cash equivalents		12,858	3,601
		34,077	21,908
Total assets		68,517	49,319
Current liabilities			
Trade and other payables	19	15,882	14,314
Loans and borrowings	20	4,461	3,500
Corporation tax payable		878	1,224
		21,221	19,038
Non-current liabilities			
Loans and borrowings	20	9,855	8,442
Provisions	22	342	375
Deferred tax	23	778	712
		10,975	9,529
Total liabilities		32,196	28,567
Net assets		36,321	20,752
Equity			
Share capital	24	1,600	1,006
Share premium		8,633	—
Retained earnings		26,070	19,728
Non-controlling interest		18	18
Total equity		36,321	20,752

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2017 and were signed on its behalf by:

J Fenton
Director

The notes on pages 58 to 79 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated from operations	27	13,129	11,418
Interest received		14	11
Interest paid		(436)	(344)
Income tax paid		(2,281)	(1,748)
Net cash generated from operating activities		10,426	9,337
Cash flows from investing activities			
Purchases of property, plant and equipment		(5,562)	(6,162)
Disposal of property, plant and equipment		138	97
Purchases of intangibles		(71)	(112)
Net cash absorbed in investing activities		(5,495)	(6,177)
Cash flows from financing activities			
Proceeds from bank borrowings		—	1,425
Repayment of bank borrowings		(150)	—
Proceeds from Invest to Grow loan		260	—
Repayments of Invest to Grow loan		(55)	—
Issue of shares (net of issue costs)		8,833	—
Repayment of confidential invoice discounting facility		—	(4)
Payments to finance lease creditors		(3,882)	(2,903)
Dividends paid		(680)	(421)
Net cash generated/(absorbed) in financing activities		4,326	(1,903)
Net increase in cash and cash equivalents		9,257	1,257
Cash and cash equivalents at beginning of year		3,601	2,344
Cash and cash equivalents at end of year	28	12,858	3,601

The notes on pages 58 to 79 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 April 2017

	Share capital £'000	Share premium £'000	Non-controlling interest £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2015	1,006	—	18	11,704	12,728
Total comprehensive income	—	—	—	8,445	8,445
Dividend paid	—	—	—	(421)	(421)
	—	—	—	8,024	8,024
Balance at 30 April 2016	1,006	—	18	19,728	20,752
Total comprehensive income	—	—	—	7,353	7,353
Share redesignation	63	—	—	—	63
Issue of bonus shares	331	—	—	(331)	—
Issue of ordinary shares on IPO	200	9,800	—	—	10,000
Share issue costs	—	(1,167)	—	—	(1,167)
Dividends paid	—	—	—	(680)	(680)
	594	8,633	—	6,342	15,569
Balance at 30 April 2017	1,600	8,633	18	26,070	36,321

The notes on pages 58 to 79 form part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 April 2017

1. General information

The consolidated financial statements present the results of Van Elle Holdings plc (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 April 2017. A list of subsidiaries and their countries of incorporation is presented in note 5 of the parent company financial statements on page 83.

Van Elle Holdings plc is a public limited company incorporated and domiciled in the UK under the Companies Act 2006. The principal activity of the Group is a geotechnical contractor offering a wide range of ground engineering techniques and services including site investigation; driven, bored, drilled and augered piling; and ground stabilisation services. The Group also develops, manufactures and installs precast concrete products for use in specialist foundation applications. Further information on the nature of the Group's operations and principal activities are set out in the strategic report of the consolidated financial statements.

The address of the Company's registered office is Van Elle Holdings plc, Kirkby Lane, Pinxton, Nottinghamshire, NG16 6JA. The Company has its primary listing on AIM, part of the London Stock Exchange.

The Group's financial statements were authorised for issue by the Board of Directors on 25 July 2017.

2. Basis of preparation

Basis of accounting

The Group financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS"), International Financial Reporting Standards Interpretation Committee ("IFRS IC") interpretations and those provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The Group financial statements have been prepared on the going concern basis and adopting the historical cost convention.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates, which are outlined in the critical accounting estimates and judgements section of the accounting policies disclosed in note 3.

The consolidated financial statements are presented in Sterling, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

Going concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The Directors regard the foreseeable future as no less than 12 months following publication of its annual financial statement. The Directors have considered the Group's working capital forecasts and projections, taking

account of reasonably possible changes in trading performance and the current state of its operating market, and are satisfied that the Group should be able to operate within the level of its current facilities and in compliance with covenants arising from those facilities. Accordingly, they have adopted the going concern basis in preparing the financial information.

Underlying profit before tax and earnings

The Directors consider that underlying operating profit, underlying earnings before depreciation and amortisation ("EBITDA"), underlying profit before taxation and underlying earnings per share measures referred to in these Group financial statements, provide useful information for shareholders on underlying trends and performance. Underlying measures reflect adjustments adding back the exceptional costs, share-based payment charges and the taxation thereon where relevant.

The calculation of underlying basic and diluted underlying earnings per share is shown in note 13.

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except for the following new and revised standards and interpretations which have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in the financial statements.

- Amendments to IAS 1 Disclosure Initiative
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual improvements to IFRSs 2012–2014 Cycle

IFRS 15 Revenue from Contracts with Customers has been adopted by the EU with an effective date of 1 January 2018. This standard modifies the determination of how much revenue to recognise and when, and provides a single, principles based five-step model to be applied to all contracts with customers. It replaces the separate models for goods, services and construction contracts under current IFRS.

The Group is in the early stages of assessing the impact of the standard but, based on a preliminary review, does not expect the standard to have a significant impact on the Group's results. It is likely that the Group will adopt a prospective transition approach to the standard.

The standard is only expected to impact those contracts that are ongoing at the end of a reporting period and have multiple performance obligations and/or contract modifications. With a typical contract size of less than £100,000 with short duration,

2. Basis of preparation continued

Adoption of new and revised standards continued

for the vast majority of contracts revenue will continue to be recognised in the year. It is not possible to quantify the expected financial impact on the results for the year ended 30 April 2019, the first applicable year, as the application of the standard is dependent on the specific details of contracts ongoing at both 30 April 2018 and 30 April 2019. For the limited number of contracts that will be ongoing at the end of a reporting period and have multiple performance obligations and/or contract modifications, these will need to be considered on a contract-by-contract basis. Given that the Group's largest contract only contributed 5% of revenue in the current year, any impact of the standard on the Group's reported revenue is likely to be limited. We will continue to progress our assessment of the impact of this standard.

IFRS 9 Financial Instruments was adopted by the EU in November 2016 with an effective date of 1 January 2018. In addition, IFRS 16 Leases has been issued during 2016 but not yet adopted by the EU. The IASB effective date of IFRS 16 is 1 January 2019. The Group is in the early stages of assessing the impact of these accounting standards on the Group's results.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Any changes in ownership in minority interests is accounted for as an equity transaction.

Revenue

Turnover represents the total amounts receivable by the Group for goods supplied and services provided, excluding value added tax and trade discounts. The Group's turnover arises in the UK.

In the case of contracts, when the outcome can be assessed reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the statement of financial position date. The stage of completion of the contract at the statement of financial position date is assessed regarding the costs incurred to date as a percentage of the total expected costs.

Margin on contracts is calculated in accordance with accounting standards and industry practice. Industry practice is to assess the estimated outcome of each contract and recognise the revenue and margin based upon the stage of completion of the contract at the statement of financial position date. The assessment of the outcome of each contract is determined by regular review of the revenues and costs to complete that contract. Consistent contract review procedures are in place in respect of contract forecasting.

The gross amount receivable from customers for contract work is presented as an asset for all contracts in progress for which costs incurred, plus recognised profits (or less recognised losses), exceed progress billings.

The gross amount repayable to or paid in advance by customers for contract work is presented as a liability for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Margin associated with contract variations is only recognised when the outcome of the contract negotiations can be reliably estimated. Costs relating to contract variations are recognised as incurred. Revenue is recognised up to the level of the costs which are deemed to be recoverable under the contract.

Segment reporting

The operating segments are based on the components that the Board, the Group's principal decision-making body (the Chief Operating Decision Maker), monitors in making decisions about operating matters. Such components are identified based on information that is provided internally in the form of monthly management account reporting, budgets and forecasts to formulate allocation of resources to segments and to assess performance. Revenue from reportable segments is measured on a basis consistent with the income statement. Revenue is generated from within the UK, the Group's country of domicile. Segment results show the contribution directly attributable to each segment in arriving at the Group's operating profit. Segment assets and liabilities comprise those assets and liabilities directly attributable to each segment. Group eliminations represent such consolidation adjustments that are necessary to determine the Group's assets and liabilities.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

3. Significant accounting policies continued

Exceptional items

The Group's income statement separately identifies exceptional items. Such items are those that in the Directors' judgement are one off in nature or non-operating and need to be disclosed separately by their size or incidence and may include, but are not limited to, restructuring costs, acquisition-related costs and costs associated with the IPO. In determining whether an item should be disclosed as an exceptional item, the Directors consider quantitative as well as qualitative factors such as frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board. Disclosing exceptional items separately provides an additional understanding of the performance of the Group.

Taxation

The income tax expense represents the sum of current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is based on taxable profits for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly related to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. All other repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment and is calculated, using the straight-line method, to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	– 10%–20% per annum straight line
Plant and machinery	– 10%–20% per annum straight line
Office equipment	– 10%–25% per annum straight line
Motor vehicles	– 10%–25% per annum straight line

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing the proceeds of disposal with the carrying value and are recognised in the statement of comprehensive income.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill is capitalised as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised immediately in the statement of comprehensive income and are not subsequently reversed.

Goodwill is allocated to each of the Group's cash generating units for the purposes of the impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which they arose, identified by operating segment.

Computer software

Costs incurred to acquire computer software and directly attributable costs of bringing the software into use are capitalised within intangible assets and amortised, on a straight-line basis, over the useful life of the software. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life for computer software is five years.

3. Significant accounting policies continued

Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows – its Cash Generating Units ("CGUs").

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are initially recognised at cost, and comprise raw materials and consumables held in storage or on project sites and work in progress. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value comprises the estimated selling price in the ordinary course of business less applicable variable selling expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

Work in progress represents amounts earned and recoverable on contracts that have not yet been charged to customers and included within revenue.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Loans and receivables

These arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the customer or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable and for trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and, for the statement of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

3. Significant accounting policies continued

Financial liabilities continued

Other financial liabilities

Other financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Government grants

Government grants are recognised at their fair value in the statement of financial position, within deferred income, when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to revenue items are released to the statement of comprehensive income and recognised within cost of sales over the period necessary to match the grant on a systematic basis to the costs that they are intended to compensate.

Government grants relating to capital items are recognised within deferred income and released against the related depreciation charge when the completion conditions of these assets are met.

Retirement benefit cost

The Group operates a defined contribution pension scheme for the benefit of employees. The Group pays contributions to publicly or privately administered pension insurance schemes on a mandatory, contractual or voluntary basis. Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Leased assets

Where substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease

commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions represent management's best estimates of expenditure required to settle a present obligation at the balance sheet date, after considering the risks and uncertainties that surround the underlying event.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group can control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

3. Significant accounting policies continued

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of the issue.

Share-based payments

The Group operates two equity-settled share-based payment plans, details of which can be found in note 25 to the consolidated financial statements.

The fair value of share-based awards with non-market performance conditions is determined at the date of the grant using a Black-Scholes option pricing model. The fair value of share-based awards with market-related performance conditions is determined at the date of grant using a Monte-Carlo simulation. Share-based awards are recognised as expenses based on the Company's estimate of the shares that will eventually vest, on a straight-line basis over the vesting period, with a corresponding increase in the share option reserve.

At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on service and non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. Options with market-related performance conditions will vest based on total shareholder return against a selected group of quoted market comparators. Following the initial valuation, no adjustments are made in respect of market-based conditions at the reporting date.

4. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group is required to test whether goodwill has suffered any impairment. The Directors consider that recent and expected profitability supports the recorded value of goodwill and that there is no impairment.

Impairment of other intangible assets and investments

Other intangible assets and investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted the recoverable amount of the asset is based on the net present value of future cash flows expected to arise from the continuing operation of the entities using an appropriate discount rate.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful economic lives based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for appropriateness.

Contracts

The Group's approach to key estimates and judgements relating to construction contracts is set out in the revenue recognition policy above. The main factors considered when making those estimates and judgements include the costs of the work required to complete the contract in order to estimate the percentage completion, and the outcome of claims raised against the Group by customers or third parties.

Bad debt provisions

The Group has recognised impairment provisions in respect of bad and doubtful trade debtors. The judgements and estimates necessary to calculate these provisions are based on historical experience and other reasonable factors.

Warranty and claims provisions

The Group has recognised provisions in respect of possible warranty claims and claims for issues in delivery of services that are considered appropriate to the nature of the business and the history of claims received. The Group has insurance against delivery of service issues and only provides for any excess above the cover of insurance. The judgements and estimates necessary to calculate these provisions are based on historical experience and other reasonable factors.

Share-based payments

The Group has issued share-based incentives to its Directors and employees and is required to recognise an expense through its income statement equivalent to the fair value of the goods or services received. The Directors estimate the fair value using financial models (to provide a fair value of the option at the date of grant) and their experience of the likelihood that performance conditions will be met (to determine the number of options that will vest).

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

5. Segment information

The Group evaluates segmental performance based on profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, such as goodwill impairment, and the effects of share-based payments. Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of group resources at a rate acceptable to local tax authorities. Loans and borrowings, insurances and head office central services costs are allocated to the segments based on levels of turnover. Details of the types of products and services for each segment is given in the operational review on pages 22 to 29. All turnover and operations are based in the UK.

Operating segments – 30 April 2017

	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Ground Engineering Products £'000	Head Office £'000	Total £'000
Revenue						
Total revenue	45,008	30,126	10,621	13,714	—	99,469
Inter-segment revenue	(2,103)	—	—	(3,273)	—	(5,376)
Revenue	42,905	30,126	10,621	10,441	—	94,093
Operating profit						
Underlying operating profit	4,685	5,355	772	751	—	11,563
Share-based payments	—	—	—	—	(77)	(77)
Exceptional item	—	—	—	—	(1,781)	(1,781)
Operating profit	4,685	5,355	772	751	(1,858)	9,705
Finance expense	—	—	—	—	(436)	(436)
Finance income	—	—	—	—	14	14
Profit before tax	4,685	5,355	772	751	(2,280)	9,283
Assets						
Property, plant and equipment	10,456	9,696	2,778	1,373	7,807	32,110
Inventories	414	370	179	1,460	—	2,423
Reportable segment assets	10,870	10,066	2,957	2,833	7,807	34,533
Intangible assets	—	—	—	—	2,330	2,330
Trade and other receivables	—	—	—	—	18,796	18,796
Cash and cash equivalents	—	—	—	—	12,858	12,858
Total assets	10,870	10,066	2,957	2,833	41,791	68,517
Liabilities						
Loans and borrowings	—	—	—	—	14,316	14,316
Trade and other payables	—	—	—	—	16,760	16,760
Provisions	—	—	—	—	342	342
Deferred tax	—	—	—	—	778	778
Total liabilities	—	—	—	—	32,196	32,196
Other information						
Capital expenditure	4,267	2,948	1,841	668	2,041	11,765
Depreciation/amortisation	1,918	1,848	622	299	—	4,687

There are no individual customers accounting for more than 10% of Group revenue in either the current or preceding year.

5. Segment information continued

Operating segments – 30 April 2016

	General Piling £'000	Specialist Piling £'000	Ground Engineering Services £'000	Ground Engineering Products £'000	Head Office £'000	Total £'000
Revenue						
Total revenue	42,707	25,840	10,151	8,358	37	87,093
Inter-segment revenue	(596)	—	—	(2,261)	(37)	(2,894)
Revenue	42,111	25,840	10,151	6,097	—	84,199
Operating profit						
Underlying operating profit	4,735	5,879	456	(15)	—	11,055
Share-based payments	—	—	—	—	—	—
Exceptional item	—	—	—	—	—	—
Operating profit	4,735	5,879	456	(15)	—	11,055
Finance expense	—	—	—	—	(344)	(344)
Finance income	—	—	—	—	11	11
Profit before tax	4,735	5,879	456	(15)	(333)	10,722
Assets						
Property, plant and equipment	7,949	8,372	1,444	907	6,448	25,120
Inventories	338	217	82	974	—	1,611
Reportable segment assets	8,287	8,589	1,526	1,881	6,448	26,731
Intangible assets	—	—	—	—	2,291	2,291
Trade and other receivables	—	—	—	—	16,696	16,696
Cash and cash equivalents	—	—	—	—	3,601	3,601
Total assets	8,287	8,589	1,526	1,881	29,036	49,319
Liabilities						
Loans and borrowings	—	—	—	—	11,942	11,942
Trade and other payables	—	—	—	—	15,538	15,538
Provisions	—	—	—	—	375	375
Deferred tax	—	—	—	—	712	712
Total liabilities	—	—	—	—	28,567	28,567
Other information						
Capital expenditure	2,534	4,280	359	390	3,842	11,405
Depreciation/amortisation	1,421	1,316	435	161	—	3,333

6. Other operating income

	2017 £'000	2016 £'000
Recovery in respect of insurance excess	200	—

Pursuant to an agreement with the Company, an employee settled an insurance policy excess of £200,000. This was in respect of a claim on a contract for which there is already an insurance provision for the policy excess.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

7. Exceptional costs

	2017 £'000	2016 £'000
Initial Public Offering ("IPO")	1,452	—
Other exceptional costs	329	—
	1,781	—

Initial Public Offering ("IPO")

The charge in the year represents fees and other costs arising because of the IPO which have not been treated as deductions against the share premium account. Of the exceptional charge of £1,452,000, approximately £104,000 is treated as tax deductible and the balance of £1,348,000 is treated as disallowed tax expenses in the tax computation (see note 11).

Other exceptional items

The other exceptional item relates to severance costs arising from the Board changes following the IPO and other legal matters arising as a consequence of the IPO. These are treated as fully tax deductible within the tax computation.

8. Operating profit

Operating profit is stated after charging/(crediting):

	2017 £'000	2016 £'000
Depreciation of property, plant and equipment	4,655	3,333
Amortisation of intangible assets	32	—
Government grants	(5)	—
Operating lease expense:		
– Plant and machinery on short-term hire	3,260	3,871
– Other	235	159
Profit on disposal of property, plant and equipment	(89)	(53)
Fees payable to the Company's auditor for the audit of the Group financial statements	12	4
Fees payable to the Company's auditor for other services:		
– Audit of financial statements of subsidiaries pursuant to legislation	30	27
– Taxation compliance	4	4
– Non-audit assurance services	13	52
Costs of service-based claims made against the Group	—	950
Insurance proceeds received in respect of service-based claims made against the Group	—	(900)

9. Staff costs

Staff costs, including Directors, are outlined below. Further details of Directors' remuneration, including details of the highest paid Director, share options, long-term incentive plans and Directors' pension entitlements are disclosed in the remuneration report on page 48.

	2017 £'000	2016 £'000
Employee benefits expenses (including Directors):		
Wages and salaries	23,645	21,236
Social security contributions and similar taxes	2,640	2,517
Defined contribution pension cost	260	257
Share-based payments (note 25)	77	—
	26,622	24,010
Directors and key management personnel:		
Wages and salaries	2,097	1,545
Defined contribution pension cost	50	12
Share-based payments (note 25)	77	—
	2,224	1,557

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company, the Chief Financial Officer and operating unit divisional directors.

9. Staff costs continued

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

	2017 Number	2016 Number
Administrative	164	148
Operative	365	317
	529	465

10. Finance income and expense

	2017 £'000	2016 £'000
Finance income		
Interest received on bank deposits	14	11
Finance expense		
Finance leases	394	323
Loan interest	42	21
	436	344

11. Income tax expense

	2017 £'000	2016 £'000
Current tax expense		
Current tax on profits for the year	2,060	2,071
Adjustment for (over)/underprovision in the prior period	(196)	90
Total current tax	1,864	2,161
Deferred tax expense		
Origination and reversal of temporary differences	103	105
Recognition of previously unrecognised deferred tax assets	3	11
Effect of decreased tax rate on opening balance	(40)	—
Total deferred tax	66	116
Income tax expense	1,930	2,277

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2017 £'000	2016 £'000
Profit before income taxes	9,283	10,722
Tax using the standard corporation tax rate of 19.9% (2016: 20%)	1,849	2,144
Adjustments for (over)/underprovision in previous periods	(193)	101
Expenses not deductible for tax purposes	288	55
Short-term timing differences	(14)	(23)
Total income tax expense	1,930	2,277

During the year ended 30 April 2017, because of the reduction in the UK corporation tax rate from 20% to 19% from 1 April 2017, corporation tax has been calculated at 19.9% of estimated assessable profit for the year (2016: 20%).

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of the deferred tax at the statement of financial position date. The closing deferred tax liability at 30 April 2017 has been calculated at 17%, reflecting the tax rate at which the deferred tax is expected to be utilised in future periods.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

12. Dividends

	2017 £'000	2016 £'000
Interim dividend – year ended 2016		
– A and B ordinary shares (16p per share)	—	312
– C ordinary shares (15p per share)	—	33
– D ordinary shares (17p per share)	—	76
Interim dividend – year ended 2017		
0.85p per ordinary share paid during the year	680	—
	680	421

The proposed final dividend for the year ended 30 April 2017 of 1.75p per share amounting to £1,400,000 and representing a total dividend of 2.6p per share for the full year, will be paid on 29 September 2017 to the shareholders on the register at the close of business on 22 September 2017. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

13. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	2017 '000	2016 '000
Basic weighted average number of shares	75,123	70,000
Dilutive potential ordinary shares from share options	—	—
Diluted weighted average number of shares	75,123	70,000
	£'000	£'000
Profit for the year	7,353	8,445
Add back/(deduct):		
Share-based payments	77	—
Exceptional costs	1,781	—
Tax effect of the above	(86)	—
Underlying profit for the year	9,125	8,445
	Pence	Pence
Earnings per share		
Basic	9.8	12.1
Diluted	9.8	12.1
Basic – excluding exceptional costs and share-based payments	12.1	12.1
Diluted – excluding exceptional costs and share-based payments	12.1	12.1

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders and on 75,123,288 ordinary shares (2016: 70,000,000) being the weighted average number of ordinary shares. In accordance with IAS 33, the weighted average number of shares in issue during the period has been retrospectively adjusted for the proportionate change in the number of the shares outstanding because of the bonus issue and share splits that occurred on admission to AIM.

The underlying earnings per share is based on profit adjusted for exceptional operating costs and share-based payment charges, net of tax, and on the same weighted average number of shares used in the basic earnings per share calculation above. The Directors consider that this measure provides an additional indicator of the underlying performance of the Group.

There is no dilutive effect of the share options as performance conditions remain unsatisfied and the share price was below the exercise price.

14. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost					
At 1 May 2015	1,923	23,159	6,466	970	32,518
Additions	2,929	6,539	1,668	157	11,293
Disposals	—	—	(75)	—	(75)
At 1 May 2016	4,852	29,698	8,059	1,127	43,736
Additions	1,377	8,355	1,904	58	11,694
Disposals	—	(155)	(243)	—	(398)
Transfers/adjustments*	21	(4,451)	(2,409)	(829)	(7,668)
At 30 April 2017	6,250	33,447	7,311	356	47,364
Accumulated depreciation					
At 1 May 2015	115	11,044	3,381	774	15,314
Charge for the year	107	2,430	743	53	3,333
Disposals	—	—	(31)	—	(31)
At 1 May 2016	222	13,474	4,093	827	18,616
Charge for the year	206	3,346	1,049	54	4,655
Disposals	—	(139)	(210)	—	(349)
Transfers/adjustments*	4	(4,538)	(2,452)	(682)	(7,668)
At 30 April 2017	432	12,143	2,480	199	15,254
Net book value					
At 30 April 2016	4,630	16,224	3,966	300	25,120
At 30 April 2017	5,818	21,304	4,831	157	32,110

* The adjustment in the year relates to the clean-up of the fixed asset register for legacy assets, in particular the removal of fully depreciated assets which are no longer separately identifiable or considered to exist.

The net carrying amount of property, plant and equipment includes the following amounts held under finance leases: plant and machinery £16,412,000 (2016: £12,533,000) and motor vehicles £2,218,000 (2016: £1,931,000). The depreciation charges for these assets were £1,934,000 and £367,085 (2016: £2,779,000 and £651,000) respectively.

Bank borrowings are secured on the Group's freehold land and buildings.

Included within land and buildings are £455,000 (2016: £nil) of assets in the course of construction.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

15. Intangible assets

	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 May 2015	2,179	—	2,179
Additions	—	112	112
At 1 May 2016	2,179	112	2,291
Additions	—	71	71
At 30 April 2017	2,179	183	2,362
Accumulated amortisation			
At 1 May 2015	—	—	—
Charge for the year	—	—	—
At 1 May 2016	—	—	—
Charge for the year	—	32	32
Disposals	—	—	—
At 30 April 2017	—	32	32
Net book value			
At 30 April 2016	2,179	112	2,291
At 30 April 2017	2,179	151	2,330

Goodwill

Goodwill acquired is allocated, at acquisition, to CGUs that are expected to benefit from that business combination. The carrying value of goodwill is allocated as follows:

	2017 £'000	2016 £'000
General Piling	1,147	1,147
Specialist Piling	742	742
Ground Engineering Services	240	240
Ground Engineering Products	50	50
	2,179	2,179

The Group tests annually for impairment of goodwill. The recoverable amounts of CGUs are determined using value-in-use calculations. The value-in-use calculations use pre-tax cash flow projections based on the Board-approved budget for the year ended 30 April 2018. Subsequent cash flows are extrapolated using an estimated growth rate of 2%.

The rate used to discount the projected cash flows is a pre-tax risk-adjusted discount rate of 10.8% for all business segments. The same discount rate has been used for each CGU as the principal risks associated with the Group, as highlighted on pages 16 and 17, would also impact each CGU in a similar manner.

The value-in-use calculations described above, together with a sensitivity analysis using reasonable assumptions, indicate ample headroom and therefore do not give rise to impairment concerns.

16. Inventories

	2017 £'000	2016 £'000
Raw materials and consumables	1,423	994
Work in progress	1,000	617
	2,423	1,611

Work in progress represents amounts recoverable on contracts that have not yet been charged to customers within revenue. There were no impairment losses relating to damaged or obsolete inventories in the current or previous periods. The costs of materials recognised as an expense within cost of sales is £31,337,000 (2016: £26,699,000).

17. Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	14,903	13,338
Construction work in progress	2,438	1,789
Less: provision for impairment	(135)	(25)
Trade receivables – net	17,206	15,102
Receivables from related parties	—	213
Financial assets classified as loans and receivables	17,206	15,315
Prepayments	1,512	1,329
Other receivables	78	52
	18,796	16,696

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

All amounts shown under receivables fall due within one year and trade receivables include amounts recoverable on contracts that have been charged to customers and recorded within revenue.

As at 30 April 2017 trade receivables of £7,230,000 (2016: £6,264,000) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2017 £'000	2016 £'000
Up to 3 months	6,745	5,973
3 to 6 months	187	140
6 to 12 months	264	151
Over 12 months	34	—
	7,230	6,264

Movements in the impairment allowance for trade receivables are as follows:

	2017 £'000	2016 £'000
At 1 May	25	94
Increase during the year	135	—
Receivable written off during the year as uncollectable	—	(45)
Unused amounts reversed	(25)	(24)
At 30 April	135	25

The movement in the impairment allowance for trade receivables has been included in the administrative expenses line in the consolidated statement of comprehensive income.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

18. Construction contracts

Construction contracts in progress at the balance sheet date.

	2017 £'000	2016 £'000
Contract costs incurred plus recognised profits (less losses) to date	59,723	65,586
Retentions withheld by customers	148	126
Advances received	104	431

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

19. Trade and other payables

	2017 £'000	2016 £'000
Trade payables	14,084	12,622
Other payables	326	860
Accruals	901	449
Financial liabilities measured at amortised cost	15,311	13,931
Tax and social security payments	571	383
Deferred income	—	—
	15,882	14,314

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

20. Loans and borrowings

	2017 £'000	2016 £'000
Non-current		
Bank loans secured	1,125	1,275
Other loans secured	108	—
Finance leases (note 29)	8,622	7,167
	9,855	8,442
Current		
Bank loans secured	150	150
Other loans secured	97	—
Finance leases (note 29)	4,214	3,350
	4,461	3,500
Total loans and borrowings	14,316	11,942
Maturity of loans and borrowings		
Due within one year	4,461	3,500
Between two and five years	9,855	8,442
After more than five years	—	—
	14,316	11,942

The carrying value of loans and borrowings approximates to fair value.

The loans are secured against specific freehold land and buildings and the finance leases are secured against the specific assets subject to the lease.

The Group has a £3m overdraft facility in place, currently unutilised, which is subject to annual review.

21. Financial instruments and risk management

The Group's financial instruments comprise cash, fixed-rate loans, obligations under finance leases and various items such as receivables and payables which arise from its operations.

The carrying amounts of all the Group's financial instruments are measured at amortised cost in the financial statements.

Financial instruments by category

	Loans and receivables	
	2017 £'000	2016 £'000
Financial assets		
Cash and cash equivalents	12,858	3,601
Trade and other receivables	17,206	15,315
Total financial assets	30,064	18,916

21. Financial instruments and risk management continued

Financial instruments by category continued

	Amortised cost	
	2017 £'000	2016 £'000
Current financial liabilities		
Trade and other payables	15,311	13,931
Secured loans	247	150
Finance lease obligations	4,214	3,350
Total current financial liabilities	19,772	17,431
Non-current financial liabilities		
Secured loans	1,233	1,275
Finance lease obligations	8,622	7,167
Total non-current financial liabilities	9,855	8,442
Total financial liabilities	29,627	25,873

Capital management

The Group's capital structure is kept under constant review, taking account of the need for, availability and cost of various sources of finance. The capital structure of the Group consists of net debt, as shown in note 28, and equity attributable to equity holders of the parent as shown in the consolidated statement of financial position. The Group maintains a balance between certainty of funding and a flexible, cost-effective financing structure with all main borrowings being from committed facilities. The Group's policy continues to ensure that its capital structure is appropriate to support this balance and the Group's operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Financial risk management

The Group's objectives when managing finance and capital are to safeguard the Group's ability to continue as a going concern, to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

The main financial risks faced by the Group are liquidity risk, credit risk and market risk (which includes interest rate risk). Currently, the Group only operates in the UK and only transacts in Sterling. It is therefore not exposed to any foreign currency exchange risk. The Board regularly reviews and agrees policies for managing each of these risks.

Credit risk

The Group's financial assets are trade and other receivables and bank and cash balances. These represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. It is Group policy to assess the credit risk of all existing and new customers on a contract-by-contract basis before entering contracts. The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Total contract limits are established for each customer, which represent the maximum exposure permissible without requiring approval from the Board. The ageing of trade receivables that were past due but not impaired is shown in note 17.

The counterparty risk on bank and cash balances is managed by limiting the aggregate amount of exposure to any one institution by reference to their credit rating and by regular review of these ratings. The Board regularly reviews the credit rating of the banks where funds are deposited ensuring that only the highest rated banks are utilised.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

21. Financial instruments and risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due and managing its working capital, debt and cash balances.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings. This is further discussed in the "market risk" section below.

The Board receives rolling three-month cash flow projections on a weekly basis. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £3,000,000 overdraft facility.

The following table sets out the undiscounted contractual payments and maturities (including future interest charges) of financial liabilities:

	Carrying value £'000	Total £'000	Due within 1 year £'000	Due within 2 to 5 years £'000
At 30 April 2017				
Trade and other payables	15,311	15,311	15,311	—
Secured loans	1,480	1,576	281	1,295
Finance lease obligations (note 29)	12,836	14,132	4,645	9,487
	29,627	31,019	20,237	10,782
At 30 April 2016				
Trade and other payables	13,931	13,931	13,931	—
Secured loans	1,425	1,555	188	1,367
Finance lease obligations (note 29)	10,517	11,648	3,710	7,938
	25,873	27,134	17,829	9,305

Market risk – interest rate risk

It is currently Group policy that 100% of external Group borrowings (excluding short-term overdraft facilities) are fixed-rate borrowings. Divisions are not permitted to borrow short or long term from external sources. At 30 April 2017, it is estimated that a general increase of one percentage point in interest rates would have a negligible impact on the reported profit.

22. Provisions

	Warranty provision £'000	Insurance provision £'000	Total £'000
At 1 May 2016	170	205	375
Utilised	(49)	—	(49)
Additional provision	29	67	96
Released unused	(75)	(5)	(80)
At 30 April 2017	75	267	342
Due within one year	—	—	—
Due after more than one year	75	267	342
	75	267	342

Warranty provision relates to workmanship claims and is based on potential costs to make good defects and associated legal and professional fees in contesting the claims, net of amounts covered by insurance.

Insurance provision comprises insurance policy excesses associated with insurance claims.

23. Deferred tax

	Accelerated capital allowances £'000	Short-term timing differences £'000	Share-based payments £'000	Total £'000
At 1 May 2015	597	(1)	—	596
Charge to income statement	116	—	—	116
Charge/(credit) to equity	—	—	—	—
At 30 April 2016	713	(1)	—	712
Charge/(credit) to income statement	67	(1)	—	66
Charge/(equity) to equity	—	—	—	—
At 30 April 2017	780	(2)	—	778

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2016: 18%) being the rate at which deferred tax is expected to reverse in the future (see note 11).

There is a further deferred tax asset of £45,320 (2016: £45,320) in respect of capital losses that have not been recognised in the financial statements, as it is not considered probable that there will be future capital profits in this entity.

24. Share capital

	2017		2016	
	'000	£'000	'000	£'000
Authorised				
"A" ordinary shares of 50p each	—	—	800	400
"B" ordinary shares of 50p each	—	—	1,200	600
"C" ordinary shares of 1p each	—	—	222	2
"D" ordinary shares of 15p each	—	—	444	4
Ordinary shares of 2p each	80,000	1,600	—	—
Total authorised share capital	80,000	1,600	2,666	1,006
Allotted, issued and fully paid				
"A" ordinary shares of 50p each	—	—	800	400
"B" ordinary shares of 50p each	—	—	1,200	600
"C" ordinary shares of 1p each	—	—	222	2
"D" ordinary shares of 15p each	—	—	444	4
Ordinary shares of 2p each	80,000	1,600	—	—
Total allotted, issued and fully paid	80,000	1,600	2,666	1,006

Share capital at 30 April 2016

Both "A" and "B" class shares have equal voting rights, and equal rights to income from dividends, subject to clauses in respect of swamping rights and pre-emption rights which are contained within the Articles of Association. In addition to these rights, the holders of the "C" class shares are entitled to a sum equal to 10% of an amount more than £10,000,000 on a sale or liquidation. The rights of the "D" class shares are like the "C" class shares in that they are entitled to participate in proceeds on a sale of the Company where the consideration is greater than £12,500,000.

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

24. Share capital continued

Initial Public Offering ("IPO") – 26 October 2016

As part of its Listing on the AIM market several changes were made to the share capital of the Company immediately prior to listing.

On 21 October 2016, the Company carried out a bonus issue of shares allotted to existing shareholders for no consideration. The bonus issue increased the issued share capital of the Company by £331,000. On the same day, the Company redesignated its 50p "A" ordinary shares, 50p "B" ordinary shares, 1p "C" ordinary shares and 15p "D" ordinary shares into a single class of 2p ordinary shares. This process did not result in changes to the issued share capital of the Company and was carried out to facilitate the Listing.

On 26 October 2016, the Company's shares were admitted to trading on the Alternative Investment Market of the London Stock Exchange. In conjunction, the Company made an Initial Public Offering of 10,000,000 new 2p ordinary shares at a price of 100p per ordinary share. Costs relating directly to the new issue of shares to the amount of £1,167,000 were deducted from the share premium account. Other costs attributable to the Listing were expensed (note 7).

Share options

The maximum total number of ordinary shares which may vest in the future, in respect of conditional performance share plan awards at 30 April 2017, amounted to 2,743,060 (2016: nil). These shares will only be issued subject to satisfying certain performance criteria (note 25).

25. Share-based payments

The Company operates two share-based incentive schemes for Directors and key employees, known as the Van Elle Holdings plc Long Term Incentive Plan ("LTIP") and the Van Elle Holdings plc Company Share Option Plan ("CSOP"). Both schemes are United Kingdom tax authority-approved schemes.

The Group recognised total expenses of £77,000 (2016: £nil) in respect of equity-settled share-based payment transactions in the year.

Long Term Incentive Plan ("LTIP")

The Group operates an LTIP for senior executives. Share options were granted on admission to the AIM market in October 2016. The exercise price is 2p, being the nominal value of shares. The options will vest after three years assuming continuing employment with the Company. The extent to which the options will vest is dependent upon the Company's performance over the three year period set at the date of grant. The vesting of 50% of the awards will be determined by the Company's relative Total Shareholder Return ("TSR") performance and the other 50% by the Company's absolute EPS performance.

Details of the maximum total number of ordinary shares, which may be issued in future periods in respect of conditional share awards at 30 April 2017, is shown below.

	2017 Number	2016 Number
At 1 May	—	—
Granted in the year	1,385,000	—
Forfeited in the year	(230,000)	—
At 30 April	1,155,000	—

The weighted average exercise price for all options is £0.02. Of the total number of options outstanding at 30 April 2017, none had vested or were exercisable.

25. Share-based payments continued

Long Term Incentive Plan ("LTIP") continued

The weighted average fair value of each option granted during the year was £0.56 (2016: £nil). The following information is relevant in the determination of the fair value of options granted during the year under the LTIP.

	2017
Option pricing model used	Monte-Carlo simulation/Black-Scholes
Weighted average share price at grant date	£1.00
Exercise price	£0.02
Expected life	3 years
Expected volatility	36%
Dividend yield	1.7%
Risk-free interest rate (zero-coupon bonds)	1.5%
Fair value of option (weighted average)	£0.56

The expected volatility is based on historical volatility over the period since listing. The risk-free rate is the yield on zero-coupon government bonds of a term consistent with the assumed option life.

Company Share Ownership Plan ("CSOP")

The Group operates a CSOP scheme for certain long-serving employees of the Company. The exercise price is equal to the share price at the date of grant and there are no performance conditions attaching to the award of options, other than to remain in employment with the business.

Details of the maximum total number of ordinary shares which may be issued in future periods in respect of conditional share awards at 30 April 2017 is shown below.

	2017 Number	2016 Number
At 1 May	—	—
Granted – 26 October 2016	1,420,000	—
Granted – 20 January 2017	168,060	—
At 30 April	1,588,060	—

The weighted average exercise price for all options is £1.02. Of the total number of options outstanding at 30 April 2017, none had vested or were exercisable.

The weighted average fair value of each option granted during the year was £0.23 (2016: £nil). The following information is relevant in the determination of the fair value of options granted during the year under the CSOP.

	Grant October 2016	Grant January 2017
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date	£1.00	£1.19
Exercise price	£1.00	£1.19
Expected life	3 years	3 years
Expected volatility	36%	36%
Dividend yield	1.7%	1.7%
Risk-free interest rate (zero-coupon bonds)	1.5%	1.5%
Fair value of option	£0.23	£0.27

Notes to the consolidated financial statements continued

For the year ended 30 April 2017

26. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium	The amount of capital contributed in excess of the nominal value of each ordinary share.
Non-controlling interest	The value of minority interests in dormant Group companies.
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.

27. Cash generated from operations

	2017 £'000	2016 £'000
Operating profit	9,705	11,055
Adjustments for:		
Depreciation of property, plant and equipment	4,655	3,333
Amortisation of intangible assets	32	—
Profit on disposal of property, plant and equipment	(89)	(53)
Share-based payment expense	77	—
Operating cash flows before movement in working capital	14,380	14,335
Increase in inventories	(812)	(507)
(Increase)/decrease in trade and other receivables	(1,950)	440
Increase/(decrease) in trade and other payables	1,544	(1,919)
Decrease in provisions	(33)	(931)
Cash generated from operations	13,129	11,418

28. Analysis of cash and cash equivalents and reconciliation to net debt

	2017 £'000	2016 £'000
Cash at bank	12,810	3,550
Cash in hand	48	51
Cash and cash equivalents	12,858	3,601
Bank loans secured	(1,275)	(1,425)
Other loans secured	(205)	—
Finance leases	(12,836)	(10,517)
Net debt	(1,458)	(8,341)

Significant non-cash transactions include the purchase of £6,202,000 (2016: £5,132,000) of fixed assets on hire purchase.

29. Lease commitments

Finance leases

Future lease payments are due as follows:

	Minimum lease payments £'000	Interest £'000	Present value £'000
30 April 2017			
Not later than one year	4,795	581	4,214
Between one year and five years	9,337	715	8,622
Later than five years	—	—	—
At 30 April 2017	14,132	1,296	12,836
Current liabilities	4,795	581	4,214
Non-current liabilities	9,337	715	8,622
30 April 2016			
Not later than one year	3,710	360	3,350
Between one year and five years	7,938	771	7,167
Later than five years	—	—	—
At 30 April 2016	11,648	1,131	10,517
Current liabilities	3,710	360	3,350
Non-current liabilities	7,938	771	7,167

Operating leases – lessee

The total value of minimum lease payments is due as follows:

	2017 £'000	2016 £'000
Due within one year	87	163
Between one and five years	454	571
Later than five years	2,226	2,034
	2,767	2,768

30. Capital commitments

	2017 £'000	2016 £'000
Contracted but not provided for	3,294	1,490

31. Related party transactions

Details of Directors' remuneration and key management personnel remuneration are given in note 9.

Other related party transactions are as follows:

Related party transaction	Type of transaction	Transaction amount		Balance owed	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Directors	Director loans	(213)	120	—	213
Companies in which Directors have a significant controlling interest	Rent	—	66	—	—
	Purchase of property	—	1,350	—	—

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2017 or 2016 regarding related party debtors.

Parent company statement of financial position

As at 30 April 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Investments	5	6,051	6,051
		6,051	6,051
Current assets			
Trade and other receivables	6	9,195	—
		9,195	—
Total assets		15,246	6,051
Current liabilities			
Trade and other payables	7	31	3,646
		31	3,646
Net assets		15,215	2,405
Equity			
Share capital	9	1,600	1,006
Share premium		8,633	—
Retained earnings		4,982	1,399
Total equity		15,215	2,405

The total comprehensive income for the year was £4,594,000 (2016: £4,817,000).

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2017 and were signed on its behalf by:

J Fenton

Director

The notes on pages 82 to 84 form part of these financial statements.

Parent company statement of changes in equity

For the year ended 30 April 2017

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2015	1,006	—	(2,997)	(1,991)
Total comprehensive income	—	—	4,817	4,817
Dividend paid	—	—	(421)	(421)
	—	—	4,396	4,396
Balance at 30 April 2016	1,006	—	1,399	2,405
Total comprehensive income	—	—	4,594	4,594
Share redesignation	63	—	—	63
Issue of bonus shares	331	—	(331)	—
Issue of ordinary shares on IPO	200	9,800	—	10,000
Share issue costs	—	(1,167)	—	(1,167)
Dividends paid	—	—	(680)	(680)
	594	8,633	3,583	12,810
Balance at 30 April 2017	1,600	8,633	4,982	15,215

The notes on pages 82 to 84 form part of these financial statements.

Notes to the parent company financial statements

For the year ended 30 April 2017

1. General information

These financial statements were approved and authorised for issue by the Board of Directors on 25 July 2017.

Van Elle Holdings plc is a public limited company incorporated and domiciled in the UK under the Companies Act 2006. The address of the Company's registered office is Van Elle Holdings plc, Kirkby Lane, Pinxton, Nottinghamshire, NG16 6JA. The Company has its primary listing on AIM, part of the London Stock Exchange.

2. Basis of preparation

The financial statements of Van Elle Holdings plc (the "Company") are presented as required by the Companies Act 2006. The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS"), International Financial Reporting Standards Interpretation Committee ("IFRS IC") interpretations and those provisions of the Companies Act 2006 applicable to companies reporting under IFRS. The Company financial statements have been prepared on the going concern basis and adopting the historical cost convention.

The Company financial statements are presented in Sterling, which is also the Company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and not presented an income statement or a statement of comprehensive income for the Company. The profit for the year is disclosed in the statement of changes in equity. The Company has no direct employees and all personnel costs are borne by the subsidiary company, Van Elle Limited.

The parent company does not maintain a separate bank account and all cash flows are transacted by subsidiary undertakings and therefore a statement of cash flows is not presented.

The assessment of going concern and the adoption of new accounting standards are consistent with those set out in note 2 of the consolidated financial statements.

3. Significant accounting policies

The policies adopted by the Company are consistent with those set out in note 3 to the consolidated financial statements. The following additional policies are also relevant to the Company financial statements.

Investments

Investments in subsidiary undertakings are valued at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Dividends received

Revenue is recognised when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

4. Critical accounting estimates and judgements

The preparation of the Company financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions relevant to the financial statements are embedded within the relevant notes in the consolidated financial statements.

Carrying value of investments

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the parent company financial statements is the recoverability of the investments set out in note 5.

The recoverability is estimated based on the expected performance and value of the investments factoring in the potential expected future net cash flow to be generated from the investment. The Company based its estimation on information available when these financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected when they occur.

5. Investments

	2017 £'000	2016 £'000
Cost		
At 30 April	6,051	6,051

The principal undertakings in which the Company's interest at the year end is 20% or more and are as follows:

	Class of share capital held	Proportion of share capital held	Nature of business
Subsidiary undertakings			
Van Elle Limited	Ordinary	100%	Open-site piling, ground stabilisation, restricted access micro piling, site investigation and subsidence repair in the construction/civil engineering sector
Subsidiary undertakings of Van Elle Ltd			
A & G (Steavenson) Limited	Ordinary	75%	Dormant
Dram Investments Limited	Ordinary	100%	Dormant
Van Elle 15 Limited	Ordinary	100%	Dormant

The registered office of all subsidiary undertakings is Kirkby Lane, Pinxton, Nottinghamshire, NG16 6JA.

6. Trade and other receivables

	2017 £'000	2016 £'000
Receivables from related parties	—	—
Receivables from Group undertakings	9,195	—
Financial assets classified as loans and receivables	9,195	—
Prepayments	—	—
Other receivables	—	—
	9,195	—

7. Trade and other payables

	2017 £'000	2016 £'000
Other payables	31	31
Accruals	—	—
Amounts owed to Group undertakings	—	3,615
Financial liabilities measured at amortised cost	31	3,646
Tax and social security payments	—	—
Deferred income	—	—
	31	3,646

8. Financial instruments and risk management

The Company's financial instruments comprise receivables and payables, which arise from its operations. The carrying amounts of all the Company's financial instruments are measured at amortised cost in the financial statements.

Financial instruments by category

	Loans and receivables	
	2017 £'000	2016 £'000
Financial assets		
Trade and other receivables	9,195	—
Total financial assets	9,195	—

Notes to the parent company financial statements continued

For the year ended 30 April 2017

8. Financial instruments and risk management continued

Financial instruments by category continued

	Amortised cost	
	2017 £'000	2016 £'000
Current financial liabilities		
Trade and other payables	31	3,646
Total financial liabilities	31	3,646

Financial risk management

The Company's objectives when managing finance and capital are detailed in note 21 of the consolidated financial statements.

9. Share capital

	2017		2016	
	'000	£'000	'000	£'000
Authorised				
"A" ordinary shares of 50p each	—	—	800	400
"B" ordinary shares of 50p each	—	—	1,200	600
"C" ordinary shares of 1p each	—	—	222	2
"D" ordinary shares of 15p each	—	—	444	4
Ordinary shares of 2p each	80,000	1,600	—	—
Total authorised share capital	80,000	1,600	2,666	1,006
Allotted, issued and fully paid				
"A" ordinary shares of 50p each	—	—	800	400
"B" ordinary shares of 50p each	—	—	1,200	600
"C" ordinary shares of 1p each	—	—	222	2
"D" ordinary shares of 15p each	—	—	444	4
Ordinary shares of 2p each	80,000	1,600	—	—
Total allotted, issued and fully paid	80,000	1,600	2,666	1,006

The details of the movements in share capital are disclosed in note 24 of the consolidated financial statements.

10. Share-based payments

For detailed disclosures of share-based payments granted to employees refer to note 25 of the consolidated financial statements.

11. Reserves

The nature and purpose of each reserve is provided in note 26 of the consolidated financial statements.

12. Related parties

Related party income and expenditure comprise dividends receivable from its subsidiary undertaking, Van Elle Limited, and adjustments for group relief. No other income or expenditure is recognised in the Company accounts and any costs incidental to its operation are borne by Van Elle Limited. The remuneration of the Board, who are the key management personnel of the Company and therefore related parties of the Group, is set out in the Remuneration Report on page 48.

The Company does not maintain a separate bank account and instead maintains an intercompany balance with its subsidiary undertaking in respect of internal funding. The amount outstanding from Van Elle Limited at 30 April 2017 was £9,195,000 (2016: owed to Van Elle Limited £3,615,000).

Shareholder information

Annual General Meeting

The Annual General Meeting ("AGM") will be held on 12 September 2017 at One Wood Street, London, EC2V 7WS.

Shareholders will be asked to approve the Directors' remuneration report and the re-election of all the Directors. Shareholders will also be asked to receive and adopt the accounts of the Company for the year ended 30 April 2017, together with the reports of the Directors and of the auditors thereon, to reappoint the auditors of the Company (and authorise the Directors to approve the remuneration of the auditors) and to declare a final dividend for the year.

Other resolutions will include proposals to renew, for a further year, the Directors' general authority to allot shares in the Company, to allot a limited number of shares for cash on a non-pre-emptive basis and to buy back the Company's own shares.

Share price information/performance

Latest share price is available at www.van-elle.co.uk/investors. By selecting share price information under the investor information section, shareholders can check the value of their shareholding online or review share charts illustrating annual share price performance trends.

Shareholders can download copies of our annual report and accounts from www.van-elle.co.uk/investors.

Electronic communications

You can elect to receive shareholder communications electronically by signing up to Capita's portfolio service. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Enquiries on shareholdings

Any administrative enquiries relating to shareholdings in Van Elle Holdings plc, such as dividend payment instructions or a change of address, should be notified direct to the registrar, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Your correspondence should state Van Elle Holdings plc and the registered name and address of the shareholder.

Corporate information

Registered office and advisers

Directors

Adrian Barden (Non-Executive Chairman)
Jon Fenton (Chief Executive Officer)
Paul Pearson (Chief Financial Officer)
Robin Williams (Senior Independent Director)

Acting Group Company Secretary

Paul Pearson

Registered office

Kirkby Lane
Pinxton
Nottinghamshire
NG16 6JA

Company registered number

04720018

Nominated adviser and broker

Peel Hunt LLP

Moor House
120 London Wall
London
EC2Y 5ET

Financial adviser

Rickitt Mitchell & Partners Limited

Centurion House
129 Deansgate
Manchester
M3 3WR

Solicitors

Eversheds Sutherland (International) LLP

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Registered auditor

BDO LLP Nottingham

Regent House
Clinton Avenue
Nottingham
NG5 1AZ

Registrar

Capita Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Banker

Lloyds Bank PLC

33 Park Row
Butt Dyke House
Nottingham
NG1 6GY

Financial PR

Instinctif Partners

65 Gresham Road
London
EC2V 7NQ



Van Elle Holdings plc
Kirkby Lane
Pinxton
Nottinghamshire
NG16 6JA

+44 (0) 1773 580580

info@van-elle.co.uk